PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 417 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FIFTY-THIRD PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-SECOND YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2003–04

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26 January 2004

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

IN THE THIRD SESSION OF THE FIFTY-THIRD PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 13 JUNE 2001]

FIFTY-SECOND YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 417**

THIRD VOLUME OF SESSION 2003–2004

House of Commons

Monday 26 January 2004

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Army Training

1. **Jim Knight** (South Dorset) (Lab): If he will make a statement on the implications of the defence White Paper for Army training requirements. [150153]

The Parliamentary Under-Secretary of State for Defence (Mr. Ivor Caplin): Following the publication of the White Paper in December, detailed work is now under way to redesign the Army's training requirements. That will underpin the changes that will be needed in the future. Our current assumptions are that the Army will continue to train for war in all potential environments, and that training will be based on the existing facilities in the UK and overseas.

Jim Knight: I congratulate the Minister and his colleagues on the White Paper, which I broadly welcome. Some of my constituents, however—particularly those at the Bovington armour centre and the gunnery ranges in Lulworth—are concerned about it, given the conversion of one of the heavy armoured regiments to a light armoured regiment. Can the Minister give them any reassurance about Bovington's future?

Mr. Caplin: My hon. Friend is right—the White Paper does mention the conversion of two brigades to medium and light structures. Such changes, however, would not affect the total throughput of training in the armour centre in his constituency. Indeed, because of the unique range of facilities offered by the Bovington garrison, it will remain a centre of excellence for the delivery of training to our armed forces.

Dr. Julian Lewis (New Forest, East) (Con): The White Paper rightly emphasises the revolution in military affairs and the importance of technological advance rather than numbers, but does the Minister accept that when it comes to peacekeeping duties in particular, Army training must reflect the fact that large numbers of people need to be on the ground for such operations?

May I also take this opportunity to tell the Secretary of State—at the beginning of what may prove to be a deeply unpleasant and stressful week for him—that many Conservative Members, especially on the shadow Defence team, well remember the many kindnesses, courtesies and levels of consideration that he has shown us on a personal basis? We would like to put that on record.

Mr. Caplin: I assure the hon. Gentleman that the facilities for training in the United Kingdom are there, and that we will continue to use them for the purposes of the main training environment that I have described.

Mr. James Gray (North Wiltshire) (Con): Am I not right to be concerned—and is my hon. Friend the Member for Salisbury (Mr. Key) not right to be concerned—about the availability of infantry training

facilities, particularly on and around Salisbury plain? If the infantry is to be downgraded, surely there will be much less of a requirement for infantry training in such areas as Warminster. Can the Minister give us an absolute assurance that infantry training in and around Wiltshire will not be downgraded?

Mr. Caplin: I want to put the record straight—there is no downgrading of the infantry. Over the past five or six years we have invested heavily in our training facilities, some of which I have seen recently at Catterick, and we will continue to do so.

Hawk Advanced Jet Trainer

2. **Shona McIsaac** (Cleethorpes) (Lab): What efforts the Government are making to promote the Hawk 128 advanced jet trainer for the international export market. [150154]

The Secretary of State for Defence (Mr. Geoffrey Hoon): The Government are committed, through the Defence Export Services Organisation, to supporting the legitimate efforts of British industry to export defence equipment overseas. The Hawk advanced jet trainer is no exception, and we are pleased to be supporting industry with the sale of the Hawk to the Government of India.

Shona McIsaac: The announcement in July that the Government were to choose the Hawk trainer was excellent news for my constituents who work at BAE Systems in Brough. Does not the long-awaited decision by the Indian Government vindicate my right hon. Friend's decision, and does it not also demonstrate that this is still the trainer aircraft of choice throughout the world?

Mr. Hoon: I thank my hon. Friend for her comments and for her consistent support for what was undoubtedly a difficult decision. I know that her constituents who work at Brough will have reason to be grateful to her for all those efforts. She is right that the Hawk trainer is the aircraft of choice for a number of countries around the world. I hope that the Indian Government's expressed wish to purchase the aircraft will set a precedent for a number of other countries that have already shown an interest.

Dr. Vincent Cable (Twickenham) (LD): After the permanent secretary to the Ministry of Defence made known his objections to the UK Hawk jet contract on the ground that it represented poor value for money, did he say whether exports would change the balance of advantage? If so, how many Hawks will have to be exported to turn the contract into good value for money?

Mr. Hoon: It was an excellent decision for UK manufacturing. I seem to recall the hon. Gentleman saying that it should not be for the United Kingdom Government to promote export sales of defence equipment throughout the world. I look forward to his saying that around the country on behalf of the Liberal Democrats, when he will see the tens, if not hundreds, of thousands of people who risk losing their jobs because of his policies.

Jeremy Corbyn (Islington, North) (Lab): Will the Secretary of State assure us that there is no danger of any Hawk aircraft that are sold anywhere in the world being converted into combat aircraft and used to mount campaigns against insurgents, which happened in East Timor and is reported to be happening in Indonesia? Is he confident that the end-user certificate system actually works and is properly monitored by British officials?

Mr. Hoon: The aircraft are of course training aircraft, and the United Kingdom operates the most rigorous and transparent export licensing arrangements of any country in the world.

Miss Anne McIntosh (Vale of York) (Con): From the right hon. Gentleman's time in the European Parliament, has he formed a view on the potential benefits—especially for collaborative international projects in which British Aerospace is involved—of using the European budget line of joint Export Credits Guarantee Department cover?

Mr. Hoon: The hon. Lady left the European Parliament more recently than I, so no doubt she has greater familiarity with the precise details of its budgetary arrangements. I assure her that we look for collaboration and partners in all such projects, not least because the investment required today to bring forward a hi-tech piece of equipment such as an advanced jet trainer means that there is a clear benefit to having more than one partner.

Armed Forces Education and Training

3. **Mr. Michael Foster** (Worcester) (Lab): What measures he is taking to improve education and training for the armed forces. [150155]

The Parliamentary Under-Secretary of State for Defence (Mr. Ivor Caplin): Training and education make a vital contribution to our armed forces' operational capability. The 2001 defence training review identified more than 200 recommendations for improvement, which are now being taken forward. This includes the rationalisation of certain specialist training and the exploitation of new technology to enable the widespread introduction of e-learning throughout our armed forces. In support of the wider Government learning agenda, we have also developed programmes to improve the basic skills of our people in literacy, numeracy and communications technology. As far as possible, we also seek to ensure that our training and education is accredited to nationally recognised qualifications.

Mr. Foster: I am grateful for that reply, but will the Minister explain to the House what progress is being made to make training, skills and qualifications earned in the armed forces match more closely those that would be earned in civilian life, so that when the time comes people have a smooth and easy transfer back to civilian life?

Mr. Caplin: My hon. Friend makes an interesting observation. The Ministry of Defence is one of the

largest training organisations in the United Kingdom and it is important to maximise the return on the investment that we make in our people. One of the ways in which we have been able to do that is through Skillforce, which uses those who leave our armed forces to educate and train youngsters in 23 pilot areas throughout the United Kingdom who would otherwise not get such support for their education.

Patrick Mercer (Newark) (Con): The Minister will be aware that last year more than 90 per cent. of field training exercises had to be cancelled and that many career development courses were not taken up because of overstretch. Will he tell the House how he intends to ensure that battle-winning skills are not blunted any further?

Mr. Caplin: Of course we are learning the lessons of what went on last year, in terms of not only Operation Telic but Operation Fresco, with which the hon. Gentleman will be familiar. All those issues are important so that we can ensure that our armed forces are in the right frame of mind with the right training and development for the future.

Mr. Brian Jenkins (Tamworth) (Lab): My hon. Friend is right to praise the armed forces and their education. There has been a tremendous improvement in the way in which they have linked up and made that compatible with the civilian force outside our industry. What is he doing to ensure that we get real value for money for the training that we put into the forces by securing retention, which is a vital element?

Mr. Caplin: One of the important aspects of retention is ensuring that we have the right accreditation for members of our armed forces after they have completed their training and skills. That is why it is important to have transferable skills that increase the confidence of individuals in our armed forces and make them the credit that they are to our nation.

Mr. Edward Garnier (Harborough) (Con): Can the Minister assure me that the training facilities at Suffield in Alberta will be adequately financed so that our troops can go to operations of war with proper large-scale unit training under their belts before they arrive?

Mr. Caplin: The hon. and learned Gentleman may have heard my answer on the heavy investment that we have made in our training facilities. That applies equally to the camp he mentions, which I understand was part of the Saif Sareea operation in 2002.

Iraq

4. **Mr. Ben Chapman** (Wirral, South) (Lab): What assessment he has made of equipment provision in relation to Operation Telic. [150156]

The Secretary of State for Defence (Mr. Geoffrey Hoon): The Ministry of Defence's report on Operation Telic, "Lessons for the Future", closely reflects the conclusions of the independent report by the National Audit Office that

"the logistic effort for the Operation was huge and key to success"

and that

"key equipments . . . performed well".

Both reports recognise that there are areas for improvement. This includes, in the logistic area, developing a more robust in-theatre asset-tracking system.

Mr. Chapman: It has been suggested that Sergeant Roberts might not have been killed in action in Iraq had he been wearing enhanced combat body armour. I know that that matter concerns my right hon. Friend and is under inquiry. When was such equipment first procured for the armed forces? How many sets have been issued?

Mr. Hoon: The version of enhanced combat body armour currently being used by the armed forces was first put into service as long ago as 1992, when approximately 32 pairs of ceramic plates were issued. Two sets of plates are required for each soldier. Those issuing enhanced combat body armour issued plates consistently in the order of 4,000 for each year of operation until 1999, when some 22,000—almost 23,000—were issued. Most recently, in 2003, more than 80,000 pairs of ceramic plates were issued.

Annabelle Ewing (Perth) (SNP): The Secretary of State will be aware that the regimental headquarters of the Black Watch are in my constituency. What does he have to say in response to the very serious statements issued by senior officers of the Black Watch last week, to the effect that there were serious problems with the supply of adequate protective equipment?

Mr. Hoon: I read that particular article carefully, as I am sure the hon. Lady did. It indicated a considerable success in the logistic effort, set out by the commanding officer conducting the interview. It also indicated that all the soldiers in question had at least one set of nuclear, biological and chemical equipment. Moreover, given her close knowledge of the Black Watch, perhaps she is aware that it declared itself ready for combat—that is, ready for action—a full seven days before the regiment crossed the line.

Mr. Eric Joyce (Falkirk, West) (Lab): Does my right hon. Friend remember the hon. Member for Mid-Sussex (Mr. Soames), when he was a Minister in 1995, saying:

"There will always be"

kit

"deficiencies; there are always things that the services need to do their job better."—[*Official Report*, 16 October 1995; Vol. 264, c. 115.]?

Does he agree that today the armed services are better equipped to carry out their tasks than ever before?

Mr. Hoon: My hon. Friend has considerable relevant recent experience. It is certainly the case that when he was Minister of State for the Armed Forces, the hon. Member for Mid-Sussex (Mr. Soames) said that there would always be deficiencies in the provision of equipment. That is not something that the Government accept. It is not the case that we will always recognise that there will be deficiencies. We will continue to try to improve the equipment available to the armed forces.

Mr. Nicholas Soames (Mid-Sussex) (Con): While the whole House will wish to congratulate the armed forces on their brilliant performance in Iraq, does the Secretary of State agree, given that the principal reason for going to war in the first place was to rid that country of chemical weapons and weapons of mass destruction, that it is extraordinary to find at figure 6 of part 3 of the National Audit Office report that the NAO inspectors discovered that the

"7 Armoured Brigade armoured vehicles did not have viable Nuclear Biological and Chemical defence filters fitted throughout the warfighting phase of the Operation."?

Is that not a wholly unacceptable failing by the Government?

Mr. Hoon: I have the report open at the page cited by the hon. Gentleman. The paragraph begins:

"Although overall protection against chemical agents was good"

there were shortfalls. That is precisely the position that the Government have set out consistently since the operation began. The conclusion was, however, that the overall protection against chemical agents was good. The hon. Gentleman has to explain how it is, given that conclusion by the NAO, that he persists in misrepresenting the position for a great majority of soldiers.

He knows, or he should know from his experience as a Minister and, indeed, in the armed forces, that provided that individuals are issued with appropriate kit, which was the position, that is satisfactory protection against an NBC threat.

Mr. Soames: It is clearly not the case that adequate protection was provided for those in the 7th Armoured Brigade, and in Challenger tanks and other armoured vehicles. It is a mercy that they were not attacked with chemical weapons. Sir Kevin Tebbit, permanent secretary at the Ministry of Defence, admitted to the Public Accounts Committee last week that the military decision to order extra equipment was taken in late October, but that political permission was not given until 25 November. What was the cause of that unacceptable delay? Was it the Secretary of State who caused it, was it the Chancellor, or was it the Prime Minister?

Mr. Hoon: As I am sure the hon. Gentleman knows, as the permanent secretary said when giving evidence to the Committee, the Government were concerned to ensure that overt preparations did not in any way compromise the diplomatic effort to pursue resolution 1441 through the United Nations. That is not to say that earlier preparations had not been made once the Prime Minister had told the House at the end of September that it was necessary to prepare our armed forces for the prospect of a conflict.

Mr. Dennis Skinner (Bolsover) (Lab): Is my right hon. Friend aware that, notwithstanding the fact that I voted against the Falklands war, the Iraq war twice and all the rest of them, I find it preposterous that people such as the hon. Member for Mid-Sussex (Mr. Soames) should talk about the Secretary of State for Defence being responsible for every single death while there is a war on? If that had been the case in the past, Churchill would have been hung, drawn and quartered in 1915, Thatcher would have been a figment of everybody's imagination—

Mr. Speaker: Order.

Mr. Colin Breed (South-East Cornwall) (LD): I accept that there were problems and that the Ministry of Defence is learning the lessons and putting some things right, but I find it difficult to accept that much of the time Ministers said at the Dispatch Box that everything was fine. Will the Secretary of State confirm whether he was or was not told of the supply problems? If not, why not? Who takes responsibility for such tragic failures?

Mr. Hoon: I will not trouble the House with a long list of the statements that I have made about those issues. Suffice it to say that on 14 May last year, some two weeks after the end of combat operations in Iraq, I made it clear that there were bound to be shortcomings in the issuing of equipment but that, overall, operations had been a remarkable success. I repeated that in Defence questions in September, and I said the same sort of thing again in December. That is borne out by both the MOD's lessons learned document and the independent NAO report. That is an absolutely consistent picture. We are not saying that there were not difficulties; we are saying that, overall, it was an outstanding logistic and military success.

Ms Dari Taylor (Stockton, South) (Lab): This Government have appointed a Chief of Defence Logistics and implemented a total assets visibility project. If that project and a senior member of the armed forces had not put together an effective structure and process for the deployment and use of equipment, what else should we have been doing?

Mr. Hoon: My hon. Friend is right to emphasise the successes that have been achieved. Equally, I recognise that one lesson, for example, that we must learn is how we improve the in-theatre asset-tracking system. That was part of the reason for not being able to identify the precise location of a small amount of the equipment that was in theatre but could not reach front-line forces in time.

Future Strategic Tanker Aircraft

5. **Mr. Laurence Robertson** (Tewkesbury) (Con): If he will make a statement on the future strategic tanker aircraft project. [150157]

The Secretary of State for Defence (Mr. Geoffrey Hoon): I was pleased to announce to the House this morning that we have decided that the bid from Air Tanker for Airbus A330 aircraft offers the best prospect of providing a value for money PFI service. That decision represents a key milestone in the future strategic tanker aircraft programme. We now need to undertake complex negotiations with Air Tanker before final decisions are taken.

Mr. Robertson: I thank the Minister for that response, but the news that he announced this morning will have come as a great disappointment to Smiths Aerospace in my constituency, which would have liked to add the UK tanker programme to the technology already selected for the United States, Italy and Japan. Where does the news leave British industry's confidence in the much-vaunted MOD defence industrial policy, and what reciprocal arrangements does the right hon. Gentleman have with the French as a result of his strengthening the position of EADS and Thales in the UK?

Mr. Hoon: The hon. Gentleman will be well aware that both bids contain significant benefits for UK industry. There are winners and losers in any competition, but our decision has been based on the bid that we judge offers the best potential solution for the armed forces, for the taxpayer and for UK industry.

David Cairns (Greenock and Inverclyde) (Lab): I warmly welcome my right hon. Friend's announcement this morning. One of the potential partners for Airbus is IBM, which will produce some of the software for the project based in Greenock in my constituency. Does that not demonstrate that throughout Britain we have the technological capacity to fulfil very high-spec orders? If he could see his way clear to giving us a little of the aircraft carrier orders as well, we would be very happy indeed.

Mr. Hoon: Some people are never satisfied, but I am grateful to my hon. Friend for his observations on the high-tech aspect of the bid. As I said in response to the hon. Member for Tewkesbury (Mr. Robertson), the project offers significant opportunities for British and British-based industries and for the development of technology in this country.

Mr. Gerald Howarth (Aldershot) (Con): We welcome the decision to replace the ageing VC10s and Tristars, which have done stalwart service for the Royal Air Force, but the Minister's statement today leaves several questions open. What are the outstanding issues referred to in his statement? What assessment has he made of the export potential of the A330 tankers, given that other air forces have bought 767 tankers? Why has he not yet decided to go down the private finance initiative route? Given the last-minute switch last summer of the Hawk 128 order from a PFI to a straight purchase, and last week's disastrous National Audit Office report that the procurement budget was £3,000 million overspent last year, the Government's smart acquisition programme is looking more foolish than smart.

Mr. Hoon: The hon. Gentleman, as ever, spoiled quite a good first point with a rambling observation in the second part—an observation that he knows is inaccurate. Eighty-seven per cent. of the criticisms of major projects concerned four projects that were begun under a Conservative Government—four projects that were begun without the benefit of smart procurement. If the hon. Gentleman had read the report instead of making slogans, he would have seen that the smart procurement aspect was welcomed by the NAO. It is the difficulty with the four projects started under a Conservative Government that has caused the major backlog. I am in no way complacent about those projects—we have to get them right. However, perhaps he did not read too carefully the statement I made this morning about the future strategic tanker aircraft, in which I indicated that it was a PFI project. The negotiations that we are now taking forward with Air Tanker are to establish the precise details of the PFI aspect.

Mr. Tom Watson (West Bromwich, East) (Lab): Is my hon. Friend aware that although some will be disappointed by the Air Tanker decision, the west midlands manufacturing supply chain will not be? In the past three years, many of the companies in question have diversified out of the automotive sector and into aerospace. The announcement is good news not only for north Wales and Scotland, but for the west midlands. Will he get his Department to highlight some of the initiatives for British manufacturing that are giving the west midlands a chance?

Mr. Hoon: I am grateful to my hon. Friend. Often, shipbuilding is associated with Scotland and the north-east, and aircraft manufacturing with north Wales and the north-west, but in reality the benefits of such major contracts spread throughout the UK's manufacturing base. I am especially pleased that the west midlands will reap some of those benefits.

Modern Apprenticeships

7. **Mr. Bill Tynan** (Hamilton, South) (Lab): How many modern apprenticeships are provided by the Department; and if he will make a statement. [150159]

The Parliamentary Under-Secretary of State for Defence (Mr. Ivor Caplin): The Ministry of Defence trains its personnel for the operational and business requirement. However, as part of that training we are also committed to providing opportunities to obtain civilian qualifications, including modern apprenticeships. There are currently 13,789 modern apprenticeships in the armed forces, representing approximately 7 per cent. of those currently serving.

Mr. Tynan: I thank my hon. Friend for his response. The Department should be congratulated on the fact that many servicemen and women are benefiting from modern apprenticeships. However, does he accept that there is little opportunity at present for the training of apprentices in private industry, so would he consider using MoD facilities to give private industry the opportunity to benefit from those training services?

Mr. Caplin: We are already working with the private sector where possible, but we would certainly like to investigate further the opportunity to develop training links between the Ministry of Defence and the private sector.

Mr. David Watts (St. Helens, North) (Lab): I agree that many of our armed forces' facilities are the finest in the country, but there is an awful lot of spare capacity.

Is it not time that the Department carried out an audit to see what spare capacity there is and how we can expand training facilities in those areas?

Mr. Caplin: We are always looking at the defence training estate, and shall continue to do so. When any conclusions are reached, we shall of course tell the House.

Joint Strike Fighter

9. **Mr. Michael Jack** (Fylde) (Con): What steps his Department has taken to follow up the findings of the Rand Europe report on the joint strike fighter. [150161]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): The Rand report is a useful contribution to the debate on what industrial infrastructure is required in the UK to support our procurement of the JSF. We are considering the way ahead closely in conjunction with industry and our US partners. We do not expect to be in a position to make announcements, however, before 2005.

Mr. Jack: I thank the Minister for his answer, but can he identify what progress, if any, he is making with the United States to ensure that it will participate fully in the technology transfer to make the discussions to which he has just referred meaningful? Can he update the House on what is happening in the consortium of four major British aerospace companies which, I understand, is currently working on proposals dealing with, if nothing else, the maintenance and repair aspects of the JSF operation? He will know that if we can win those contracts, tens of thousands of jobs, given updates on the project, could be available for UK aerospace workers.

Mr. Ingram: The right hon. Gentleman made a valid point in the second part of his question. Maintenance, repair and upgrade facilities are clearly an important feature of any major procurement process in the aerospace sector, and are something that we are keen to develop. Clearly, however, as he rightly pointed out, that has to be done in consultation with our US partners and other members of the consortium. As for access to technology, those talks are continuing. I am sure that he will understand the sensitivity of those talks from the US perspective, but our close relationship with the US as a key international partner stands us in very good stead for making progress on that front.

Territorial Army

10. **Mr. Andrew Mitchell** (Sutton Coldfield) (Con): What the current strength is of the Territorial Army. [150162]

12. **Gregory Barker** (Bexhill and Battle) (Con): What the current strength of the Territorial Army is; and what it was in January 1997. [150164]

The Parliamentary Under-Secretary of State for Defence (Mr. Ivor Caplin): The strength of the Territorial Army on 1 December 2003, the most recent date for which we have figures, was 37,750, which includes 3,920 mobilised reservists but excludes 390 TA officers currently serving in the full-time reserve service. I regret that I am unable to provide comparable figures for 1 January 1997, but I can for 1 July that year. The strength of the TA on that date was 55,760, which includes 620 mobilised reservists. There were no TA officers on full-time reserve service on that date.

Mr. Mitchell: I thank the Minister for his response, which shows how significantly the manpower strength of the Territorial Army has declined since 1997. Given that the strategic defence review in 1998 spoke of a manpower target of 45,000, and given the increased versatility required of our Territorial Army forces following events that have taken place in the meantime, can he tell us how long it will be before that shortfall of 7,000 is made up?

Mr. Caplin: I know that the hon. Gentleman served with the Royal Tank Regiment, and has considerable knowledge of these affairs. We are, of course, busy recruiting to the TA as often as possible. Recruitment is a constant process throughout the year, and the hon. Gentleman will know that it is conducted geographically by local TA centres. I am confident that in following the strategy set out in the strategic defence review we are going in the right direction.

Gregory Barker: Does the Minister recognise, in the light of the campaign in Iraq last year, that the Government will continue to undermine morale and retention in Territorial Army units unless they ensure that when the TA is deployed on active service its units are not cannibalised as a matter of course and, crucially, that both officers and NCOs are given credible operational roles, preferably with their own soldiers?

Mr. Caplin: First, I congratulate the hon. Gentleman, who has also served with the TA, on completing the armed forces parliamentary scheme. The TA continuous attitude survey is due to report shortly, and it will provide an opportunity to examine issues raised by him and those raised by the various lessons learned documents from Operation Telic and Operation Fresco.

Mr. Tony McWalter (Hemel Hempstead) (Lab/Co-op): As my hon. Friend has indicated that he is looking for TA recruits, will he do something about the areas of the country from which TA units were removed in the earlier review? In particular, the matter caused grave concern in my constituency because the nearest unit is in Hertford, which is an impossible distance away, so young people in my area are not being given the chance to join the TA.

Mr. Caplin: I was going to offer my hon. Friend the chance to volunteer and participate in TA activity, which is something I am sure he has done. Ensuring that the TA has the right footprint is an important part of our work, and we will continue to examine the estate on every possible occasion.

Mr. Keith Simpson (Mid-Norfolk) (Con): I am sure that the whole House appreciates the dedication, professionalism and bravery that the TA has shown and continues to show in operations in Iraq. The

Government's defence White Paper states that the TA has become an integral part of the regular armed forces and that it will be increasingly used in future operations. My hon. Friend the Member for New Forest, West (Mr. Swayne) and others who have served in the TA have highlighted a recent survey of TA personnel who have been sent to the Gulf, which found that 80 per cent. of them do not expect their employer to support any future deployment, that 63 per cent. of medical and technical staff are thinking of resigning from the TA and that 73 per cent. of them think that the NHS has lost vital skills because of the deployment. The problem will obviously increase given the Government's defence White Paper. What practical measures are Ministers taking to the square the circle between the desire to use the TA more and employers' increasing reluctance to release staff?

Mr. Caplin: I agree with the hon. Gentleman that our reserves have served with distinction in Iraq, at home, and in other areas of the world such as the Balkans in the past 12 months and before that. I am not sure whether he really wants me to discuss Army medical services, because if I do I will delve into events during the 1992 to 1997 Parliament, which may embarrass Conservative Front Benchers. We are heavily engaged with employers through SaBRE, the supporting Britain's reservists and employers campaign, with which he is familiar. My right hon. Friend the Secretary of State and I continue to discuss the matter with national employers such as the NHS, regional employers, with whom we engage through the reserve forces and cadets associations, and other small and medium-sized businesses.

Army Welfare Services

11. **Mr. Robert Key** (Salisbury) (Con): If he will make a statement on the future of Army welfare services. [150163]

The Parliamentary Under-Secretary of State for Defence (Mr. Ivor Caplin): The Army welfare service provides invaluable support to the Army and will continue to do so. We have recently expanded its remit so that it is in position to provide much needed assistance to Army veterans.

I would like to take this opportunity to pay tribute to the excellent work that the Army welfare service has done—and continues to do—in assisting our soldiers and their families, both regular and reserve, particularly during recent operations both at home and abroad.

Mr. Key: I warmly endorse what the Minister says, and the expansion in Army welfare services in south Wiltshire has been particularly effective. Will he do all he can to ensure that the Commander-in-Chief, Land Command is never put in the position of having to cut Army welfare services as a soft target because of budgetary constraints, bearing in mind the fact that the pressure on Army families is growing remorselessly due to overstretch and the shortened interval between tours?

Mr. Caplin: I know that the hon. Gentleman takes considerable interest in these affairs, especially in his constituency, which I have visited twice during my first six months in post. The Army welfare service provides an invaluable service, but, as he knows, the Commander-in-Chief, Land Command has a devolved budget and those decisions must be down to him. I can tell the House that there will be a review, and I hope that when it is complete I will be able to say more.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) (Lab/Co-op): Will the Minister consider paying a visit to the excellent centre run by Combat Stress at Hollybush in my constituency? Tremendous work is being done there for people suffering from mental problems caused by various conflicts in Hollybush—that is a problem as well—or, rather, in the Falklands and Northern Ireland as well as Iraq. Does he agree that while the remarks of the hon. Member for New Forest, East (Dr. Lewis) were meant in the kindest possible way, it is far, far too early, if there is any justice in this world, for any member of our excellent Front-Bench team to be considering making valedictory remarks?

Mr. Caplin: First, may I say to my right hon. Friend that he will certainly be missed when he eventually leaves the House? He has been absolutely 100 per cent. behind the United Kingdom's armed forces on every possible occasion. He is right to point out the importance of the work being done by the charity Combat Stress, which I have met on a number of occasions. I am looking forward to taking the opportunity when I am next in Scotland to visit Combat Stress in his constituency.

Bob Russell (Colchester) (LD): The Minister rightly draws attention to and praises Army welfare services for the excellent work that they have done, particularly last year during the Iraq conflict. Does he agree that the work they do week in, week out plays an important part in the retention of soldiers and that there needs to be more involvement on the education side so that soldiers with children at school get a better deal?

Mr. Caplin: I had a feeling that the hon. Gentleman would get to his favourite subject—schooling, particularly in the Colchester area. However, he forgot to mention Colchester—a rare moment in the House. As he knows, we are putting more money into service children's education and we will continue to do so. As he also knows, I am looking forward to visiting Colchester garrison in March.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): Is my hon. Friend satisfied that the review will consider the provision of psychiatric support services for those who have served in various wars? This is a real problem for young soldiers and there has not been sufficient support in the past, which is a price that we cannot afford to pay as a community.

Mr. Caplin: I thank my hon. Friend for that important contribution. She is right—I am not sure that this matter has been properly dealt with in the past. As she will be aware, however, we are engaged with the Priory group to provide psychiatric services and we very much hope that that will put an end to some of those problems.

Sir Patrick Cormack (South Staffordshire) (Con): What practical help are the Army welfare services giving to the families of those Territorials who served in Iraq, causing great financial hardship to themselves and their families?

Mr. Caplin: The hon. Gentleman will be familiar with the Reserve Forces Act 1996, which covers the call-out of members of the Territorial Army and other reserve forces. Clearly, if there are any such problems, in particular, for his constituents, and he would like to let me know about them, I will take those cases up.

Air Defence

14. **Mark Tami** (Alyn and Deeside) (Lab): If he will make a statement on air defence policy priorities. [150167]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): The United Kingdom's air defence capability is an important contributor to those standing military tasks that provide for the maintenance of the integrity of United Kingdom airspace, and the defence and security of the overseas territories. It also provides a valuable component of the United Kingdom's overall deployable military capability.

Mark Tami: I thank my right hon. Friend for that answer. I welcome the Secretary of State's announcement this morning on the future tanker aircraft as a massive boost to Airbus at Broughton and to the economy of north Wales. Can the Minister assure me that the remaining issues regarding the private finance initiative contract will be sorted out as quickly as possible and not be allowed to drag on?

Mr. Ingram: It clearly was an important announcement, and an announcement that was much awaited. My hon. Friend has alighted on one of the critical areas that must be properly resolved, and we are determined to get it resolved as quickly as possible.

Iraq

15. **Huw Irranca-Davies** (Ogmore) (Lab): What steps his Department has taken to help the reconstruction of Iraq. [150168]

The Secretary of State for Defence (Mr. Geoffrey Hoon): Since the end of major combat operations, the Ministry of Defence has supported some 750 quick-impact projects, which have improved the immediate situation, as well as preparing the ground for broader reconstruction efforts. Experts from the UK armed forces have also contributed to the emergency infrastructure programme in the south that is funded jointly by the Department for International Development and the coalition provisional authority. As a result, supply routes, such as the rail link between Basra and Umm Qasr, have been reopened, while the repair of bridges over the River Hamdan has strengthened vital transport infrastructure. Clean-water provision has been restored through our construction of the water pipeline from Kuwait to Umm Qasr and repairs to the Umm Qasr water treatment plant, and we have also made extensive repairs to the electricity grid.

Separately, we are helping provide the security needed for other reconstruction activity to flourish. Significant progress, for example, has been made in developing Iraq's own security sector. There are now around 60,000 Iraqi security personnel operating across the country.

Huw Irranca-Davies: I thank my right hon. Friend for that exhaustive update on the quick-impact projects that are under way. I must pay personal tribute to the work of our troops in carrying out this important work. Will my right hon. Friend ensure that he prioritises within the Department the work in hospitals and schools? Beyond the quick-impact projects and the benefits that they will bring, it is the long-term benefits that will be brought through health and education projects that will lead to the prosperity and health of the Iraqi people.

Mr. Hoon: I am grateful to my hon. Friend for his observation. He might like to know that we supported the refurbishment of more than 90 schools in our area of operations. Another 140 further refurbishment projects are under way. As for the health service in Iraq, we have completed 65 general health projects, 16 hospital projects, 32 health centre projects and seven veterinary centre projects.

Mr. Crispin Blunt (Reigate) (Con): The Secretary of State will agree that one of the most important contributions that the Army can make to reconstruction in Iraq is maintaining internal security and public order, as evidenced by dealing with the recent riots in Basra. Does the right hon. Gentleman agree that it would be wholly unacceptable if, six months after the end of the major operations in Iraq, our armed forces did not have sufficient riot control equipment in Basra?

Mr. Hoon: If there is any serious suggestion to that effect, I hope that the hon. Gentleman will raise it with me directly so that it can be investigated. Certainly, all the television programmes that I have seen providing footage of the operations conducted by British personnel have shown how expert those soldiers are in dealing with the threats to order that we have seen from time to time in southern Iraq. They have used precisely the same kind of techniques and equipment that I myself have seen them use when they have been training in Northern Ireland.

Mr. Kevan Jones (North Durham) (Lab): I and other members of the Defence Committee visited Iraq last year and saw some of the sterling work that is being undertaken by MOD personnel in some of the quick-win projects. Will my right hon. Friend join me in paying tribute to the work of staff not only of the MOD but from the Department for International Development, the Foreign Office and the non-governmental organisations, who are making a real difference in regenerating schools and putting infrastructure in place—work which is unfortunately not widely reported in the British media, but which is making a real difference in Iraq?

Mr. Hoon: I am grateful to my hon. Friend and his colleagues for their visits to Iraq. That is much

appreciated by troops on the ground, who appreciate the interest shown by visiting Members. I am delighted that he saw so much that is positive about progress in Iraq. That bears out all the reports that I have received. Although there are continuing concerns about security—less in the south than in other parts of Iraq—real progress is being made in reconstructing the country.

Mr. Boris Johnson (Henley) (Con): Given that a vital part of the reconstruction of Iraq is presumably the discovery and removal of weapons of mass destruction, may I remind the Secretary of State of an answer that he gave to me more than six months ago, when I asked him whether the failure to find weapons of mass destruction undermined the legality of the case for war? He gave a four-word answer, which was, "They will be found." Does the right hon. Gentleman still believe that? If not, does he not think that it is about time that the public saw all the legal opinion upon which the Government based the case for war?

Mr. Hoon: I congratulate the hon. Gentleman on his ingenuity, but he needs to check more carefully the precise circumstances in which military action was taken. It was taken on the basis of resolution 1441. We know that Saddam Hussein had used weapons of mass destruction previously; 1441 was given by the United Nations to Saddam Hussein as a last opportunity to co-operate with the international community. The coalition forces judged that he had failed to take that last opportunity. I am sure that a fair-minded observer of these affairs, as the hon. Gentleman is, would reach that conclusion.

Harry Cohen (Leyton and Wanstead) (Lab): But is not unemployment in Iraq, including in the UK-occupied sector, running at a rate of about 70 per cent., and is not the UK following the approach of the United States of privatisation and foreign contractors, and in the case of the United States, corrupt sweetheart deals? There is plenty for the state to do there. Should there not be a massive programme of public spending and public ownership to get those Iraqis back into work? Would that not be better for the Iraqis and safer for the troops?

Mr. Hoon: I am sure my hon. Friend recognises that it is public money that is going into Iraq—largely the public money provided by the US taxpayer. It is not entirely surprising, therefore, that the US tends to look first to its own companies to provide assistance. Nevertheless, there are significant opportunities for British companies to participate in projects in Iraq, which they are doing, and for other countries that are not even members of the coalition.

Logistics Support

16. **Bob Spink** (Castle Point) (Con): What recent research has been commissioned into logistics support in the field for army operations. [150169]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): A range of reviews are under way to examine how best to deliver operational logistic support to the armed forces in the most effective and efficient manner. These include the work being led by the Chief of Defence Logistics, under the auspices of the end-to-end review and under my direct chairmanship. We are also determined to learn the lessons of recent operations, drawing on our own Operation Telic report "Lessons for the Future" and the helpful recent report by the National Audit Office.

Bob Spink: Is the Minister aware of reports this weekend that show that the lack of a radio may have been a cause of the tragic death of six British military policemen who were killed by a mob in Iraq last year? Is that not yet another example of our troops being sent into active military operations without the proper equipment? Will the Minister support the families of those brave troops in seeking a public inquiry into those deaths?

Mr. Ingram: I suggest to the hon. Gentleman that he do something that the press does not seem to do, which is to try to establish the ground truth about the matter. They make these lurid accusations without so much as seeking the view of the Department. I can tell him that the allegations are wholly unfounded. I will write and give him greater detail on this point.

Richard Younger-Ross (Teignbridge) (LD): Could the Minister look at logistical support for our heavy armoured brigade, particularly in light of recent events in Iraq, and ensure that in future they have chemical filters that work for more than six hours?

Mr. Ingram: The reality was that those tanks—the heavy armour to which the hon. Gentleman refers—had 95 per cent. reliability. He should read the National Audit Office report and the lessons learned, and stop throwing around accusations not based upon the breadth of examination that was carried out. If any lessons need to be learned about equipment shortcomings or failures, they will be learned. That is what the NAO report is about and it is why we carry out such an intensive investigation into our own experiences. Iraq tells us a lot about what needs to be done for the future.

Fleet Air Defence

18. **Angela Watkinson** (Upminster) (Con): If he will make a statement on fleet air defence. [150171]

The Minister of State, Ministry of Defence (Mr. Adam Ingram): All naval task groups include defensive assets matched to the size of and risk to the task group, which provide air, surface and underwater protection. For multinational operations such as Operation Telic, protection is provided jointly across coalition forces. The effectiveness of these complementing layers and the benefits of operating with allies has been successfully demonstrated in many recent national, NATO and allied exercises and proven in the Gulf and Adriatic operations.

Angela Watkinson: The air defence Sea Harrier is being withdrawn before the new joint strike fighter becomes available, and we also hear that the number of destroyers and frigates is being reduced. How does the

Minister assess the Navy's capability to defend itself should it come up against an enemy that has an air force at full strength?

Mr. Ingram: I do not think the hon. Lady listened to my earlier answer. We have said consistently that there will be combined and joint operations with allies, and if we find ourselves in theatre of conflict, mutual protection is afforded to all. The decision was taken to dispense with the Sea Harrier. It was an old aircraft and to upgrade it would have cost a considerable sum of money, was technically complicated and might not have produced the necessary result. The Type 45 destroyers will come on stream later in the decade and they will afford an immense level of protection to the Navy.

John Robertson (Glasgow, Anniesland) (Lab): I am glad that my hon. Friend mentioned the aircraft carriers, because that is the matter that I want to address. He will be aware that the size of the aircraft carrier will determine the response time for landing and take-off, in that that will be much quicker on the larger ships than on the smaller ships. Exactly where are we with these aircraft carriers?

Mr. Ingram: We are still going ahead with building them, which I know my hon. Friend welcomes. Because of his sophisticated knowledge of these matters, he will appreciate that the design aspect has to be properly defined, not only in relation to what the aircraft carriers can carry but in relation to a range of other matters associated with the ships' overall size. Progress has been made and the Navy is very much looking forward to getting the vessels.

International Terrorism

19. **Mr. Tom Harris** (Glasgow, Cathcart) (Lab): If he will make a statement on his plans for the future involvement of British forces in combating international terrorism. [150172]

The Secretary of State for Defence (Mr. Geoffrey Hoon): The new chapter to the strategic defence review and the defence White Paper "Delivering Security in a Changing World" set out the significant contributions that the armed forces can make to the Government's responses to international terrorism. These range from the role of defence diplomacy and stabilisation operations in tackling the conditions that promote terrorism, to large-scale combat operations, such as those in Afghanistan, which destroyed al-Qaeda's training camps and disrupted its leadership.

Mr. Harris: Given that at least some of the activities that my right hon. Friend mentioned do not involve the use of force, can he explain to the House how the Ministry of Defence is co-ordinating the activities of other Departments as they meet their obligations in the Government's fight against international terrorism?

Mr. Hoon: My hon. Friend is quite right that there is no single military solution to international terrorism and the Ministry of Defence must work closely with other Departments in ensuring that we use all effective means to tackle terrorism. For example, the Treasury may well have a significant role to play, as does the Ministry of Defence, in cutting off sources of finance. But I can assure my hon. Friend, as I assure the House, that we work closely right across this Government and in co-operation with other Governments in dealing with the threat of international terrorism.

Michael Fabricant (Lichfield) (Con): The Secretary of State will be aware that the United States Department of Homeland Security takes the risk of cyber-terrorism very seriously indeed, and that the United States army and other armed forces within the United States have in place blocks to stop cyber-terrorist attacks breaking down its computer control systems. Is the Secretary of State satisfied that the British armed forces have similar protection in place?

Mr. Hoon: We take seriously the threat to computers and computer networks—I shall try to avoid using the phrase that the hon. Gentleman uses—and we discuss it jointly with our friends in the United States.

Reserve Forces (Gulf Region)

21. **Mr. Kevin Hughes** (Doncaster, North) (Lab): How many members of reserve forces are serving in the Gulf region; and if he will make a statement. [150174]

The Parliamentary Under-Secretary of State for Defence (Mr. Ivor Caplin): As at last Wednesday, 21 January, 1,042 reservists were serving in the Gulf region supporting Op Telic. Broken down by service they are as follows: Royal Naval Reserve, 18; Royal Marine Reserve, 14; Territorial Army, 991; Royal Auxiliary Air Force, 19.

Mr. Hughes: And is it not the case that despite certain stories circulated in the media, most reservists were proud to be deployed and to serve their country during the conflict in Iraq, and are proud to be out there now helping with the rebuilding of Iraq?

Can the Minister tell the House whether he has received any feedback from industry about the additional skills that reservists have picked up while they have been out in Iraq?

Mr. Caplin: I know that my hon. Friend has a personal interest, because his son Martyn was a valuable member of our armed forces during the conflict.

We continually work with employers to consider all the issues involved in call-out and mobilisation, in particular the skills that our reserve forces can bring when they return to work. It is worth pointing out that our reserves made a very important contribution to operations in 2003, and I am confident that they will continue to do so in future.

Constitutional Reform

3.30 pm

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): With permission, Mr. Speaker, I should like to repeat a statement made in the other place by the Lord Chancellor and Secretary of State for Constitutional Affairs on the judiciary-related functions of the office of Lord Chancellor.

On 14 July, the Government published consultation papers on the establishment of a new way of appointing judges, the creation of a new supreme court and the future of silk. In September, we published a paper on the abolition of the office of Lord Chancellor; and we are grateful to those who responded to our consultation process. The Government are today publishing summaries of these responses. As set out in the Queen's Speech, we intend to bring forward legislation to enact these changes. It is for Parliament to consider that legislation, and the proposals today are conditional upon parliamentary approval.

Today I wish to set out our proposals for the future handling of those functions of the office of Lord Chancellor which relate to the judiciary. The Secretary of State has had detailed discussions with the Lord Chief Justice, who has been speaking on behalf of the judges on these issues. I am pleased to be able to tell the House that the terms of today's statement have been agreed with the noble and learned Lord, the Lord Chief Justice. The Lord Chief Justice's agreement is of course conditional on Parliament's approval of our proposals. It is right, though, that Parliament should be told first of the results of the discussions.

In making changes, we must secure embedded, enduring judicial independence, good working relationships between the judiciary and the Executive, high-quality judges, and high public confidence in the judiciary. I believe that, taken together, our reforms and the proposals in this statement will help to secure those aims.

The reforms seek to clarify and embed in statute the principle of judicial independence. Judges must enforce impartially the law made by Parliament. The Executive must continue to guarantee security of judicial tenure and remuneration and ensure that the judiciary is supported by an efficient and effective system of court administration. We propose, then, that there should be a general statutory duty on the Government, all those involved in the administration of justice, and all those involved in the appointment of judges to respect and maintain judicial independence. In addition, there should be a separate, specific duty falling on the Secretary of State for Constitutional Affairs to defend and uphold the continuing independence of the judiciary.

However, the judiciary does not operate in a vacuum—it is part of a constitutional framework in which Parliament is the supreme law-making body. The Government, through Parliament, must ensure that the needs of the public are fully served by our legal system. Parliament must be able to hold the Government to account for the operation of the justice system and the resources provided for it. That clearly requires a partnership, and the Secretary of State is determined—as is the Lord Chief Justice—that the successful partnership between his Department and the judiciary should be sustained and entrenched for future generations.

But to maintain that partnership without blurring the boundaries of responsibilities requires clarity and transparency. To that end, we intend to define in the forthcoming Bill the respective responsibilities of the Secretary of State for Constitutional Affairs and those of the Lord Chief Justice, as the most senior judge in England and Wales. The Bill will make it clear that the Secretary of State is responsible for the administration of the courts, that he is accountable to Parliament for the efficient and effective running of the courts system, and that he is responsible for supporting the judiciary in enabling it to fulfil its functions. The Lord Chief Justice will lead the judges with the authority that comes from being appointed as chief judge. He will be responsible for ensuring that the views of the judiciary are effectively represented; he will be responsible for the education and training of judges; and he will be responsible for decisions on the deployment of individual members of the judiciary. The Lord Chief Justice should therefore be given the additional title of President of the Courts in England and Wales. He should also no longer be President of the Queen's Bench Division of the High Court—that should become a new post in its own right. We propose that responsibility for setting the overall framework for the organisation of the court system should be exercised by the Secretary of State, in consultation with the Lord Chief Justice. But when it comes to the posting of individual members of the judiciary within that framework, responsibility should fall to the Lord Chief Justice.

We announced in July the Government's proposals for a Judicial Appointments Commission and consulted over the summer on the detail. Central to the appointments process will be a new, clearly independent Judicial Appointments Commission. The commission will have full responsibility for the process of advertising vacancies and evaluating candidates for judicial appointment. No candidate will be appointed to the judicial posts for which the commission will be responsible unless recommended by the commission.

The sole criterion for the commission in making its recommendations will remain that appointments must be made on merit. To ensure proper accountability to Parliament, the final decision on who to appoint or who to recommend to the Queen for appointment should remain with the Secretary of State. However, the Secretary of State's discretion must be severely circumscribed. He should only be able to appoint candidates recommended by the commission and should have strict, limited powers to challenge those recommendations. It is not right that a political appointee, albeit one always acting in good faith, should be able to cut across the system to appoint who he or she thinks is right.

Magistrates are a very important part of the judicial family and we propose that equivalent arrangements should apply to magistrates appointments. On the advice of the local advisory committees, the Judicial Appointments Commission will make recommendations to the Secretary of State, who will have the same limited powers to reject as he does in relation to the professional judiciary. For

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administrative reasons, the commission will not be able to begin dealing with the appointment of professional judges and magistrates at the same time, and we propose, therefore, that for an interim period the Lord Chief Justice will fulfil the role of the commission for magistrates appointments.

It is vital that the commission itself should incorporate the expertise of the judiciary and of the legal professions but also the demonstrable impartiality and wider experience of those who are not from the legal world. We propose, therefore, that the chair of the commission should be neither a lawyer nor a judge and the largest single group on the commission should be of members who are neither lawyers nor full-time judges. The commission will include members from each level of the judiciary up to the Court of Appeal and be required to consult the Lord Chief Justice during the recruitment process. The Lord Chief Justice will be able to engage judicial colleagues, and that will ensure that the commission is able to benefit from the views of the judges about potential candidates and about any particular requirements for a vacancy.

In order to ensure that the system is as open and accountable as it can be and that it is independent of Government, we propose that the commission should be fully responsible for the appointments process itself. It should recruit its staff and submit an annual report detailing its activities over the year. To provide a further guarantee of the system's impartiality, the commission should establish a system for handling complaints from candidates who are unhappy with the way in which their application has been handled. We shall further provide for an ombudsman to deal with those instances where a candidate remains dissatisfied.

I want to make it clear that appointments will continue to be made strictly on merit. However, our proposals will greatly improve the transparency, openness and fairness of the appointments system. By doing so, they will help to ensure that the judiciary of the future fully reflects the diversity of the community that it serves—a goal that both the Government and the judiciary seek.

I am pleased to announce that Dame Rennie Fritchie, the Commissioner for Public Appointments, has agreed to chair the appointing panel for the commissioners. The Lord Chief Justice will also sit on the panel, as will one other member, who will neither be a member of the Government nor a civil servant, to be nominated by the Commissioner for Public Appointments. Once appointed, the chair will be on the panel for the appointment of the other commissioners.

The education and training of the judiciary is the responsibility of the Judicial Studies Board, which is chaired by a senior member of the judiciary and, although staffed by members of my Department, is under the control of the judiciary. The Lord Chief Justice will be responsible for the provision and sponsorship of judicial training within the resources provided by the Secretary of State, with a continuing role for the Judicial Studies Board. We shall further propose that the Lord Chief Justice should in future appoint both the chair and members of the board after consultation with the Secretary of State.

The Secretary of State—the Lord Chancellor—and the Lord Chief Justice will both continue to have a role to play in relation to judicial discipline and conduct. That partnership reflects the importance of respecting the independence of the judiciary, providing assurance to the public that complaints about judges are subject to proper scrutiny, and of providing accountability to Parliament for the complaints system. In the most serious cases, in which it falls to be considered whether a judge should be removed from office for incapacity or misbehaviour, removal will be by the Secretary of State with the agreement of the Lord Chief Justice. It will not be possible unless they both agree.

For the higher judiciary, removal will continue to be by Her Majesty the Queen on an Address from both Houses of Parliament. Such cases will first be investigated by a judge of appropriate seniority, and will be able to be referred to a review body. In less serious cases, the Lord Chief Justice and the Secretary of State will need to agree on any penalties short of dismissal to be applied to a judge. They will be supported in that work by a complaints secretariat, and will both be consulted about all complaints of any substance, as well as receiving regular reports about all other complaints dealt with. For all cases involving magistrates, local input will continue. The Secretary of State will be accountable to Parliament for the efficient and effective operation of the complaints system as a whole and will continue to deal with correspondence from peers and Members of Parliament on this subject.

To provide greater certainty and transparency about the process for handling such complaints, the Bill will provide for a complaints procedure to be agreed by the Lord Chief Justice and the Secretary of State and set out in secondary legislation. As a further guarantee of the openness and fairness of the new complaints process, we propose that the complainant or the judge concerned should be able to refer the handling of a complaint to the ombudsman.

A number of posts, such as the senior presiding judge and the presiding judges, do not involve formal promotion to a more senior judicial level. These roles, which are held for a relatively short term by different judges in succession, entail a degree of judicial leadership and a range of administrative functions. We propose that, in future, such appointments should be made by the Lord Chief Justice, either in consultation with or with the concurrence of the Secretary of State.

The making of the rules of court is a key means of giving effect to the policy decisions approved by Parliament. Responsibility for the making of rules will remain with the relevant rule committee. The Secretary of State will allow or disallow rules. We propose, however, that the power to alter rules should be repealed. Instead, we propose a new power to allow the Secretary of State to require a rule committee to make new rules or to change existing rules to achieve a particular desired outcome. It will then be for the committee to consider how best to frame the rules to meet such a requirement, and to submit or re-submit them to the Secretary of State.

The policy that I have announced today covers the position in respect of England and Wales. The Secretary of State's responsibilities also extend to Northern Ireland, and consideration will also be given to the future handling of his functions that relate to the

Northern Ireland judiciary. That process, which is currently under way, will include consultation with the Lord Chief Justice of Northern Ireland, and will be based on the same guiding principles that apply in England and Wales, taking into account any provision already made for Northern Ireland to give effect to the recommendations of the Northern Ireland criminal justice review.

The Lord Chief Justice, the Secretary of State and I will listen carefully to all the views expressed today in the House and elsewhere. The House will have a further opportunity to consider these issues in more detail when legislation is introduced. To assist in such consideration, we have today placed in the Libraries of both Houses an explanatory document—which I know that the hon. Member for Rutland and Melton (Mr. Duncan) is dying to see—that sets out these proposals in even more detail. With parliamentary approval, the reforms that I have set out will guarantee for future generations that the independence of the judiciary is protected. They will clarify the relationship between the Executive and judicial arms of the state, improving each arm's accountability, and will promote and strengthen partnership so as to serve the public better.

Mr. Alan Duncan (Rutland and Melton) (Con): I thank the Minister for providing an advance copy of the statement. Unfortunately, however, this is yet another step in the sorry saga following last summer's botched reshuffle, in which the Lord Chancellor was suddenly abolished, and then miraculously resurrected. The Government have embarked on a programme of reform that has no rhyme or reason to it. There is no special call for it, and there is certainly nothing but danger in it for the maintenance of high-quality justice devoid of political interference. Its only motive seems to be the Government's need to parade some sort of spurious radical momentum.

The Government have cobbled together in a piecemeal manner an attempt at a coherent policy. It has not been thought through, and it satisfies only a quite elementary standard of political theory. Indeed, why has the Minister decided to do this without consultation on the very day on which he is publishing the responses to four other, related, consultations? We have been told today of a change to the interrelationship between the Lord Chief Justice and the Secretary of State for Constitutional Affairs, but without any clear legislative context.

The Government have always claimed that their reforms are designed to protect judicial independence, and we heard it again today. We have always argued that they are not, because when they speak of judicial independence, they advance arguments in favour of the separation of powers. Well, now we have it in black and white. Judicial independence is clearly secondary, as the document that they have published alongside today's statement says:

"The overall aim of these reforms is to put the relationship between the executive, legislature and judiciary on a modern footing, respecting the separation of powers between the three."

The Government fail to understand even now that the separation of powers is a concept that might suit other countries' constitutions and presidential systems, but is a theory that has never applied in Britain. The danger of forcing such an inappropriate theoretical template on our structures, which are substantially different, is that it risks creating no end of dangerous consequences and unforeseen conflicts.

Is it not the case that today's document makes a mockery even of the separation of powers? It is riddled with no end of requirements to consult, confer and do things concurrently—not so much a separation as a mess. Is it not also the case that inasmuch as there is an attempt to separate powers, it is not a balanced structure, because the Secretary of State has swiped all the powers that matter most—it is a system of checks and imbalances?

Over the past few months, the Government have put the judiciary in an impossible position. For fear of losing many precious elements of judicial independence, they have been forced to bow to political pressure and protect whatever they can. We do not blame the judiciary for a moment, and in the face of what amounts almost to duress, the Lord Chief Justice and his judicial colleagues have behaved with dignity and propriety.

Let us not pretend, however, that the Lord Chancellor's proposals enjoy the enthusiastic endorsement of the judges. They do not. At best, they have their reluctant acquiescence. They have been left with no option but to salvage whatever safeguards they have been able to negotiate. It is entirely the fault of the Prime Minister and the Lord Chancellor that they have been compelled to express their position in secret negotiations instead of open debate. Parliament has been totally bypassed—we will just be asked to rubber-stamp a fait accompli.

The fundamental flaw in the Government's changes is that they think that a rules-based separation of powers will work better than the existing structure. It will not. What is likely to ensue is a dramatic erosion of the independence of the judiciary, with a real risk of its increasing politicisation. It also risks pitting the judiciary and politicians in permanent open conflict. Does the Minister claim that today's proposals do have the enthusiastic endorsement of the Lord Chief Justice, and that the removal of the Lord Chancellor is Lord Woolf's preferred option and now supersedes the opinion that he gave in the Cohen lecture in December, in which he said:

"the disappearance of the Lord Chancellor will leave the Judiciary more exposed to the attacks of politicians"?

What is the point of getting rid of the office of Lord Chancellor, who protects the judiciary by taking the judge's oath, when the Government have had to concede that the Secretary of State for Constitutional Affairs will have to have a specific statutory duty to safeguard judicial independence? What does this statutory duty mean for the rest of Government in that, hitherto, all Secretaries of State have been equal and interchangeable, and yet there will now be one who is different? The Government have come up with a cast list for the Judicial Appointments Commission. But what is their justification for the composition proposed? How is it better than the present system of consultation?

What does it mean to say that the judiciary must be reflective of society? The Lord Chancellor and the Minister have said that it is only merit that matters, but they have also included that applicable criterion. What exactly must it reflect? How many existing judges under the current system does the Minister think should not be

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in their job? How does he reconcile appointment only on merit with a parallel requirement for them to be reflective of society? Will the decisions—I request seriously an answer to this—of the Secretary of State for Constitutional Affairs in the discharge of his statutory duty be open to judicial review or will they not, and will, indeed, the entire Government be so liable?

To us, this reform contains dangers for judicial independence. Its facile radicalism reveals that the Government have no understanding of the value of our existing arrangements. The present system may look odd in theory, but it works in practice. Our only interest is in the quality of justice for Britain. We want to keep high-quality judges, exercising their duties in the best possible way, free from posturing politicians trying to control them or second-guess their judgments. This proposal does the opposite: it creates a pale imitation of the existing Lord Chancellor, operating in a highly politicised environment. He will have most of the powers of the Lord Chancellor and none of the responsibility entrenched in convention and traditions of conduct. It is a backward step, and we will resist it.

Mr. Leslie: I regret the comments of the hon. Gentleman, who is resisting from gut instinct, rather than looking at the detail of what is proposed. I realise that those in the Conservative party are always looking to preserve the status quo from their Westminster-established viewpoint—never mind what the wider public and the wider world think. In fact, they were due to publish a legal reform policy paper some time last Thursday. I have looked all over to see whether I can find its contents; I have not seen it yet, but perhaps the hon. Gentleman may have a chance to send it. It was mentioned in *The Daily Telegraph* on Thursday.

It is right that we end the blurred role of the office of Lord Chancellor. It has a very important series of functions. It should not be perceived as an antiquated role, but all those different elements should be regarded with the importance and vigour that they deserve, and it is important that we move forward with these sensible reforms, but in partnership with all the different stakeholders, and the judiciary in particular. The hon. Gentleman says that the Government are now talking about the separation of powers as the only avenue down which their policy is developing. Of course it is true that we want to ensure that we clearly define the separation of powers, where it is appropriate, but that is not incompatible with having a partnership between the different branches of the state. That is entirely right, and it is what we want to see.

The hon. Gentleman may not be aware that the Lord Chief Justice is commenting on these proposals, probably as we speak. He has said that he welcomes this statement and the proposals, which have his "firm support". In view of the hon. Gentleman's question on whether I regard that as an endorsement from the Lord Chief Justice, I have to say, yes, I do. He also asked whether it was possible to have an ability to keep the existing system. I believe that it is difficult to justify a senior politician at the core of the judiciary. These measures are intended to bolster and strengthen the independence of the judiciary.

Of course there will still be a need to scrutinise the Bill, which will be introduced in due course, and there will be worthwhile discussions about the hon. Gentleman's questions on the ability for judicial review of the different duties at that time. We want to see a general duty on all the Government, but also a specific duty on the Secretary of State, not least in view of the hon. Gentleman's comment that we need a voice in Cabinet specifically with regard to the preservation of judicial independence. Our response today helps to some extent to reflect some of those concerns.

The hon. Gentleman mentioned that he was concerned when I said that merit should be the overriding criterion in appointments—[HON. MEMBERS: "The only"]—the sole criterion in appointments—suggesting that that was somehow going against the ability to secure a diverse judiciary, reflecting the composition of society. I happen to believe that merit is not incompatible with diversity. I believe that all society can, potentially, be included in the judiciary by merit, as the sole criterion, and that we now have the opportunity to give the Judicial Appointments Commission that remit, to take an overview of those matters. Again, I hope that the hon. Gentleman will look at these proposals in more detail. It is important that we modernise our constitution not only to put the different branches of our Government and state on a firm footing, but to enshrine the independence of the judiciary, and I hope that the hon. Gentleman will reflect on that and think again.

Mr. David Heath (Somerton and Frome) (LD): I welcome the early sight of the proposals and, as the Minister knows, I welcome the overall thrust of the Government's plans for judicial reform. I am, however, highly critical of the peremptory way in which they have been introduced and the desultory consultation to date. In that context, I welcome the armed truce between the Lord Chancellor and the senior judiciary, not least the Lord Chief Justice—albeit at a price. May I gently tell the Minister that that should have been the starting point in the genesis of the legislation, not a point reached shortly before the Bill is to be published?

On judicial independence, how does the Minister view elevating protection for the concept in statute to ensure that it is not subject to later attack by primary or, indeed, secondary legislation? Will he confirm that secondary legislation will be disqualified under the terms of the proposals? Will he clarify the role of the Secretary of State for Constitutional Affairs? The hon. Member for Rutland and Melton (Mr. Duncan) mentioned the collective responsibility of the Cabinet and the interchangeable role of Secretaries of State. It is essential to have a clear statutory basis for the particular position of the Secretary of State for Constitutional Affairs. How does the Minister expect to achieve that through the Bill? Will the staff of the Supreme Court and the Judicial Appointments Commission fall outside the remit of the civil service? Will they be civil servants—will they be seconded from the Minister's Department—or will they be entirely independent?

I welcome the Minister's retreat on the composition of the appointing committee for judicial appointments and, indeed, the appointment of Dame Rennie Fritchie, who I think will make an excellent chair. However, I question the continuing role of the Secretary of State in

judicial discipline. Why should the Secretary of State have any role in the new format for judicial discipline other than the final point of recommendation to the Queen for the removal of a judge? The Minister mentioned the rules of court. Can he confirm that the only Secretary of State involved in the consideration of those rules will be the Secretary of State for Constitutional Affairs—no other Secretary of State, and certainly not the Secretary of State for the Home Department?

There are several question marks about the proposed legislation. The Government have not thought through their proposals: they have not thought about the Scottish dimension or the location of the Supreme Court; and there are many other unanswered questions. When does the Minister expect to bring forward and publish a Bill? When he does so, will he have completed not just the present consultations and discussions with the senior judiciary but those required with the Scottish judiciary and the Scottish Executive and with the many other people who take a real and genuine interest in the proposals?

Mr. Leslie: May I first thank the hon. Gentleman for at least recognising that there is benefit from having a clear partnership between the Lord Chief Justice and the Secretary of State? We believed that it was important to draw that agreement to the attention of Parliament.

The hon. Gentleman asked several detailed questions about the statutory duty, which we envisage as applying not just to the Secretary of State for Constitutional Affairs, specifically to uphold judicial independence, but to the whole of the Government, including the civil service, to respect and maintain such independence. Enshrining that in a more formal manner is a step forward, and I believe that most hon. Members will welcome it. It will apply to secondary legislation, which also amounts to proposals by Ministers, but I know that that particular duty will be debated further, as the hon. Member for Rutland and Melton (Mr. Duncan) highlighted earlier.

We believe that it is important to have a separate general duty on the wider Government. We have debated the general interchangeability of the Secretary of State as a generic term, but we also feel that there should be a particular responsibility on this particular Secretary of State. That was regarded as one of the better elements of the current system, which we believe can be brought forward to the new one.

The hon. Gentleman asked about the staffing of the Judicial Appointments Commission and the Supreme Court. We have not announced our final policy conclusions on the Supreme Court today, but we are aware of the need to resource and supply finance for the staffing and running of those bodies. Parliament will want to hold the person accountable for that expenditure. We are working with the judiciary and others to establish what might be the best form of accountability. It might be provided through the United Kingdom Secretary of State for Constitutional Affairs, but there might well be other mechanisms.

Discipline and conduct arrangements for the judiciary are clearly sensitive issues. We must ensure that we respect independence, but also secure public accountability, on behalf of our constituents, when it comes to any misbehaviour or malpractice in a court. That will be the joint responsibility of the Secretary of State and the Lord Chief Justice, because of the need for accountability. There will be concurrent agreement between the judiciary and the Government at almost every stage in respect of discipline.

Rules of court are very important. We expect them normally to be the responsibility of the Secretary of State for Constitutional Affairs. I am not aware of any specific provision preventing the involvement of other Secretaries of State, but I will consider the hon. Gentleman's suggestion.

I have no date for the announcement of legislation, but I hope that that will be done shortly.

Mr. Clive Soley (Ealing, Acton and Shepherd's Bush) (Lab): I welcome the statement as another logical step in the process of constitutional reform—not least because since long before I entered the House I have found it difficult to explain or justify the fact that an active member of a political party can also be the head of the judiciary in Britain. The fact that during my lifetime that person has generally been a member of the Conservative party may explain some of the opposition that we are hearing today.

Because the detail is so important, may I ask my hon. Friend to ensure that he and his colleagues in the House of Lords are receptive to any changes that are needed? The devil is often in the detail when it comes to legislation of this kind.

Mr. Leslie: That is certainly true, and it will be a significant piece of legislation when we produce it. We have placed a number of documents in the Libraries of both Houses today to ensure that there is widespread awareness of the current proposals, and we will welcome comments on the responses we have received so far and the conclusions we have reached.

My hon. Friend has a reforming instinct, and I too feel that it is wrong for a politician to be at the heart of the judiciary. This is an important reform, which will put the judiciary on an independent and much stronger footing.

Sir Teddy Taylor (Rochford and Southend, East) (Con): Has the Minister estimated the cost of the new commission? Will there also be a new commission in Northern Ireland, and how much will it cost? Will there be a new ombudsman's office, and how much will that cost? Who will determine the budgets? Will they be determined by the commission itself, because it is independent, or by the Chancellor of the Exchequer?

Mr. Leslie: Parliament will determine the amount of the resources that it votes for these purposes: that is where the ultimate responsibility lies. Of course there will be additional resource requirements for a brand new Judicial Appointments Commission, which we expect to be about £2 million or £3 million. I consider that a price well worth paying for a much more transparent process of judicial appointment, rather than a cloaked or behind-the-scenes arrangement—albeit one that has worked well to date. It is important for us to make progress, and other matters referred to in the statement

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need not give rise to excessive costs. They will be covered by existing resources, as planned. There will be resource implications, however, and we will keep the House informed of them.

Mr. Tam Dalyell (Linlithgow) (Lab): The Minister will forgive me if I did not pick this up at the time, but the hon. Member for Somerton and Frome (Mr. Heath) asked about the position of the Scottish judiciary. What, indeed, is the position of Lord Hope of Craighead and others?

Is the Minister entirely comfortable with the idea of some paragon who is not a lawyer or a judge being chairman of an appointments commission? I must say that, as a layman, I would not have the impertinence to make judgments on the merits of lawyers. Surely that must be done by a lawyer. Who the heck is he, or am I, to make such a judgment?

Mr. Leslie: Far be it from me to say to the Father of the House that he is not capable of performing any of those functions—I believe that he probably would be if he were to turn his mind to it. I do not think that it is an impertinence to have lay involvement in the appointment of the judiciary. It is important to broaden out the appointments process, open the doors and involve the public in it as much as possible so that we have more clarity and transparency and so that it is not something that is distant from the rest of the world. We should reconnect the judiciary with the public, so such lay involvement is important. My hon. Friend should not be so bashful in underestimating the ability of lay members.

Mr. Edward Garnier (Harborough) (Con): Will the Minister tell me precisely how judicial independence is at risk under the present system? Will he tell me the implications of his statement for the ministerial and parliamentary role of the Law Officers?

Mr. Leslie: I do not believe that the statement has any implications for the role of the Law Officers. I set out why I think that it is important that in abolishing the office of Lord Chancellor we should have a clearer definition of the respective judicial functions of the Lord Chief Justice and the Secretary of State. The answer is that if a senior politician—a member of the Cabinet appointed by the Prime Minister—acts day to day with almost untrammelled powers at the heart of the judiciary to interpret and make laws, there is clearly a problem. We already know that there are difficulties, which is one reason why there is a strong rationale behind the creation of a Supreme Court. I urge the hon. and learned Gentleman to consider seriously the important reasons and rationales behind our proposals.

Mrs. Ann Cryer (Keighley) (Lab): Is my hon. Friend aware that early last summer, Professor Erik Jurgens, a well regarded constitutional lawyer and the rapporteur of the Committee on Legal Affairs and Human Rights in the Council of Europe, appeared before the Committee of which I am member, which was at that time called the Committee on the Lord Chancellor's Department? He said that owing to our lack of a clear separation of powers, if the UK were now to apply to join the Council of Europe, we would probably not be admitted.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Oh good.

Mr. Leslie: I have not met Erik Jurgens, but I have met another Eric, who perhaps has differing views on the matter. I know that the Constitutional Affairs Committee, as it is now known, under the chairmanship of the right hon. Member for Berwick-upon-Tweed (Mr. Beith), has been examining the matter carefully, so perhaps I shall review the evidence that it received from Professor Jurgens.

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): Is not the most significant change from the Government's original proposals that the Minister has announced today the fact that many of the most senior appointments—heads of divisions and judges of the Court of Appeal—will be appointed not by the appointments commission, as such, but by a panel of four on which the Lord Chief Justice or a Supreme Court judge will have a casting vote? Was that change necessary to deal with the level of anxiety that was expressed to the Select Committee by members of the judiciary, and does that illustrate how much work must be done on the range of constitutional proposals to get them right and deal with such anxieties? Is the Minister thus ready to recognise that the Bill must not be rushed through?

Mr. Leslie: Nobody wants to rush legislation, but it is important to make good progress with our proposals when they are clear and solid. The right hon. Gentleman makes an important point. We have reflected on the responses to the consultation that we received and there are slightly different proposals on the way in which the Judicial Appointments Commission would bring its decisions to bear on more senior judicial posts, which reflects the need to have a stronger input from the senior judiciary on several of the senior posts. The Secretary of State would have greater input in some of the leadership posts because they are partly administrative. The important point is that all appointments would come as recommended by the Judicial Appointments Commission, which represents the new transparency that we must bring to the system.

Chris Bryant (Rhondda) (Lab): The Minister will know that many Labour Members welcome the separation of powers envisaged in his proposals, not least because every time this country has been involved in helping to draft a constitution for another country, we have insisted on precisely that separation of powers, especially in Germany. One thing remains uncertain, however. Does he believe that the new duty of the Secretary of State for Constitutional Affairs to protect the independence of the judiciary can be performed only from the House of Lords, or is it time that we repatriated those issues down to the elected House of Commons?

Mr. Leslie: It is entirely true that the Prime Minister will be able to appoint whomever he or she chooses in future as the Secretary of State for Constitutional

Affairs, and the legislation would apply to the post in whichever House that occurred. At present, the arrangements work well, and long may they continue—*[Interruption.]*—in respect of the current holder of the post of Secretary of State for Constitutional Affairs.

I take my hon. Friend's point on the international view. That was reflected in the comments of my hon. Friend the Member for Keighley (Mrs. Cryer). It is important that we continue to lead in the strong democratic, but also high-standing, judicial manner, in which we are held in high regard by the rest of the world. The reforms will aid that.

Sir Patrick Cormack (South Staffordshire) (Con): Is the Minister aware that in answering questions he said that the present system works well; that it is important to enshrine the independence of the judiciary; and that there must not be a politician at the core of the judiciary? How does he reconcile those statements with the implicit statement that there will, indeed, be a very political politician at the heart of the judiciary, possibly someone who sits in this House and has campaigned on a party ticket? What guarantee does that give to those outside the House?

Mr. Leslie: If the hon. Gentleman looks at the detail of our proposition, he will see that we do not want a politician at the heart of the judiciary. That is not the proposal. The Secretary of State will not have those judicial functions. That is the whole point of today's statement.

The hon. Gentleman says that we make such announcements when there is little criticism of the existing system. We do have good judicial appointments, but it is not always best to make reforms when the system is collapsing. Sometimes the best way to progress is to make improvements in a calm atmosphere. That is precisely what we are doing.

Keith Vaz (Leicester, East) (Lab): May I congratulate my hon. Friend on his proposals and give him my full support? However, he must be aware that, notwithstanding the agreement reached between the Lord Chief Justice and the Lord Chancellor, there is enormous concern among the judiciary about the way in which the proposals have been taken forward? Given the detail that will be required in establishing the Judicial Appointments Commission, does he think that there should be a pause in the timetable? I know that the Government have an ambitious timetable to get the measure through, because they are a reforming Government, but surely sufficient time must be given to ensure that the proposals are embedded in our constitution, because it is unlikely that we will deal with them ever again.

Mr. Leslie: My hon. Friend will no doubt be involved in the scrutiny of the legislation as it comes before the House. From end to end, we will probably have about 18 months of scrutiny from the time of the announcement of the proposals to when they are finally enacted, such is the length of time of consideration of legislative change. I welcome his support, but I do not think that the timetable is rushed. It is cautious, but it also ensures that we make progress because of the agreement that we have made, not least with the Lord Chief Justice, as achieved and articulated today.

Sir Michael Spicer (West Worcestershire) (Con): How do we have an independent judiciary if the whole system is about to become subservient to the European Court of Justice? Whatever the Minister does to the Lord Chancellor, can he avoid calling him Lord Speaker?

Mr. Leslie: The chairmanship—or speakership—of the other place is a matter for it to decide. The Government believe that we should not dictate to the other place what arrangements it should choose. It is not for this House to say how the other House should settle matters, but we will help to guide those discussions and to inform them with our reforms.

I am surprised that it has taken about 45 minutes for the spectre of Europe to raise its head. No changes have been proposed in the relationship between the legal system in England and Wales and that in Europe. I suspect that hon. Members will have to make those proposals another day.

Vera Baird (Redcar) (Lab): I congratulate my hon. Friend on thoughtful progress, and particularly on the decision that the Judicial Appointments Commission will not be chaired by a judge and will not have judicial majority. I am sure that he is aware that, had it been any other way, progress towards an open-merit system of appointments would have been very slow—extracting members from the usual white male suspects. Will he reconsider his thinking on the Secretary of State's role in discipline? Would it not be better if it were at arm's length, perhaps in the hands of the Judicial Appointments Commission? In order to be an effective system and not just a hostage to public complaints, with all the attendant danger, ought there not to be proper monitoring and appraisal of judicial competence—nothing to do with independence—as there is in every other public service job?

Mr. Leslie: My hon. and learned Friend is a campaigner on improving arrangements for the judiciary's discipline, conduct and complaints system, and I very much respect her point of view. Although we clearly need a thorough and effective system—it is particularly for the judiciary to improve its own processes—we proposed a partnership because Parliament will need to hold to account an aspect of how we discipline the judiciary. That is not least because Parliament will in many cases have the right of final decision in making the request to the Queen concerning higher judicial office holders. I agree with my hon. and learned Friend about having lay input in the membership and chairing of the Judicial Appointments Commission. I think that that is good. It will open up the process and make it more transparent. I appreciate her welcome for the proposals.

Mr. James Clappison (Hertsmere) (Con): Is not the short answer to my hon. and learned Friend the Member for Harborough (Mr. Garnier) that there is no evidence of a threat to judicial independence under the present system? Given the length of time that the system has been in place and the way in which Lord Chancellors

[Mr. James Clappison]

of different political persuasions have exercised their functions, is it not a bit late in the day for the Minister to claim that there is such a threat? Was he not manifestly unable to provide from the Dispatch Box any evidence of such a threat? To use the Minister's terms, is not the independence and integrity of our judicial system widely recognised in the rest of the world and among the general public? Is there not a great deal to be lost by what the Minister is doing and very little to be gained?

Mr. Leslie: The hon. Gentleman seems to want to continue to allow the Prime Minister to appoint a politician as head of this country's judiciary, so that that politician may sit in a judicial capacity, presiding not only in Parliament but making judicial appointments behind closed doors without any input from wider sources. I do not believe that, in saying that there is no evidence of a problem, the hon. Gentleman is looking properly at the system. The evidence rests in the construct: a political role at the heart of the judiciary. That is not sustainable. There is a manifest reason and need to remove that—to put our constitution on a modern footing and to create a clearer separation of powers. The hon. Gentleman needs to think again about the matter.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does the Under-Secretary understand that those who are seriously concerned about the independence of the judiciary are really troubled by his statement? Does he understand that, historically, judges have been able to look to the Lord Chancellor as one of the most senior figures in government and as someone who has very little to gain and nothing to lose? Consequently, in their battles with, for example, the Home Office, they have had a formidable spokesman. Does the hon. Gentleman understand that that spokesman is being replaced by the most junior member of the Cabinet, who is represented in this place by an Under-Secretary? What conceivable reassurance will that be to those who want an independent judiciary?

Mr. Leslie: To the rising star of the Opposition Benches I say that the Lord Chief Justice's statement today supporting and welcoming the statement is significant. It shows that, when he speaks on behalf of the wider judiciary, we have a partnership between the Government and the judiciary. The right hon. and learned Gentleman should reflect more seriously on the detail of our proposals. I think that our proposals bring progress in the reform of our constitution and I urge him to look again at them.

Mr. John Bercow (Buckingham) (Con): Given the hon. Gentleman's laudable enthusiasm for the independence of the judiciary, would he care to remind the House and the country who will appoint the members of the Judicial Appointments Commission; and given that paragraph 17 of his statement this afternoon refers, with apparent pride, to "strictly limited powers" of the Secretary of State to challenge the recommendations of the commission, will he advise us on the nature and the extent of the limitation?

Mr. Leslie: First, the hon. Gentleman asks, in effect, who appoints the appointers. We propose that the Commissioner for Public Appointments should chair the appointing panel, the Lord Chief Justice should be on the panel, the Commissioner for Public Appointments should pick another independent member, and once the chair has been selected, he or she should also sit on the panel. No Ministers or civil servants will be involved.

The hon. Gentleman asks what is the circumscribed role of the Secretary of State when the Judicial Appointments Commission makes its recommendations. We need to have accountability for any appointment of the Crown, so in my view a Minister needs to make the recommendation—to pass it on. I think that it would be very rare indeed for the Secretary of State to decline to accept the recommendation of the commission, but one rejection or one reconsideration of such matters should be possible. Those are our proposals regarding the severely circumscribed role of the Secretary of State.

Mr. Forth: For those of us who are moving towards support for the separation of powers, this is a rather disappointing statement. I was not convinced by the answer the Minister gave to my hon. Friend the Member for Buckingham (Mr. Bercow) about the independence of the Judicial Appointments Commission. We have to know a lot more about that. Instead of the Secretary of State having the powers that the Minister outlined and on which he failed to give any reassurances in response to my hon. Friend's question, will the Minister consider giving the power of final appointment—or of advice and consent, if he wishes—to the upper House, where the Government currently have and, according to their own prognosis, will have, no majority? Would not that be far more reassuring to those of us who want a genuine degree of separation between the Executive and the judiciary, if not the legislature and the judiciary?

Mr. Leslie: That was a rather complicated but interesting proposal regarding a potential role for the upper House of Parliament. I shall try to decipher it and examine it in more detail. The right hon. Gentleman appeared to question the independence of the Commissioner for Public Appointments, who will play the leading role in the appointing panel for the Judicial Appointments Commission. I believe that Dame Rennie Fritchie, who has agreed to chair the appointing panel, is capable of acting independently: she is not a political figure, or a member of the Government or a civil servant. The right hon. Gentleman should reflect on his comments. I believe that we can have an independent appointments process and that it can work well.

Points of Order

4.23 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Speaker. I have given you notice of this matter. You will be aware of the serious allegations in weekend newspapers that Labour Members of Parliament who are members of the Council of Europe who intend to vote against university top-up fees are being refused Government authorisation for their travel costs of £600 for returning to vote tomorrow. Is it not the case that members of the Council of Europe are entitled to freedom from restriction of movement to and from the assembly and that that includes authorisation of their travel costs? Is it not also the case that proposing a financial penalty against a Member because of his conduct in Parliament has always been a serious contempt of Parliament, as has any direct or indirect attempt at intimidation to influence future conduct?

Mr. Speaker, are you prepared to make a statement deploring any attempt to fine or bully Members of Parliament? Will you also say what can be done to stop that sort of abuse of power?

Mr. Tam Dalyell (Linlithgow) (Lab): Further to that point of order, Mr. Speaker. You will know that I wrote to you in my capacity as Father of the House expressing unease on this matter.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Further to that point of order, Mr. Speaker. It is clearly the case that the Government are seeking through financial pressure to influence the votes of its own Back Benchers. You will have seen pages 124 and 122 of "Erskine May", which make it quite plain that visiting pecuniary loss on any Member of Parliament as a method of influencing a vote is clear contempt. You will recall, Mr. Speaker, that about 10 days ago, the House referred to the Standards and Privileges Committee the conduct of the Lord Chancellor, who is alleged to have intimidated witnesses. Against that background, would you entertain a motion referring the relevant Minister, probably the Government Chief Whip, to the Standards and Privileges Committee on the grounds that she is apparently in contempt of the House?

Sir Patrick Cormack (South Staffordshire) (Con): Further to that point of order, Mr. Speaker. I am sure that you will confirm that the issue of a Whip to Members of Parliament is entirely a matter for the internal affairs of the party concerned. Members of Parliament are supposed to come to the House and may be in attendance when they wish. They are sometimes urged to attend by their parties, Mr. Speaker, but no party has the power to say how a Member shall vote. In the light of that convention, surely this amounts to a serious contempt of Parliament.

Mrs. Ann Cryer (Keighley) (Lab): Further to that point of order, Mr. Speaker. I do not wish to take sides in this argument. [HON. MEMBERS: "Go on."] No, I really do not want to get involved. However, for six years I was a member of the Council of Europe. The rule was always that we were allowed only one return ticket to Strasbourg for the plenary session. I do not think that anything has changed.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Further to that point of order, Mr. Speaker. You will recollect that the House, mistakenly in my view, voted for Members to be able to travel to a continental destination twice a year.

Mr. Hogg: Three times.

Mr. Forth: It is getting worse. They could make those journeys at the taxpayer's expense and, importantly, they were authorised by the House, not the Government. If Members are under threat from the Government could they not use their parliamentary allowance to travel back and forth and say "Up yours" to the Government?

Mr. Edward Garnier (Harborough) (Con): Further to that point of order, Mr. Speaker. Before they do that, could you invite either the Solicitor-General, as the only Law Officer in the Commons or, through the usual channels, the Attorney-General, to investigate whether this is not only contempt of the House but a breach of the criminal law?

Mr. Speaker: I do not think that we need lawyers. Like the hon. Member for Keighley (Mrs. Cryer), I definitely do not want to take sides. I am grateful to the hon. Member for North-East Hertfordshire (Mr. Heald) for giving notice of this matter. Any Members attending the current meeting of the Parliamentary Assembly in Strasbourg are able to return to the House tomorrow if they so wish. The arrangements for the reimbursement of expenses for Members attending the Council of Europe are laid down in the administrative guide approved by the House of Commons Commission. If it appears that the rules do not meet the complexities of the position relating to Members in Strasbourg this week, I shall ensure that they are reviewed urgently and that they operate fairly for all Members. I repeat, however, that any Member is entitled to return to Westminster to vote tomorrow if they so wish.

Mr. Heald: Further to that point of order, Mr. Speaker. In your consideration, would you ensure that the ambit of inquiry includes a retrospective look at the matter so that nobody will be disadvantaged in any way? It would be sad if improper pressure was applied to a Member and we could only rectify the position for the future.

Mr. Speaker: The matter will be looked at by the House of Commons Commission, of which the hon. Gentleman is a member, so perhaps he can put that case if we have a look at it.

Mr. Hogg: Further to that point of order, Mr. Speaker. I am listening very carefully to your statement. I understand that you are saying to the House that no distinction should be made between hon. Members

[Mr. Hogg]

depending upon how they propose to vote in any one Division. Can you confirm that I have correctly understood your ruling?

Mr. Speaker: The right hon. and learned Gentleman has correctly understood my ruling that every hon. Member must be treated fairly, but I stress that no hon. Member in Strasbourg will be denied the right to return to the House tomorrow.

Chris Grayling (Epsom and Ewell) (Con): On a point of order, Mr. Speaker. You will be aware that item 7 on the list of written ministerial statements in today's Order Paper is a statement on an independent review of the effect of the introduction of variable tuition fees in higher education. You may not be aware that although all the other written ministerial statements for today have been delivered to the Library, that particular one has not, which clearly symbolises the chaos in the Government in the run-up to tomorrow's vote. Will you tell the House whether you have information on when we can expect that urgent statement and use your good offices to ensure that it arrives sooner rather than later?

Mr. Speaker: What the hon. Gentleman says is correct. Notice has been given on the Order Paper and therefore it is not a matter for me as to when the statement will arrive in the Library. The appropriate Minister is acting within the rules of the House.

Mr. John Gummer (Suffolk, Coastal) (Con): Further to that point of order, Mr. Speaker. It is not in your purview to know that over this weekend I have been asked many questions about that issue. I hope that you will make it known in the right quarters that many of us want to try to understand exactly what the Government are proposing. If we do not have that document early enough, it will be very difficult to do our jobs as Back-Bench Members of Parliament.

Mr. Speaker: The appropriate Minister will have heard the right hon. Gentleman's comments.

BILL PRESENTED

Telecommunications Masts (Registration)

Keith Vaz, supported by Tony Lloyd, David Taylor, Mr. Edward Garnier, Mr. David Drew, Dr. Vincent Cable and Dr. Rudi Vis, presented a Bill to make provision about the registration of telecommunications masts: And the same was read the First time; and ordered to be read a Second time on Friday 27 February, and to be printed [Bill 44].

Orders of the Day

Fire and Rescue Services Bill

[Relevant document: The Third Report from the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions Committee, Session 2003–04, HC43-I, on the Fire Service.]

Order for Second Reading read.

Mr. Speaker: I should inform the House that I have selected the amendment in the name of the Leader of the Opposition.

4.32 pm

The Minister for Local Government, Regional Governance and Fire (Mr. Nick Raynsford): I beg to move, That the Bill be now read a Second time.

The Bill is important and historic. It is the first substantive legislation concerning the operation of the fire and rescue service in more than 50 years. The Fire Services Act 1947, which it replaces, encapsulated immediate post-war thinking on the role of the fire service and set in place a framework that lasted for a substantial time. It placed a strong emphasis on rapid and effective responses to fires, for which the fire service has justifiably earned a very good reputation.

Firefighters are rightly held in high esteem for their professionalism and bravery. The service has historically performed to a very high standard in responding to and dealing with fires. Despite that success, too many lives continue to be lost, with around 350 deaths and more than 11,000 injuries estimated in dwelling fires in 2002. It is the vulnerable in society who are most likely to be affected: people aged 80 or over are six times more likely to die in a house fire than those aged between 30 and 59.

As the Select Committee on the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions pointed out in its recent report on the subject, which we warmly welcome, in 50 per cent. of cases involving fatalities, the victims were dead before the fire service was called. There could be no more telling illustration of the importance of focusing the service on the prevention of fire, which is one of the main themes of the Bill.

Mr. Michael Jabez Foster (Hastings and Rye) (Lab): Is my right hon. Friend aware that not a single life has been lost in a domestic fire in this country, or elsewhere as far as records show, in a building fitted with sprinklers? Is not that the real answer?

Mr. Raynsford: I will be dealing with the question of sprinklers later. The effectiveness and cost-effectiveness of sprinklers is a complex matter that has been the subject of detailed research. I shall refer to that.

The greater focus on prevention was one of the key recommendations of the independent review of the fire service led by Sir George Bain. Right hon. and hon. Members will recall that the Bain report, which was discussed extensively in the House and more widely a year ago, was a thorough piece of work that did not pull its punches. I believe that we owe a real debt to Sir George and his two colleagues, Sir Michael Lyons and

Sir Anthony Young. They reminded us that despite many previous reports advocating reform, the fire service had been very slow to change. As the Select Committee has pointed out, a number of far-reaching reviews—seven in the past 30 years—have been left to gather dust on the shelf.

The Bain report made it clear that the time for action was overdue and that there was a heavy responsibility on all involved with the fire and rescue service not only to recognise the need for modernisation but to ensure that this time it happened. Fire and rescue authorities, chief fire officers, managers, staff and the Government were all under the spotlight. The Bain report recommended more strategic direction and engagement by the Government. It made a persuasive case for greater collaboration and joint working between fire and rescue authorities to improve the efficiency and cost-effectiveness of the service. It proposed giving managers the clear responsibility and the tools to make and carry through decisions that they are best placed to make. Bain held out the prospect and the opportunity of a more rewarding and diverse career for firefighters.

The uniformed fire and rescue service has for too long been seen as overwhelmingly white and male, even in areas with large ethnic minority populations. The challenge to the service is to become more representative of the communities that it serves.

Mr. David Curry (Skipton and Ripon) (Con): Will that put out more fires?

Mr. Raynsford: It would help to put out fires, because sensitivity to the position of a number of ethnic minorities is crucial to fire safety. If people have cooking practices that are potentially dangerous and they are told by people who understand those practices how they can change them, they will be much more likely to respond than they would be to others who do not understand such factors. I am surprised that the right hon. Gentleman, who is normally thoughtful and sensitive on these issues, uncharacteristically made a superficial remark on a rather important issue.

We took the recommendations of the Bain report extremely seriously. Last June we published our response in a White Paper entitled "Our Fire and Rescue Service". The White Paper accepted the broad thrust of the recommendations and committed the Government to implementing the reforms. I am pleased to be able to report that we are making good progress in taking the reforms forward. The first draft fire and rescue national framework was issued for consultation on 11 December. Integrated risk management plans, which all fire and rescue authorities are now required to produce, have been published and are out for consultation. The new integrated personal development system is being rolled out with new investment in the Fire Service College to develop a centre of excellence.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): The Minister is running through the timeline for those various documents. Will he tell us what has happened to the discipline regulations that were apparently to be published in December?

Mr. Raynsford: That is a valid point. We are making progress on many issues, and the speed of progress over the past year is, to many people, remarkable. Quite recently I was talking to some local authority representatives who expressed concern about the speed of progress and asked whether we could slow down and reduce the pressure for change. I say to the hon. Gentleman, as the Select Committee said, that there is a major agenda that needs to be carried forward with energy. In the past, important proposals for change did not necessarily receive the priority and the sense of energy that they deserved. I give the hon. Gentleman the commitment that we shall be carrying the programme forward. However, he will know that it is an extremely large agenda and that there is a great deal to be done.

We are considering a Bill that represents the next stage in modernising the fire and rescue service so that it is better able to save lives and create safer communities. Part 1 deals with the definition of fire and rescue authorities and their structure. It also updates existing powers set out in the 1947 Act that provide for the voluntary and compulsory combination of fire and rescue authorities. Those powers are necessary to underpin the greater collaboration and co-operation between fire and rescue authorities that the Bain report concluded was vital to the effective organisation and delivery of key functions.

As the Opposition appear to be obsessed with the view that the Government are likely to use these powers to impose regionalisation on the fire and rescue service in all parts of the country, it is right that I should put the record straight. The Government are not proposing to regionalise the fire and rescue service, except in regions where voters choose to have an elected regional assembly.

Elsewhere, existing fire and rescue authorities will continue to be responsible for the service.

Mr. John Gummer (Suffolk, Coastal) (Con): I find that very reassuring, except that in the same written answer to me the right hon. Gentleman went on to say that areas that would not have a regional assembly

"would develop robust regional management arrangements to deliver the functions which are most efficiently and effectively performed at regional level".

He referred to

"the benefits of the regional approach"

and wanted

"standardisation and pooling of resources and expertise".—[*Official Report*, 15 January 2004; Vol. 416, c. 862W.]

Is that not regionalisation under another name?

Mr. Raynsford: The right hon. Gentleman is jumping the gun. I was about to go on to say that greater efficiency and capacity within the service to plan and respond to major national emergencies is critical. Terrorism is obviously very much in our minds. That is why we are rolling out the new dimension programme to ensure that the fire and rescue service is properly equipped and trained to deal with the level and scale of potential threats for which we must be prepared. That requires a regional response. Robust planning and preparation is equally important to deal with other potential emergencies, and also requires region-wide co-operation.

There is real scope for significant efficiency gains in, for example, training and procurement, as well as in the operation of control rooms. That is why we are

[Mr. Raynsford]

expecting all fire and rescue authorities other than London, which is already organised on a region-wide basis, to work together to establish regional management boards. I look forward to the report on progress, which the Local Government Association is co-ordinating. We hope that through voluntary co-operation, regional management boards will tackle the issues that must be addressed at a regional level. The powers in the Bill provide an important reserve to be used only should regional management boards fail to deliver.

Mr. Edward Davey (Kingston and Surbiton) (LD): The Minister's last remark might help me. He suggests that regional management boards will deal with co-ordination and will not become authorities. In the "Draft Fire and Rescue National Framework" published last December, the Government say that they will ask for a report on progress in each region towards 1 April this year, and that

"If insufficient progress has been made, the Government will consider the use of its statutory powers to combine Fire and Rescue Authorities and impose regional management structures."

The Minister, in his usual way, is being emollient, but the draft framework does not sound very emollient to us.

Mr. Raynsford: I am not sure how the passage that the hon. Gentleman read out differs from what I was saying. We hope that there will be progress, which the Local Government Association is co-ordinating, and that through voluntary co-operation, regional management boards will be up and running to tackle the issues that must be dealt with on a regional basis. But if that fails to happen, we could not stand by if there was a lack of adequate organisation to ensure effective response to the threat of terrorism or other emergencies involving regional co-ordination. That is why we have reserve powers to use in the event of a failure of the voluntary co-ordination arrangements. We are encouraging voluntary arrangements. We want to see them succeed and I hope they will.

Mr. Davey: I thank the Minister for giving way a second time. In the document, he imposes a deadline of 1 April this year. At the same time, local fire authorities have to introduce and implement the integrated risk management plans. He can he expect local fire authorities to do everything in the space of two or three months?

Mr. Raynsford: As a classic Liberal Democrat, the hon. Gentleman will argue the case for slowing down on one occasion, and for speed on the next. He knows that there has been enormous pressure—understandable pressure—for us to move quickly. He is well aware of the extent to which the fire service failed over 20 years or more to move forward, despite many well-intentioned reports advocating change. He knows very well that there is strong impetus for change and an expectation that change will be taken forward urgently. He is also well aware that when we are dealing with terrorist threats, there is no justification for delay.

We take all this seriously. We have set tight but realistic timetables. We expect everyone, ourselves included, to work to tight timetables, and we will do so, but as I said, our emphasis is on voluntary co-operation. The powers are to be used only in the event of that voluntary co-operation not succeeding.

Mr. David Drew (Stroud) (Lab/Co-op): I welcome my right hon. Friend's reassurance about where the regional element fits in. He knows that we have a successful tri-service emergency call centre in Gloucestershire, with police and the ambulance service. Can he put it on record and assure me that that, too, is a way in which voluntary co-operation can bring efficiency savings and make the most of working on a county basis, notwithstanding the fact that strategically, there are benefits in co-operating regionally?

Mr. Raynsford: I am happy to confirm to my hon. Friend that both the Gloucestershire and the Wiltshire joint control rooms have demonstrated the benefits of cross-service co-operation, and that was taken fully into account by our consultants, Mott MacDonald, when they reviewed progress with control rooms. Their report's conclusions, which we made public just before Christmas, made it clear that they see the future in terms of combined fire authority control rooms on a regional basis, and that obviously poses significant challenges to areas that have moved towards joint service control rooms.

We have said on the record, and I repeat, that we do not intend to disrupt existing arrangements unnecessarily, but we must move forward in a co-ordinated way if we are to combine two developments that must work together. The first is the procurement of the new Firelink radio communications system, which is necessary to ensure interoperability between all the emergency services and all the fire services, and we are commissioning that at the moment. There is clear advantage in making that go hand in hand with the move towards regional control rooms for the fire service. That is why we have set out our prospectus as to how we move forward, and we are currently consulting on that. It has been considered by the practitioners forum, among others, and we wili have more to say about that in the future. But I assure my hon. Friend that we are well aware of the significant implications that he has raised this evening.

Mr. Henry Bellingham (North-West Norfolk) (Con): I spent quite a lot of today talking to the Norfolk fire service, which is concerned about the challenges of the regionalisation of its control room functions, which will obviously lead to a great deal of disruption and many job losses. I do not understand how the Minister can say that that will not be regionalisation, and that there will not be any disruption, yet the control rooms will be combined. Will he comment on that?

Mr. Raynsford: Let me repeat what I said earlier. In regions that do not vote for elected regional assemblies, existing fire and rescue authorities will remain the responsible authorities; we do not propose to change that structure. However, because of the need to ensure effective regional co-ordination on certain functions, including anti-terrorist work, prevention of and

response to major emergencies, the benefits of joint procurement and training, and the benefits of joint control rooms, we will require those authorities to work together through regional management boards. That is the framework that I have described.

The benefits of joint control rooms were spelt out in enormous detail by the Bain and Mott MacDonald reports, and one has only to look at the considerable benefits of a more cost-effective response, as well as the benefits of incorporating the latest technology, which will be invaluable when it comes to dealing with emergencies, to understand the clear case for a move towards regional control rooms. That is what we have set out, and that is what we are consulting on. We believe that it is the right way forward, but obviously we will take account of any concerns voiced by the hon. Gentleman's local service in Norfolk, or any other service.

Mr. Mark Field (Cities of London and Westminster) (Con): The Minister characterised the Conservative party's position as "obsessed by regionalisation". Having explained exactly what regionalisation will mean, will he give a pledge today that in no circumstances in any of the referendums that take place later this year will the notional advantages of regionalisation of the fire board for emergency control be cited as one of the main reasons why people should vote in favour of the regions?

Mr. Raynsford: When I talked about the Conservative party being obsessed by regionalisation, I was thinking partly of the question that the hon. Gentleman tabled—and which I have just answered, although he may not have seen the answer yet—which asked what discussions I have had with the London Fire and Emergency Planning Authority about proposals for regionalising the fire service. I had to point out to him in my reply that the service in London is already regionalised. That is an indication of just how obsessed the Conservative party appears to be with the issue.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The Bill says that in Wales, counties will be covered by the county fire and rescue service and county boroughs will be covered by the county borough fire and rescue service. We have already been regionalised, so we are a little bit ahead of that. Indeed, the fire service that serves our area is the Mid and West Wales county fire service.

Mr. Raynsford: The hon. Gentleman raises a valid point. As he will know, the Bill effects the devolution of responsibility to the Welsh Assembly Government—I hope that he welcomes that—and in future it will be entirely a matter for Wales to determine the appropriate structures.

Mr. Hammond: The point that was raised by the hon. Member for Stroud (Mr. Drew) is also a matter of great concern to my hon. Friend the Member for Cotswold (Mr. Clifton-Brown). The authorities in Gloucestershire and Wiltshire invested considerable sums of money in tri-service or bi-service control rooms following the Deputy Prime Minister's exhortations to do so. Wiltshire has a 10-year commitment to its new control room. Can the Minister give those authorities an undertaking that when the new regional control room arrangements kick in in 2007 he will indemnify them against any ongoing costs that they incurred because the clear steer that was given by the Deputy Prime Minister turned out to be quite different from Government policy?

Mr. Raynsford: I am sure that the hon. Gentleman recognises the need to take stock in light of the changed circumstances that have developed since September 11. One major development was the need to go for effective interoperability in communications systems, which led us to suspend the previous procurement arrangements for communications systems for the fire service. The new Firelink system, which is being fully funded and procured by the Office of the Deputy Prime Minister, is critical to a framework of new regional control rooms. We have made it clear that we will be prepared to support financially some of the costs of the move towards regional control rooms. As there will be significant savings for fire authorities, it is necessary to consider both sides of the equation in determining the appropriate level of support, but we have not been neglectful of the potential cost implications.

Jim Knight (South Dorset) (Lab): We have been focusing on the south-west region, which is the size of Denmark. The proposal for a single regional control room should be carefully scrutinised. What analysis has the Department undertaken on the resilience to attack of such a control room? Is there some merit in having two control rooms in a region, to ensure that there is a back-up facility in the event of one suffering an infrastructure attack such as cyber-terrorism?

Mr. Raynsford: As my hon. Friend may be aware, the current arrangements in most fire authority areas usually involve the need for back-up facilities. However, the Mott MacDonald report, on which our proposals are based, demonstrated the real benefits of the new arrangements involving interoperability, with the Firelink system applying universally throughout the country and new regional control rooms being able to provide back-up facilities for other regions in the event of any failure. That is one of the potential advantages and benefits. I recommend that my hon. Friend have a close look at the Mott MacDonald report, which is very persuasive on that matter.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con) *rose—*

Mr. Raynsford: I shall give way once more, but then I must make progress.

Mr. Clifton-Brown: My hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) referred to the tri-service centre at Quedgeley. Gloucestershire is on the edge of three regions. If—God forbid—there were a serious terrorist attack in Gloucestershire, how would the Minister's regional approach work, and how would the regional centres co-ordinate with the other emergency services, as Gloucestershire and Wiltshire are doing so admirably at present?

Mr. Raynsford: If the hon. Gentleman looks at the guidance that we have prepared on this issue, he will find

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that the whole question of potential resilience and the safety of premises used for regional control rooms is a fundamental consideration. We are very conscious of that issue. As I said to my hon. Friend the Member for South Dorset (Jim Knight), there will be back-up systems to guarantee effective resilience and support in the event of a disaster occurring to any one control room.

Part 2 is at the heart of the new legislative framework. It puts in place an up-to-date statement of the powers and duties of fire and rescue authorities. Clearly, fighting fires is and will remain a key part of what the fire and rescue service does. The Bill acknowledges that, together with other responsibilities, such as dealing with road traffic accidents, which are now a mainstream activity for all fire and rescue authorities but were not envisaged when the 1947 Act was passed.

The new framework also gives effect to our objective of helping to save more lives and protecting the public through more effective prevention. It creates a new duty for fire and rescue authorities to promote fire safety, which is crucial if we are to prevent fires in the first place. Hon. Members will know about the excellent work that several authorities have undertaken to raise fire safety awareness. For example, the number of accidental dwelling fires in Cheshire fell by 10 per cent. in 2002 following a home fire risk assessment initiative by Cheshire fire service that was targeted at vulnerable members of the community.

Merseyside fire service has carried out 160,000 home fire risk assessments and fitted 250,000 smoke alarms since 1999. Deaths nearly halved, from 20 to 11 by 2002. Merseyside has also introduced innovative arrangements to help promote fire safety among the minority ethnic population in the community. However, nationally, the performance is varied and there is genuine scope for doing much more. By creating the new duty, all fire and rescue authorities will have to make fire prevention a central part of their planning and we are confident that that will help to save more lives.

Prevention works. Smoke alarm ownership has increased from 9 per cent. to 76 per cent. in the past 20 years. We estimate that 80 lives a year are being saved as a result. However, we need to build on that success and focus our efforts on the remaining 24 per cent. of households, typically those most vulnerable to fire, which still do not have a working smoke alarm. If 100 per cent. of households were covered, we could halve fire deaths in the home, saving around 150 lives a year. That is a telling figure, about which we should all know.

Mr. Hugo Swire (East Devon) (Con): The Minister is making an extremely good and responsible point about smoke alarms. However, will he comment on the fact that in Devon false alarms caused by automatic fire detection apparatus have been steadily increasing? Devon fire service is expected to have attended 5,000 such calls in 2001—a rate of 125 per 1,000 non-domestic properties. That is below the national average. Although the Minister is right to encourage people to have smoke alarms, what can he do to reduce the number of callouts through malfunctioning?

Mr. Raynsford: The hon. Gentleman makes a valid point. The figures that he cited from Devon are repeated throughout the country. Some startling figures from Derbyshire implied that something like 97 per cent. of responses to automatic callouts are false alarms or not serious fire incidents. That is disturbing, and the practitioners forum, which we have established to enable experts and relevant practitioners to examine such issues and advise us, is currently undertaking a review to help to inform the decisions of individual fire authorities on how to respond under their integrated risk management plans. There is a range of views on how best to respond and it is right that practitioners should properly and thoroughly evaluate the matter before we give detailed advice. The hon. Member for East Devon (Mr. Swire) is right to raise the matter; there is scope for making genuine progress.

Andrew Bennett (Denton and Reddish) (Lab): Will my right hon. Friend make it clear that the number of false alarms through smoke detectors in domestic properties is low? The problem that has been highlighted relates to commercial and industrial properties and should not discourage anyone from fitting a smoke alarm in a domestic property. It is fantastic value for money.

Mr. Raynsford: I wholeheartedly agree with my hon. Friend, who rightly reminds me of the distinction between domestic and commercial alarms. If there is a malfunction in a domestic alarm, it simply means that the individual has got out of the house or had an opportunity to check whether there is anything wrong. The problem with the automated fire alarm is that it summons a fire engine because it rings automatically in the fire station. Malfunctioning in that case has much more serious consequences. As my hon. Friend said, the majority of domestic smoke alarms function properly. They are lifesavers and by getting into the approximately one quarter of homes that remain without properly functioning smoke alarms, we can take an enormous step forward in reducing the lives lost and injuries caused by fire.

We recognise that sprinklers have a part to play in fire safety, and we agree with the Select Committee that their installation in certain dwellings whose occupants are considered the most vulnerable warrants further consideration. We will do this as part of the current review of part B of the building regulations that deal with fire safety, which is being overseen by the Under-Secretary of State, Office of the Deputy Prime Minister, my hon. Friend the Member for Corby (Phil Hope), who has responsibility for fire safety. We are also playing our part to help authorities to deliver the new preventive approach, and I am delighted to inform the House that we will be announcing tomorrow the outcome of the arson control forum implementation fund. We plan to use the fund, totalling more than £9.3 million over three years, for local arson prevention initiatives throughout England and Wales.

Jim Knight: I wonder whether my right hon. Friend would like to comment on the speech made by Baroness Andrews in the other place on 7 January, in which she said:

"we have not given, and we do not intend to give, general guidance on installing sprinklers in new schools. The building regulations do not require it and we do not intend to change them."—[*Official Report, House of Lords*, 7 January 2004; Vol. 656, c. 168.].

How is the dialogue going between my right hon. Friend's Department and the Department for Education and Skills?

Mr. Raynsford: My hon. Friend the Minister with responsibility for fire safety has been in contact with colleagues in the Department for Education and Skills, and his review of the building regulations will, of course, include premises such as schools. It will not be limited to domestic properties.

Mr. Hammond: I should like to take the Minister back to what he was saying, before he gave way to the hon. Member for South Dorset (Jim Knight), about the arson reduction forum. Will he confirm that the £3 million will be spent in pursuit of a target for the reduction of arson incidents that has been reduced from the Government's original 30 per cent. to 10 per cent?

Mr. Raynsford: First, we are talking about £9.3 million, not £3 million. Secondly, I would remind the hon. Gentleman that the original target was set before the huge increase in the number of abandoned vehicles, which is the main factor behind the rise in the number of arson incidents. That increase was the product of the collapse of the scrap metal market and, because of it, the number of arson incidents has increased dramatically because abandoned cars provide an easy target for people who might be tempted, for whatever reason, to cause mischief. In the light of that, we looked carefully at what was feasible, not least because of the impact that the forthcoming end-of-life vehicle directive will have. Taking account of that, we have now set a challenging new target in order to reduce the number of fires. The original target envisaged a substantial reduction of arson incidents by now, whereas, in the intervening period, there has been exponential growth.

As I made clear to the Select Committee, which quite reasonably asked me questions on this matter, any responsible Government will look at changing circumstances and respond in a sensible and pragmatic way. There is no point in holding on to targets that have turned out not to be achievable, because that simply demoralises people when they fail to implement them. We must look at why the target could not be met—as I have explained, that was to do with the problem of abandoned vehicles—and ensure that policies are in place to deal with the problems. We must then set a new target that takes into account the changing environment. In this case, the new target will be demanding, because it will seek to drive down the number of arson events. That is what we are doing.

Mr. Gummer: Would not a responsible Government have revisited the ridiculous concept whereby this Government, alone among all others, have decided that, instead of the industry being responsible under the end-of-life vehicle legislation over the next seven years, the last owner of the motor car must take responsibility? The poorest and least able people will therefore be tempted, over the next seven years, to abandon their vehicles. Is not the Minister really the victim of a silly decision by his own Government?

Mr. Raynsford: I shall not be tempted by the right hon. Gentleman to move into a territory that is far from my personal responsibility. I would remind him, however, that there are wider implications involved here, and that imposing such an obligation on the UK motor vehicle industry, which has gone through some very difficult times, could have proved catastrophic for the future of the remaining indigenous car producers in this country. The right hon. Gentleman might not choose to take account of those wider issues, but the Government certainly do.

I have already mentioned the vital role of the fire and rescue service in ensuring national resilience in the face of major emergencies. The Civil Contingencies Bill provides the overall framework for the Government's response. This Bill will ensure that the fire and rescue service makes an effective contribution to that response. We have already committed £188 million to provide the fire and rescue service with the capability to respond to terrorist incidents. We are also committed to funding the new communication system, known as Firelink, which I have already described, to ensure interoperability with other emergency services.

The Bill will provide clear statutory cover for this new role. It will allow the Government to set out, by order, how fire and rescue authorities should plan and respond to particular incidents: for example, deployment of mass decontamination equipment. I am sure that the House will recognise, however, that we cannot be certain that all possible threats have been identified and provided for in advance. The Bill therefore provides powers for the Secretary of State to direct fire and rescue authorities as to how to respond to particular emergencies that may emerge in the future. The Bill also provides fire and rescue authorities with the flexibility to respond to other incidents that are not defined as core functions but in relation to which they judge such a response necessary to protect life and the environment. Some may emerge, for example, in the preparation of their integrated risk management plans.

Part 2 of the Bill also provides powers to ensure the effective discharge of functions by fire and rescue authorities. Those include power to enter into arrangements for mutual assistance, also known as reinforcement schemes. The Bill will provide fire and rescue authorities with the power to work in partnership with a range of other bodies to discharge their functions. For example, some authorities may contract with local authorities, schools or other agencies or providers to help promote fire safety in their area. Others might choose to explore the contribution that alternative providers could make in the aftermath of road traffic accidents, for example in dealing with non-hazardous spills.

Richard Younger-Ross (Teignbridge) (LD): On collaboration with other bodies, that between the fire authority and the police in Devon in forming an arson taskforce has been extremely successful, and has seen arson reduced by 15 per cent. The fear is that because it is funded by competitive bid, that good work might not continue. What assurances can the Minister give to Devon and other authorities that have seen a reduction in arson because of such joint working?

Mr. Raynsford: One of the purposes of competitive bids is to encourage all authorities to look to improve their performance and to be more ambitious. We have

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an expanding budget for support for initiatives, however, and I assure the hon. Gentleman that good, well constructed and worthwhile projects are likely to be supported. At present, I cannot say more on the specific example that he gives.

Ultimately, these are matters for fire and rescue authorities, but the Bill will allow flexibility in terms of service delivery where it is appropriate. Firefighting, however, requires particular specialist training and expertise, and the Bill restricts delegation for extinguishing fires to those who are properly qualified such as other fire and rescue authorities and airport fire services.

Part 2 also provides the power to charge for services. Fire and rescue authorities already have the right to charge for discretionary services under the Fire Services Act 1947. There is some debate about how such powers might best be used in the future, partly prompted by the Bain report. In developing the new legislative structure, therefore, we decided to make clear what a fire and rescue authority can and cannot charge for. We will do that by order, which in the first instance will confirm our White Paper commitment to maintain the status quo. Any proposals to extend charging will be subject to further consultation. Hon. Members will, I hope, note that the Bill prevents a fire and rescue authority from charging for fighting fires.

Part 3 of the Bill covers the administration, supervision and infrastructure of the fire and rescue service. On 11 December, we published for consultation a draft fire and rescue national framework. That responds to the criticism by Bain about the lack of strategic direction for the fire and rescue service from successive Governments. It sets out the objectives that we expect the service to achieve, what actions we expect fire and rescue authorities to take to meet those objectives, and the support that we in Government will provide to help meet those shared objectives. The Bill will give statutory force to the national framework. It will require the Secretary of State to keep the national framework up to date and to consult on any significant changes. Fire and rescue authorities must have regard to the requirements of the national framework and the Secretary of State will, from time to time, report on the extent to which authorities are acting in accordance with it.

In most instances, it will be for fire and rescue authorities to determine how best to deliver the requirements of the national framework. We need reserve powers to intervene, however, if a fire and rescue authority is failing to act in accordance with the national framework, as that may impact on national strategies to deliver essential emergency response services. The Bill provides a power to intervene in such circumstances where existing powers within the best value regime would not apply.

Mr. Edward Davey: The Minister says that these are reserve powers, but hon. Members who have read clause 22 will know that the Secretary of State will be able to order an authority "to do something", "to stop doing something" and "not to do something". Is that not effectively the nationalisation of the fire service?

Mr. Raynsford: No, it is not, but I put it to the hon. Gentleman that he must be aware that, given the kind of circumstances that we have to deal with and make provision for, it would be grossly irresponsible if the Government were not to have the power to intervene in extreme circumstances if an authority was failing to meet responsibilities that are fundamental to the safety of that area's population or, indeed, to wider resilience across the country. It is the action of a responsible Government to have these reserve powers. We hope that they will not need to be used, but they will be there just in case.

Mr. Hammond: Does the Minister not already effectively have the power to intervene in a failing authority under the provisions of the Local Government Acts?

Mr. Raynsford: The Secretary of State has powers under the best value regime, but I was pointing out in response to the hon. Member for Kingston and Surbiton (Mr. Davey) that the powers that we are considering could be used in extreme circumstances of national emergency, where the justification for intervention would be a failure to deliver not best value, but something that was, in fact, fundamental to national resilience. So it is necessary to have these additional powers, although we could still use the best value powers in other circumstances.

Equally, we need to ensure that crucial public assets and facilities can be used, for example, during a period of industrial action where official fire and rescue cover is insufficient to meet local risks and ensure public safety. Therefore the Bill will replicate the powers under section 1(1)(b) of the Fire Services Act 2003, to direct fire and rescue authorities on the use and disposal of their assets and facilities. When we introduced that Act, which we agreed would be time limited, we made it clear that we would introduce longer-term arrangements as part of this more substantive legislation. However, I should make it quite clear that other powers in the 2003 Act that empower the Secretary of State to impose a settlement are not being re-enacted. They will end, as envisaged, two years after the legislation came into effect.

The recent pay dispute and subsequent industrial action highlighted the weaknesses of the existing fire service national joint council. Indeed, the need for change was accepted by both the Fire Brigades Union and the employers in the June 2003 pay agreement, which included an agreement to review existing NJC arrangements. The White Paper made it clear that the review must deliver more effective negotiating machinery that recognises the changing roles and structure of the service and is more inclusive of the representatives of all fire and rescue service staff. Part 4 will give the Secretary of State powers to establish negotiating bodies. However, I should make it clear that, as with other reserve powers, we do not intend to make use of them if a satisfactory outcome is achieved as a result of the current discussions through the NJC machinery.

Ms Joan Walley (Stoke-on-Trent, North) (Lab): Will my right hon. Friend tell the House a little more about

how clauses 31 and 32 will be implemented, given that we will have a new negotiating body, but it is still not exactly clear what the regulations will be and what guidance he will be giving in respect of those regulations? I should have thought that we would not want to end up with some kind of unique industrial relations monster, whereby negotiated agreements might not be proper because the Government might have a veto through the regulations and the guidance that he proposes to introduce. Will he give us some reassurance about how that might work?

Mr. Raynsford: Many commentators felt that the current arrangements were probably a unique industrial relations monster that needed change. That view was widely shared on all sides, which is why Bain recommended a clearer, more straightforward and more inclusive negotiating framework; why our White Paper endorsed that; and why we have put these reserve powers—I stress that they are reserve powers—in the Bill. In the meantime, both parties to the existing agreement in the NJC undertook to renegotiate the framework in the NJC. They are currently in discussion, so the position that we have adopted is that we will wait and see what proposals they make. If those proposals meet the criteria spelled out in Bain and the White Paper, we are likely to be more than happy for them to be brought into force and for us not to use our reserve powers. If we have to use our reserve powers, we will obviously consult more widely before doing so, and any details can be made public at that point.

The Bill also allows the Secretary of State to issue guidance to any negotiating body established voluntarily or by powers under the Bill, to which that body must have regard. The Government have a legitimate interest in the outcome of pay negotiations in terms of their impact on wider public sector pay policy and the operation of the fire and rescue service. The lack of clarity about the Government's legitimate concerns in such negotiations under current arrangements became all too clear during last winter's industrial dispute. By issuing our requirements in advance of negotiations, employers and employee representatives can seek agreement in full knowledge of the Government's expectations.

Part 4 of the Bill also makes provision in respect of pensions. Existing provisions under the 1947 Act are carried forward, but with two important changes. The first recognises the importance of a more diverse work force, with women as well as men serving as firefighters; secondly, there is scope for changes to deal with some of the difficulties that fire and rescue authorities face in meeting the cost of pensions.

Part 5 of the Bill replicates existing provisions to ensure the effective supply of water for the purpose of fighting fires.

Part 6 deals with supplementary powers. In particular, it gives firefighters powers to do whatever they believe is necessary and reasonable in dealing with a fire, road traffic accident or other emergency. For example, a firefighter might need to gain entry to premises or a vehicle, or to prevent a member of the public from entering an area for their own safety. The Bill also includes powers to obtain information and to investigate the cause of a fire.

The Bill abolishes the Central Fire Brigades Advisory Council. Bain concluded that the CFBAC was failing to provide the strategic advice that Ministers require. He recommended a new structure to bring clarity to the roles and responsibilities of stakeholder groups. We have made good progress in establishing the new structure. The practitioners forum and the business and community safety forum are both up and running and bring together respectively the "providers" and the "users" of the service.

I hope to announce shortly the membership of the high-level group, which I will chair, to be known as the fire and rescue service sounding board. Hon. Members will note that the Secretary of State is required to consult on the exercise of his order and regulation-making powers under the Bill, including those matters for which the CFBAC acted as statutory consultee in the past.

Part 6 also replicates the existing offence of giving a false alarm of a fire and creates a power for the Secretary of State to make payments to advisory bodies. It also includes a provision to repeal the Fire Services Act 1947, along with other consequential matters.

Part 7 deals with general and miscellaneous matters. In particular, it devolves the fire and rescue service in Wales to the National Assembly for Wales and provides for pre-Royal Assent consultation for the purposes of making orders and regulations under the Bill.

Mr. Roger Williams *rose—*

Mr. Raynsford: I shall give way for the last time.

Mr. Williams: Can the Minister provide some guidance on the devolution aspects of the Bill? Clause 59 states, in respect of parts 1 to 6, that

"reference to the Secretary of State"

will be substituted by

"a reference to the National Assembly for Wales".

The Secretary of State is also mentioned in respect of pensions, but I thought that they would remain a reserved and thus non-devolved matter. Will the Minister clarify whether that is the case?

Mr. Raynsford: It is our intention entirely to devolve responsibility for the fire and rescue service to the Welsh Assembly Government.

The challenges of the 21st century require a modern fire and rescue service that is better able to protect the public and save more lives. It should be a service that places greater emphasis on preventing fires and takes greater account of today's risks in deploying its resources. It should also be a service that is working closely with local communities to identify and eliminate risks, particularly those affecting the most vulnerable. It should be a more efficient service where fire and rescue authorities work together to underpin national resilience and to support each other in facing a range of challenges. The White Paper set out the Government's vision for a fire and rescue service—a vision that has been widely welcomed and endorsed, most recently by the Select Committee. The Fire and Rescue Services Bill is crucial in delivering that vision, and I commend it to the House.

5.19 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): I beg to move,

That this House declines to give a Second Reading to the Fire and Rescue Services Bill because the Bill is granting to the Secretary of State too many powers to intervene which is against the thrust of the Government's stated approach to modernisation of the Fire and Rescue Service and will undermine local accountability; because the approach to introducing new regional structures for the fire service is based on the boundaries of the Government Offices for the Regions, most of which are inappropriate for this purpose and are not sufficiently accountable in the absence of elected regional assemblies; and because some key measures to promote fire prevention, particularly requirements for greater use of sprinklers, are not strong enough or are absent in the Bill.

As the Minister said, the Bill is the final part of a package of measures making up the Government's response to the agenda set out in Sir George Bain's report, published in December 2002. Given the existence of a string of reports dating back 20 years, the catalyst for action at this time was clearly the damaging fire dispute that rumbled on through 2002 and into 2003. Happily that dispute has been resolved, with the apparent acceptance by all sides of the agenda for change in the fire service for which Bain has called.

As the Minister pointed out, the pace of change is challenging. Some of the most significant elements of that agenda are already well advanced: integrated risk management plans are being developed, and the national fire and rescue framework has been published in draft form and is out for consultation. Tight timetables apply to both. Primary legislation to update the statutory framework in which fire and rescue services operate—which has changed very little since the Fire Services Act 1947—was always anticipated and was welcomed by Conservative Members, but this Bill goes much further.

The 2002 pay claim by the Fire Brigades Union was seized on by the Government as an opportunity to force through radical change in the focus and ethos of our fire and rescue services. The Government repeatedly set out their case that abandoning prescriptive response standards and placing greater emphasis on the community fire safety role would enhance public safety, while generating enough savings to finance a reasonable pay settlement for firefighters. The Government's key claim was that modernisation would reduce the number of accidental fire deaths in the home, and would save money that could finance the pay settlement by focusing on prevention and improved fire safety and by tailoring the deployment of firefighting capacity better to reflect risk to human life.

I am afraid that the Government's claim that the modernisation programme is primarily about saving lives is shot to pieces by their own downgrading of their public service agreement target for accidental fire death reduction. In their 2000 spending review, the Government committed themselves to reducing the number of such deaths in the home by 20 per cent., from a baseline of the average between 1994 and 1999, and to achieving that by 31 March this year—just 10 weeks away. Last summer that target date was changed to 31 March 2010, a change described by the Select Committee—rather politely, I thought—as "surprising".

While the Office of the Deputy Prime Minister was immersed in a frenzy of activity last summer—with the integrated risk management plans, the preparation of the Bill and the drafting of the national framework prior to consultation, all in the name of reducing the number of accidental fire deaths—Ministers were quietly abandoning their agreed targets. They have now effectively admitted that the end result of the modernisation programme—the national framework, the integrated risk management plans and the Bill—will be the slipping from 2004 to 2010 of the date for the achievement of the 20 per cent. reduction. According to my calculation, that means that the Government's new target will be met this year with 10 per cent. more deaths than under the old target. That is unacceptable from a Government who claim to put community safety at the top of the agenda.

Andrew Bennett: I understand the hon. Gentleman's criticism of the targets, but he could attack either of two sets of targets—the original ones, or the new ones. What is really criminal is this: the original targets were so badly conceived and badly thought out that it was clear that the service lacked the risk management analysis that would have provided good targets. Surely the hon. Gentleman should concentrate on the fact that the targets of the past were guesses plucked out of the air, rather than being based on—for instance—the demographic figures that the Select Committee obtained from the Minister.

Mr. Hammond: I understand that the original target was agreed in the spending review of 2000. I suspect that the Treasury would reject the notion that it was parcelling out money to Departments on the basis of targets plucked out of thin air. I think that the time to raise that objection was during the spending round.

Mr. Gummer: Would targets not be much more credible if they were set for a date on which the present Minister was likely to be in power? Has my hon. Friend noticed that for environmental and fire targets alike, dates are constantly set so far forward that it is unlikely that the present Ministers would be in their posts, even if their Government were to continue? The real sin is for Ministers to set targets that they will never have to meet, but that someone else will.

Mr. Hammond: My right hon. Friend raises an interesting point. One cannot help but notice that the original target date is a mere 10 weeks away. Although the Minister for Local Government, Regional Governance and Fire has been one of the most enduring members of the Government—he has remained in the same place since 1997—I suspect that even he does not expect to be in his post in 2010. *[Interruption.]* I hope, for his sake, that he will not be in the same post in 2010.

One is tempted to ask why the Government have changed the target date. Helpfully, the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Corby (Phil Hope), answered that question in a Standing Committee debate in October 2003, when he said:

"we extended that date to ... 2010 because the earlier date was not achievable."—[*Official Report, First Standing Committee on Delegated Legislation*, 21 October 2003; c. 4.]

He went on to assert that the new target was more realistic. It is a pity that the Government did not think of that when the targets were set during the spending review, but at least the Under-Secretary came clean. When the Minister for Local Government, Regional Governance and Fire gave evidence to the Select Committee, he allowed his customary intellectual rigour to desert him momentarily—if I may say so—by trying to argue that pushing the date back from 2004 to 2010 did not represent a relaxation of the target.

Let me be absolutely clear. We support the objectives of maintaining optimum effectiveness and efficiency in our fire and rescue services and ensuring that they are able to deliver their traditional role to the community and deal with the heightened risk of terrorism while focusing on prevention at the same time. We support the abolition of a prescriptive national response standard and the introduction of local flexibility to match the deployment of resources to locally identified risks. We support the ending of anachronistic working practices, discipline procedures and career paths. We positively welcome the recognition of the wide-ranging role of the service by the creation of new statutory duties on fire and rescue authorities to perform the many essential rescue and support tasks that they have carried out in practice for many years, over and above their obligations under the 1947 Act. We emphasised our support for those measures throughout the fire dispute, and I do so again today. Throughout that period, however, the Government expressed their intention to reduce national prescription and thus allow more local control and flexibility.

The Bill will grant sweeping powers to the Secretary of State not only to set output targets, but to dictate how they must be achieved. It gives powers to merge existing authorities to create new combined fire authorities and to appoint members to those authorities for the first time. It gives powers to impose negotiating bodies on employers and employees in the fire service and then to give those bodies guidance that they will be obliged to follow. It gives powers to acquire, own and operate equipment and to provide services, and to require the supposedly independent fire and rescue authorities to use that equipment and purchase those services from the Secretary of State on the terms that he dictates. It gives powers to give a fire authority responsibility in the geographical area of another authority, whether the second authority agrees or not. It also gives powers to intervene in the micro-management of an authority and to order it, as the hon. Member for Kingston and Surbiton (Mr. Davey) pointed out, to do or not do any specified thing. It even gives powers to the Secretary of State, which I am told that no Secretary of State has enjoyed since the end of the second world war, to intervene in the management of a specific fire or incident and to deploy his judgment over that of the professional senior fire officer on the scene.

Critically, the Bill also gives the Secretary of State the power to impose the national fire and rescue framework. The Office of the Deputy Prime Minister drew up the document and although the Bill will give it statutory status, it will not be subject to any scrutiny by Parliament. The document lays down in considerable detail a prescriptive framework that covers every aspect of the organisation, management, operation and indeed ethos of our supposedly locally accountable fire and rescue authorities. The authorities will be required to follow the framework, and the Secretary of State will report periodically on the extent to which they are doing that.

Crucially, the comprehensive performance assessment audits of fire service authorities will take into account the extent to which they adhere to the Secretary of State's agenda, as set out in the framework.

All that sits extremely uncomfortably with the Government's stated objective of decentralisation to create a primarily community-based service. It is odd, indeed, that alongside the welcome abolition of national response standards, they are introducing a regime that will allow them to control directly from Whitehall the organisation, structure, employment practices, collaboration arrangements, procurement, training and human resources policies of every fire and rescue authority in the land, and even to take direct control of a specific fire or incident. To many Opposition Members, that looks like a step backwards, not forwards.

The Government's rhetoric during the dispute was of local empowerment, flexibility in delivery and the withdrawal of Whitehall from the running of fire services. Somewhere along the line, those good ministerial intentions gave way to a more familiar Whitehall instinct: to manage a wholesale reorganisation of the fire service in structure, role and ethos from the Deputy Prime Minister's Office.

Even more alarming is the importation into the fire service debate of the flawed concept of the English regions. It seems that the Deputy Prime Minister believes that joined-up government means propping up one policy area by compromising another. To be frank, so long as his obsession with his regional agenda manifests itself in him running around the country publicly denouncing his Labour parliamentary colleagues as "liars" and privately infuriating the Treasury and his Scottish colleagues by telling anyone who will listen that the creation of elected regional assemblies will be a catalyst for the scrapping of the Barnett formula, the only damage he is doing is to the Labour party and the campaign to flog his regional white elephants to an already sceptical public.

Mr. Raynsford: Had the hon. Gentleman been at the meeting in Manchester, of which he gave a somewhat misleading description, he would have heard the only contribution on the fire service coming from someone who announced himself as a former firefighter from Merseyside, who warmly congratulated the Government on proposing the regionalisation of the fire service if an elected regional assembly is voted for in the referendum. Had the hon. Gentleman been there, he might have taken a different position.

Mr. Hammond: The Minister, who was at the meeting—I am assured that he tugged urgently at the Deputy Prime Minister's sleeve as he inflicted damage on what was left of Labour party unity—will know that it was an all-ticket event. Some people who would have liked to attend were not able to do so.

Andrew Bennett: Where does the hon. Gentleman's party stand on the Barnett formula? Is he firmly committed to it for ever more, or does he want to review it?

Mr. Hammond: I suspect that if I strayed into a debate on the Barnett formula, you would rule me out of order,

[Mr. Hammond]

Mr. Deputy Speaker. Perhaps when we have an opportunity to debate again—as I am sure we will—elected regional assemblies and what the Deputy Prime Minister has been telling audiences up and down the country in private at least, we can explore that matter in more detail.

Mr. Gummer: Will my hon. Friend also think about the remarkable fact that when the Mott MacDonald report looked into the regionalisation of the fire service, it surprisingly enough landed on the position that it just happened to be true that the natural way to organise it into regions was to follow those regions that we already had? Is he surprised that regions that were created for quite different reasons—I was part of their creation—turn out to be exactly the regions that are suitable for the reorganisation of the fire service?

Mr. Hammond: My right hon. Friend makes a valid point, which I shall address in a moment. If he looks carefully at the Mott MacDonald report, he will see that nowhere does it claim that the existing regions with Government offices are operationally the most appropriate regions for the organisation of fire and rescue service. It limits its claim to suggesting that speed of implementation, administrative convenience and financing considerations would be facilitated by using those existing regions.

I suggest to my right hon. Friend that any consultant who makes his living from delivering reports to the ODPM would not need very well tuned antennae to realise that, if he is asked to report on the optimal configuration of any service, deciding that nine English regions is indeed the optimum might be likely to favour him for further work.

Mr. Raynsford: Before the hon. Gentleman gets carried away on such flights of fantasy, may I put two points to him? First, the Mott MacDonald report indicated that an optimal solution for cost-effectiveness might have been just three super-regions, but there were obvious concerns about whether that was a sensible way forward. Secondly, the hon. Gentleman will be well aware of the Civil Contingencies Bill and the question of regional resilience planning on the basis of the regions as created for Government offices by the right hon. Member for Suffolk, Coastal (Mr. Gummer). There is an obvious logic in the fire service relating to other emergency planning for other reasons. Consistency is clearly advantageous.

Mr. Hammond: The Minister is right: consistency is advantageous, but whether consistently applying the wrong boundaries is right, I am not sure. The Mott MacDonald report considered only three options. I shall leave it to the hon. Member for Denton and Reddish (Andrew Bennett) to underscore the Select Committee's conclusion that—I think that I am right in saying—although the financial case for nine regional control rooms may have been made, there has been no attempt to make a service delivery case for that configuration, which further undermines the Government's claim that modernisation is about saving lives and delivering a service rather than simply saving money.

Mr. Swire: Does my hon. Friend share my concern that, by mirroring the so-called regions on which the Minister is so keen, in the south-west we will end up with a lack of clarification on delivery? After all, it is a region stretching from the Isles of Scilly to Mickleton in Gloucestershire, which is nearer to Gretna Green than to Penzance, with different requirements in the conurbations of Gloucester and Swindon from those in the more remote areas of Devon and Cornwall and a further mix of areas that have a high percentage of retained firefighters, such as Devon, and those that do not.

Mr. Hammond: My hon. Friend is right; I take his point. It is questionable whether a single control room can effectively provide a service across 23,000 sq km, which is what the south-west region, the largest in England, comprises. I suspect that people living at one end of that hugely extended geographical region feel that they have been deprived of their local fire and rescue services.

Mr. Drew: The hon. Gentleman will know, as the hon. Member for Cotswold (Mr. Clifton-Brown) is sitting next to him, that we have an alternative model in Gloucestershire that has considerable merit. However, one problem with it is that there are three different forms of accountability: the fire service is in local government control, the police have their own authority and the ambulance service has its own trust. How could that model be made more accountable by bringing those services together?

Mr. Hammond: Although I dared to level a criticism at the Mott MacDonald report, I am not about to suggest that in the space of a few minutes I can review all the options and come up with the best solution. However, there is a question mark over the process that has been undertaken. Effectively, the Mott MacDonald report considered only a very limited range of options. The key question that needs to be in our minds as we consider this matter is that posed by my right hon. Friend the Member for Suffolk, Coastal: has anybody demonstrated that the Government office regions are the optimal configuration for delivering our fire and rescue services in future?

I was making a slightly light-hearted remark to the effect that I really do not mind the Deputy Prime Minister charging around the country obsessing about the English regions if all he achieves is to damage the campaign in favour of them and to damage the Labour party. But when that obsession spills over into a matter as important as our fire and rescue services and the safety of our communities, the Deputy Prime Minister's antics are no longer a laughing matter.

That is not to say that the Opposition do not recognise the arguments in favour of collaboration between fire brigades and the case for some areas of activity, especially those relating to anti-terrorism response, to be handled at a higher level than the

individual fire and rescue authority. I say to the Minister for Local Government, Regional Governance and Fire that that is virtually self-evident: it makes perfect sense from an operation viewpoint. Had the Government taken what I suggest is the obvious and natural route of imposing statutory duties on independent local fire and rescue authorities to deliver services and to do so efficiently, effectively and economically, and then provided encouragement and support for those fire and rescue authorities to collaborate voluntarily in the combinations that were most effective and most appropriate to their individual local circumstances, they would have had our support—but they did not. Instead, the Government have made the huge and unsubstantiated leap to the politically convenient conclusion that the organisation of fire services should be based on the existing English Government office regions, without producing a shred of evidence to support that conclusion.

Mr. Edward Davey: I have some sympathy with the hon. Gentleman's remarks, but has he spoken with the Conservative spokesman on homeland security, the hon. Member for Newark (Patrick Mercer), who seems to think that the Government have been very tardy in responding?

Mr. Hammond: I have indeed spoken with my hon. Friend. I suggest to the hon. Gentleman that the key point to emerge from the discussion is not whether a higher level of organisation is needed for certain purposes, particularly anti-terrorism response, but whether the unit of organisation that the Government have chosen is the appropriate one or an arbitrary one for that purpose.

In fact, judging by the material that the Government have produced and the Select Committee's review of it, the rationale, such as it is, for regionalisation appears to lie mostly in the financial savings that the ODPM believes can be generated by regionalising control rooms. That view is based on the Mott MacDonald report, which considered only three options. No serious attempt has been made to review the geographical boundaries that are most appropriate, nor have I noticed a flicker of recognition of the absurdity of a system that will deliver one control room for 2.5 million people spread over 8,500 sq km in the north-east region, and one control room for 8 million people spread over 19,000 sq km in the south-east. Effectiveness in delivery of a critical public service on which the safety of the community depends is being subordinated to the political agenda of the Deputy Prime Minister, who insists on seeing a regional solution to every problem.

The Minister for Local Government, Regional Governance and Fire has made it clear that if any of the English regions choose in a referendum to have an elected regional assembly, he will establish a regional fire authority for that region using his powers under the Bill to create a combined fire and rescue authority for a Government office region without the normal requirement, set out in clause 2, that any amalgamation of fire and rescue authorities must be shown to be in

"the interests of greater economy, efficiency and effectiveness".

Any combination of authorities must meet that requirement unless it is a combination into an authority that covers a Government office region, in which case, there are no hurdles to be cleared and no defining criteria.

The Deputy Prime Minister is not going to chance his agenda to the vagaries of a referendum. Regionalisation by stealth is already upon us in the fire service as in planning, housing, learning and skills and apparently now the police. He has imposed on fire and rescue authorities across the country a regional management board structure which was initially billed as a light touch strategic planning unit helping to ensure an adequate scale of response to the new terrorist threat, but which, it has become clear, will quickly usurp the real freedoms and independence of local fire authorities. The Minister will be empowered to direct different authorities within a region to specialise in different fields. He will be able to direct them to operate beyond their own boundaries and to allow another fire and rescue authority within theirs.

The regional management boards will take over procurement, training, human resources and other senior management functions. Inevitably, the existing brigade structure will wither, and we predict that it will only be a matter of time before the Secretary of State uses the powers that he is taking in the Bill to create fully integrated regional fire authorities. As elsewhere in the Government's regional agenda, the Government are taking powers and accountability away from local people, and are moving them upwards to a more remote, less accountable tier of regional government. The Minister has effectively admitted that if authorities escape that fate, it will only be because they are deemed to have moved so far in the direction of regionalisation on a voluntary basis through compliance with his national framework that the final step of formal amalgamation has become irrelevant.

The Minister will find that as integrated risk management plans will probably produce requirements for the redeployment of appliances and fire station closures, local communities—already sceptical about modernisation, which they think is a euphemism for cuts—will be less willing to accept decisions that are made further away. The Government are fundamentally confused about what they are seeking to achieve.

Mr. Raynsford *indicated dissent.*

Mr. Hammond: Well, they want a community-focused, civilianised service operating at local level and emphasising improved fire prevention and community safety—which, as the Select Committee notes, will require close liaison with other local services and will be best provided and managed at local level—while at the same time they appear, quite understandably, to want a more military-style, heavyweight response to potential terrorist threats, including high-capability, specialist mobile teams for urban search and rescue, decontamination and similar work. Such units have to work on a wider basis than that provided by a fire authority, and we accept that that is sensible. However, that aspect of fire and rescue services work, vital as it is, will only ever account for a tiny percentage of their role. The Government appear to have abandoned the local structure and local control that would be the optimum

[Mr. Hammond]

for the large majority of the new services' work, which will be community-focused, and instead have chosen to subject them to a regional structure in the name of anti-terrorist resilience, based on regional boundaries that are irrelevant and largely inappropriate to their operational needs.

Mr. Davey: In many ways, the hon. Gentleman is underselling his argument. The draft national framework deals not just with anti-terrorist activities but with issues such as training, control rooms, procurement, personnel and human resources and specialist services such as fire prevention.

Mr. Hammond: I am grateful to the hon. Gentleman, but I mentioned those issues a moment ago. Conservative and, indeed, Liberal Democrat Members are extremely familiar with the nature of the assurances that have been given by the Government in their seven years in office. The Minister has stood at the Dispatch Box, introducing a Bill that includes sweeping powers of intervention and huge centralising measures. He says that the Government are never going to use them—they are simply reserve powers that they need for a rainy day. The truth is that, we just do not trust them to use those powers only in the limited areas that the Minister has tried to suggest to the House. When we read the supporting documents, it becomes clear, as the hon. Member for Kingston and Surbiton rightly said, that the regionalisation of the service extends far beyond anti-terrorist activities.

Jim Knight: Is it not the case that the things that the hon. Member Kingston and Surbiton (Mr. Davey) mentioned are things in relation to which an economy of scale could be achieved? That would be welcomed by council tax payers, who are now being given separately itemised precepts for fire authorities. Operational decisions, by contrast, can be perfectly adequately organised on a divisional basis by divisional commanders within a regional structure.

Mr. Hammond: I am not sure that the hon. Gentleman is right. If the structure of fire brigades is emaciated following the withdrawal of functions to the regional tier, the brigades themselves may wither, and the case for merging them will become unstoppable. I suspect that that is the Minister's medium-term intention.

Mr. Gummer: The savings would be more credible if the Government could give any details of them. However, they have said specifically that they could not give details of the savings, either in personnel or in overheads. Surely this is a chimera.

Mr. Hammond: My right hon. Friend is right. I do not want to misquote the Select Committee, but either the main body of the report or one of the evidence statements draws attention to the history of projected savings, and the fact that they are less than those originally predicted at the time that the amalgamation of local government units takes place.

The structure proposed by the Government may save a bit of money on control rooms, but the evidence is disputed—*[Interruption.]* Yes, it is disputed. If the Minister reads the evidence in the Select Committee report, he will see that commentators with first-hand knowledge of such matters dispute the savings to be made. There will be huge transitional costs and there will be many redundancies in the discrete control rooms that have to be shut down.

Mr. Raynsford: I understand the hon. Gentleman's paranoia and his general view of regionalism, but on the specific issue of the costs of control rooms, the figures have all been spelt out. I must tell the right hon. Member for Suffolk, Coastal (Mr. Gummer) that the figures have been made available to the public. They show that the average cost of handling a call in London is £18, but it is £168 on the Isle of Wight, so it is simply not credible to say that there is no scope for savings.

Mr. Hammond: If that is the Minister's attitude, he will want to do something about policing services in rural areas. Of course, we accept that unit costs of activities will be higher in areas where populations are sparse or isolated. However, the Mott MacDonald report did not include a careful analysis of the transitional costs, such as the cost of closing down existing control rooms and making their staff redundant, which are needed to achieve the proposed long-term savings. We cannot expect staff in the existing control room in Cumbria to go down to Manchester every day to work in the new regional control room—substantial redundancies and relocation will be involved. Whatever the structure imposed by the Minister achieves in relation to anti-terrorist work—I make no comment on that—it clearly will not support or enhance in any way the delivery of community-based fire and safety roles, which the Government have put at the heart of the function of modern fire and rescue services.

Beyond the overarching questions of structure, control and accountability which are at the core of the Bill, there are other issues that call for further explanation by the Under-Secretary in his winding-up speech. The catalyst for the whole process was the industrial dispute in 2002–03. The Bill's provisions on industrial relations, Ministers' reserve powers and the way in which they intend to use them are crucial. Clause 31 gives the Secretary of State the power by regulation to create one or more negotiating bodies for the fire services. Only contracts negotiated by a body thus constituted would be enforceable under the Trade Union and Labour Relations (Consolidation) Act 1992. Clause 32 gives the Secretary of State the power to issue those negotiating bodies with guidance to which they must have regard in their deliberations. In other words, he sets up the negotiating bodies, then tells them what to do.

The draft national framework makes it clear that contingency planning cannot be based on the assumption that military support on the scale provided in the winter of 2002–03 would be available again in the case of a national strike. Given the current overstretch of the armed forces, the further cuts looming on the horizon, and the possible privatisation of the RAF specialist fire and rescue capability under the airfields

support services private finance initiative, we must assume that only limited military support would be available to maintain public safety in a future industrial dispute.

Ensuring the safety of the public must be the Government's principal concern in this matter, and it must also be the House's principal concern as we scrutinise the Government's proposals. If the Government cannot guarantee military back-up to ensure public safety in the case of a national strike, they must demonstrate how they will use the powers that they are granting to themselves to eliminate the risk to public safety posed by strike action in the fire and rescue services of a type and nature that would place public safety at risk.

If the Bill reaches Committee, we will want to understand in detail how the Minister envisages using the powers in clauses 31 and 32. The powers are clearly not reserved powers because he has already said that he regards the prospect of voluntary agreement between the parties on new negotiating machinery as remote. If, as Conservative Members suspect, he intends to use those powers to fragment and control the negotiating process to ensure that negotiations with middle management, which we might previously have thought of as the senior operational ranks, are conducted separately from negotiations with rank and file firefighters, he may be able to convince us that he has a robust plan for ensuring that cover would remain available at an acceptable level to ensure public safety during any reasonably foreseeable future dispute. If we get there, I look forward to having that debate with him.

Mr. Raynsford: When we get there.

Mr. Hammond: It is probably unwise to take the House's decision for granted.

The Minister told the House that he was incorporating into the Bill all the provisions, bar the one that allowed him to impose pay and conditions, of the Fire Services Act 2003, and those provisions form clause 29. I hope that he is slightly uncomfortable about incorporating wholesale powers to direct the use and disposal of equipment and premises on a permanent basis. At the time, the Minister told the House that those provisions were short-term, backstop measures strictly related to the immediate prospect of renewed industrial unrest in the service. *[Interruption.]* If, as I did only a couple of hours ago, the Minister consults the record, he will find that that is what he said.

We also need the Minister to clarify the Government's approach to local negotiation of conditions, which has traditionally occurred within the fire service. Clause 32 appears to rule out local negotiations on pay—for example, London weighting—and conditions of work. If that is so, he is contemplating a wholesale further erosion of the independence of individual fire and rescue authorities. Perhaps the Under-Secretary who is responsible for fire safety can clarify that point in his winding-up speech.

There is considerable concern about clause 19, which provides for a charging regime. Under the 1947 Act, fire authorities have been able to charge for duties other than their statutory duties—that is to say for everything that they do except for extinguishing fires. It is, however, very rare that fire authorities levy a charge for extracting accident victims from the wreckage of their cars. The Bill extends the statutory duties of fire and rescue authorities to include road accident attendance, yet the prohibition on charging for fire attendance has conspicuously not been extended to cover the new statutory duty in relation to road accidents. The power to charge for a statutory function is directly at odds with the general exclusion of such charges in the Local Government Act 2003. *[Interruption.]* The Minister is mumbling that he said in his speech that there would be no change to the status quo, which is that fire authorities are not allowed to charge for their statutory functions.

Mr. Raynsford: If the hon. Gentleman checks the record, he will see that I made it clear in my speech that any changes to the status quo would be made only after consultation. I gave that clear undertaking and hope that he will accept it.

Mr. Hammond: I am not sure whether "after consultation" satisfies me. The Minister knows that I am a reasonable person and his reassurances usually satisfy me, but not that one.

I ask the Under-Secretary to give a categorical commitment in his winding-up speech that the Government will not allow charging for road accident extraction. There is a fear that as part of the agenda of extracting savings from modernisation—I have read the Bain report and noted Bain's enthusiasm for charging as a source of revenue—the Government have a hidden agenda to transfer on to the motorist through higher insurance premiums the cost of road accident rescue work by charging for it.

The Minister has clearly given himself the power to do that under the Bill. Unless we receive that assurance from the Under-Secretary in his winding-up speech, he will cause alarm to England's 27 million hard-pressed motorists, who have come to expect that they will be treated as nothing more or less than this Government's milch cow.

Mr. Raynsford: I cannot let the hon. Gentleman get away with that. As he knows from reading the Select Committee report, I made it absolutely clear in my evidence—the Committee clearly endorsed this view—that we were being cautious about that whole area. It is one of the few areas of the Bain report that we had not wholeheartedly welcomed, because we could see real risks of the possibility of charging leading in some cases to perverse outcomes. That is why we have adopted an extremely careful, pragmatic approach, and said, "No change to the status quo without careful consideration."

Mr. Hammond: I am grateful to the Minister for that, but I do not think I heard the categorical commitment that I seek, which is that the Government will not allow charging for road accident extraction.

Mr. Mark Field: I thank my hon. Friend for at least trying to extract a commitment from the Minister, and I share with his concerns about charging. However, will he go into detail as to the support that there might be among Conservative Members for certain aspects of charging? I am thinking in particular of the London fire brigade, which, as has rightly been pointed out, would

[Mr. Mark Field]

have an important part to play in relation to civil contingency matters. There may be important training that the fire brigade can carry out for which it is currently prohibited from charging. That would obviously give great benefit, not just to fire brigade funding, but, more importantly, to the community at large.

Mr. Hammond: My hon. Friend raises an interesting point, because the other side of the coin is that fire authorities are allowed to charge—some do so—for consultancy services that they provide, quite properly, to large businesses, designers of commercial premises and so on. They set their charges for that. Under the regime in the Bill, the charges that they can make for such non-emergency work will be limited to cost recovery, taking one year with another. So, there is an issue and I know that the London Fire and Emergency Planning Authority in particular considers that it has a marketable brand in fire consultancy, which it would like to be able to exploit. That matter will probably be considered further in Committee.

The Bill provides, as now, for the appointment of fire service inspectors. There has been much debate, during the dispute and since, about the role of the fire service inspectorate. It would be helpful if the Minister fleshed out for the House the Government's current intentions, which are not discernible from the Bill. *[Interruption.]* I asked the Minister specifically for his current intentions. The White Paper is seven months old.

The Minister has made clear his intentions to use the powers under clause 28 to impose a uniform communications system on all fire authorities. Will he confirm that the Firelink system that he proposes is based on the TETRA—terrestrial trunked radio—technology, which has run into huge public resistance over the siting of masts for the police system? If so, does he have any concerns about the vulnerability that comes from imposing such a controversial system—*[Interruption.]* The Minister shakes his head, and I am grateful to him for that clarification. Perhaps there will be some elaboration in the winding-up speech.

On pensions, the Bill largely replicates the current provisions while enabling the introduction of a funded scheme. The Minister knows that the pension crisis is probably the single greatest threat to the financial stability of fire and rescue services—at least a quarter of the budget of large fire authorities will be going on pensions within the next couple of years. Will he tell the House what thinking lies behind the pensions provisions, and what plans the Government have to defuse that time bomb, which is ticking under the service?

A significant number of provisions re-enact provisions of the 1947 Act. Is the Minister entirely satisfied that an opportunity is not being missed to update those provisions to deal with 21st century challenges? For example, clause 47 re-enacts the provisions with regard to false alarms of fire, but does not extend them to deal with false alarms in respect of other types of emergency with which the fire and rescue services will now deal as statutory obligations.

Similarly, in relation to powers of entry, I note that the Bill does not give firefighters the power, which they tell me they need, to break into premises to prevent the outbreak of fire where that is imminent. The provisions in clause 36 prohibiting the employment of police seem—perhaps this is accidental—to exclude the possibility of a fire authority entering into contractual arrangements with a local police force to discharge some or all of its road traffic accident duties, although it would be able to enter into such an arrangement with a private sector provider.

All those areas can be further scrutinised and amended, but the regionalised structure, operating within a prescriptive framework dictated by the Secretary of State, which the Government are proposing, cannot. The bureaucratic regional management boards; enforced amalgamation of functions between authorities; the imposition of regional control rooms with huge transitional costs, even where authorities have responded to the Deputy Prime Minister's exhortations and already established joint control rooms; and the Secretary of State's ability effectively to control—through the powers in the Bill and through the mechanism of the comprehensive performance assessment audit procedure requiring conformity with the national framework—every last detail of the operation, management and even the ethos of a fire and rescue service are not susceptible to refinement or amendment. They go to the heart of the Government's approach to the challenge of creating a 21st century fire service.

In our view, the Government's approach is entirely wrong. Instead of reinforcing the existing authorities, as well as encouraging genuine and voluntary collaboration between them in the discharge of their functions so that the existing structures could respond appropriately and flexibly to the new statutory duties and challenges being imposed on them, the Government have chosen to embark on a wholesale reorganisation of the service—exactly the kind of restructuring that Bain explicitly cautioned against. *[Interruption.]* Yes he did.

At the same time, the Government have downgraded targets for reducing both accidental fire deaths and deliberate fires, and introduced the red herring of English regional politics to the equation. We will be left with a fire service contorted into a shape dictated by the Deputy Prime Minister's agenda for the English regions and convulsed by structural and organisational change when it should be focusing on an operational response to the new challenges of defending public safety that the Bill places squarely on it.

By the Government's own admission, all that change and upheaval will deliver more, not fewer, accidental fire deaths over the next six years as they backtrack on the targets that were already in place. The objective of creating an efficient fire and rescue service that can deal effectively with traditional and new threats, as well as community fire safety and prevention, is sound. In the Bill, however, and in the other parts of the package, it has become distorted to the point of destruction by the centralising instinct of the Whitehall machine and by the Deputy Prime Minister's regionalising instinct.

I therefore urge the House to support the reasoned amendment standing in the name of the Leader of the Opposition and to send the Government back to the drawing board to produce a new Bill that is focused on the needs of our local communities and shorn of the Whitehall control and the regional dogma that pervade this one.

6.8 pm

Andrew Bennett (Denton and Reddish) (Lab): I welcome the opportunity to speak in the debate—but having listened to the hon. Member for Runnymede and Weybridge (Mr. Hammond) for 51 minutes, I must say that I am rather disappointed that he did not have more to say about what he would do were he in office. In particular, a few remarks about looking at the fire service and trying to achieve a consensus that would last at least a few years would have been far better than all that carping.

I am surprised by the hon. Gentleman's comments on the targets. He seems to assume—this is a mistake that I would often accuse the Government of making—that once a target is set it is achieved. The key thing about cutting the number of deaths in the next few years is not the target but the reality, so I stress to him that if we have a target that cannot be achieved, it is better to be honest about that than to hope that some miracle will occur to allow us to reach it.

I welcome the Bill, which is well designed and will serve the country well. I also welcome the Government's commitment to a modern fire service.

When the Select Committee's inquiry took place, I was impressed by the fact that a great deal of evidence came in that was supportive of what the Government were doing in broad terms, but questioned some of the detail. I believe that the Select Committee's report is a useful document, and I place on record my thanks to our two advisers, Jeremy Beech and Tony Taig, for the help that they gave us. I thank all those who submitted evidence to the Committee and all those who allowed us to subject them to questioning. I also thank my right hon. Friend the Minister, who greatly enlightened our final sittings on the Bill.

We must recognise that the fire service has a good record. It has considerably reduced the number of deaths and injuries as a result of fire. I accept that there are a few blips, including arson, particularly in schools, where we have not done as well as we should. However, we must recognise the dedication of those who work in the service and the fact that they have done extremely well. We have only to make the comparison between the number of lives that are lost because of fires—about 350 to 380 a year—and the 10 times that number that are lost on the roads, to recognise that we have achieved a great deal.

None the less, we cannot be satisfied with the present level of deaths, serious injuries or the loss of property as a result of fires. If we are to go forward, we must move from an emergency service into a service that is involved in prevention. All the emphasis in recent years has been placed on trying to get fire engines to fires a bit more quickly, but it is clear that in almost every incident, that would not make that much difference. With a kitchen fire—a chip pan fire, for example—the key factor is how quickly somebody telephones the fire brigade rather than trying to deal with the incident themselves. On the whole, the problem highlighted to members of the Select Committee was that almost half of those who die as a result of fire are dead before anyone contacts the fire station or the control room. It is the people who would be in that group whom we must try to rescue, and the only way to do that is to move successfully into the introduction of prevention measures.

All the evidence showed that sprinklers can play an important part, especially in schools, although some open-plan designs and other factors must be considered. Sprinklers are particularly important in accommodation for the vulnerable, including the elderly and those with learning difficulties or mental health problems. Another factor is the still significant number of elderly people who smoke in bed. If lighted cigarettes get on to bedding, there is little chance that the fire brigade will be able to do anything—but if there is a smoke alarm that sounds within the building, and a sprinkler system is in place, there is a chance that something can be done. I argue strongly that building regulations should be reviewed quickly so that sprinklers are installed in far more of the buildings that accommodate such people. Those who are responsible for housing associations that provide accommodation for the elderly should examine the idea of putting sprinklers into existing properties.

Mr. Edward Davey: Would the hon. Gentleman add houses that are in multiple occupation to his list of buildings that should have regulations about sprinklers?

Andrew Bennett: Yes, I would include those premises in my list. I am assured that it is becoming increasingly possible to retro-fit sprinklers into some buildings. I understand that there is slight hesitation on the part of the industry, because at the moment, I believe, we have the amazing achievement that there has not been a fatality in any building where a sprinkler has been in place. However, that is because most sprinklers are in industrial buildings, and there is a slight worry that if they were installed in more difficult buildings the record might not be so good. Perhaps we should give them a different name. The idea that fires can be damped down by the use of a sprinkler system seems to be an extremely good one.

Richard Younger-Ross: The hon. Gentleman will know that in addition to sprinkler systems there are misting systems, which are easy to retro-fit in places such as care homes.

Andrew Bennett: I accept that. I do not claim to be an expert; I claim only that I have read and listened to a great deal of evidence on these issues.

It is prevention that is important. We heard good evidence from Merseyside and from authorities elsewhere about getting wired smoke alarms into place, and installing battery-powered alarms where wired ones cannot be placed. We must ensure that in some dwellings 10-year batteries are used, and are fitted in such a way that an enterprising seven-year-old, with the use of a ladder, cannot remove the battery to use it to power a Christmas toy, or anything else.

It is clear that we need to put work into those areas. There was a strong plea to the Select Committee from a fire officer for Cornwall, Mr. Howell, who drew attention to the danger of candles. He said that many people wanted to use candles in domestic situations but did not take into account the problems of draughts, curtains and flimsy material. It is important that the prevention message is put across. Merseyside has one of the best records in that respect, and it appears that it has rather more money at its disposal than some other fire

[Andrew Bennett]

authorities. It is important that support be given. A great deal of the money that is provided appears to be allocated on the basis of what was given the previous year and the year before that. Money is provided on the basis of the existence of docks and other industries, without modern circumstances being taken into account. We must examine the formulae for the allocation of money.

In addition to prevention we must take account of new problems and introduce imaginative solutions. The end-use directive on cars is turning out to be a farce. It will cost a lot of money if people burn cars. It would be a much more imaginative approach if some fire authorities and local authorities were to provide a small sum to encourage car owners to take their vehicles to a place where they could be disposed of properly. To pay a small sum to someone to bring in the vehicle will be much cheaper than sending a fire engine to deal with a fire. Even if the car is not burnt out, it will eventually be necessary to haul it off the embankment or wherever somebody has pushed it to get rid of it. We need an imaginative approach.

I was disappointed when Conservative Members questioned the need to get people from the ethnic minorities into the fire service. Their presence will be important in some areas if we are to get prevention measures to work, because people from ethnic minorities can explain problems in terms that will be acceptable to others in those communities. In the course of a different inquiry, into social cohesion, the Select Committee went to Oldham. We were worried about some things, but we were impressed by the way in which the local fire service had recruited people from the ethnic communities, who were able to do much more of the talking to people from their own communities.

It is important also to get many more women into the fire service, especially in the prevention role. I know of someone who was resistant to the fitting of a smoke alarm in their hall because it spoiled the decor. I suspect that someone with a little more sensitivity than some men have when it comes to decor might have had a better chance of persuading that individual to have the smoke alarm fitted. This is a dangerous area, but I suggest that a more balanced work force within the fire service would work better.

I do not know why the Government are so slow to get rid of the archaic disciplinary procedures, which everybody thinks are crazy. They must go, and I hope that when the Minister replies to the debate, he will tell us when that will happen.

I am disappointed that we have not heard more about the retained service. [HON. MEMBERS: "Hear, hear."] It is all very well for the Opposition Front-Bench spokesman, the hon. Member for Runnymede and Weybridge (Mr. Hammond), to agree, but I hardly remember him mentioning the retained service. When people employed as firefighters are not fighting fires, which is most of the time, they can undertake prevention measures, but the difficulty for the retained service is that when its members are not fighting fires, they are at their workplace. When the Minister appeared before the Select Committee, he pointed out that they could introduce an ethos of fire prevention into those workplaces, but the retained service requires further consideration.

We must give greater recognition to employers with such a public-spirited attitude that they will let their employees have time off to act as retained firemen. We should also recognise the considerable role played in the retained service by many self-employed people who give up their time. More consideration must be given to how we turn the retained service into both an emergency service and a prevention service.

Mr. Hammond: I am sorry that I did not have time to mention every single aspect, but will the hon. Gentleman underline the fact that there is a 20 per cent. shortfall in the number of retained firefighters? Unless that shortfall is addressed it will be impossible to deliver the modernisation programme, certainly in rural areas.

Andrew Bennett: I accept that point.

The next issue is rather delicate. It touches on some of the changes that are needed in the fire authorities—that is, in the people who serve on those authorities. With the abolition of bodies such as the Greater Manchester authority, we ended up with fire bodies for a whole metropolitan area. They were, in a sense, second-hand authorities. We put this point to Jeremy Beecham of the Local Government Association. The trouble has been that in many of those areas—this includes the proposals that the Tories put forward for some of the joint boards where they introduced new unitary authorities—it is not the most dynamic councillors who join the fire authority. A leader of a council looks round and knows that he wants key people in education, social services and so on, and in order to keep the political boat sailing, he thinks, "So-and so has to go somewhere. Let's send him to the fire authority."

Angela Watkinson (Upminster) (Con): I cannot allow the hon. Gentleman to get away with that. As both a former member of Essex county council and a former member of Essex fire authority, I claim to be in some small way dynamic. He must understand that every county councillor performs several roles, and would not serve exclusively on one committee or authority.

Andrew Bennett: I thought the hon. Lady was on the county council when the council was the fire authority—in other words, the fire authority was a main committee of the county council. In my view, we get good fire authorities in that situation, and because they are part of the county council, they get the support of the other officers of the county council as well. The arrangement works well. I am concerned about the situation that has developed in quite a few places where unitary authorities were removed from those counties and a joint board was established, with some members from the county council and some from the unitary authority. I am also worried about the situation in the metropolitan areas, with a certain number of people coming from each of the councils.

Mr. Clifton-Brown: I am grateful to the hon. Gentleman for supporting the retention of the county councils, which is implicit in his comments about county council structures. Which does he think is the better

system—the present system, where there is some democratic accountability with elected members, or the system proposed in the Bill, where the Secretary of State has power to appoint almost half—49 per cent.—of the members?

Andrew Bennett: In the three northern regions, the best solution would be for the elected regional assembly to be responsible for the fire service. That would be a first-class way of taking matters forward. My plea to those who appoint people to fire authorities is to make sure that they send some of the most able people. It is a significant challenge to the country to get the fire service working well.

On pensions, the Government must sort out the issues quickly. The present situation is a legacy of fire authorities that thought it was easier to pension people off than face difficult decisions, and now the bill is coming in.

I am not confident that the Audit Commission has the matter sorted out, either. We must introduce more urgency into that process.

As for the regional agenda, control rooms can work perfectly well in that framework, provided we get the new technology so that if someone phones in to report a fire, they do not have to say where it is—that information will come up on the screen, because the cell system that operates with mobile phones makes it possible to identify where every phone call comes from. That is fundamental to making the regional control rooms work.

Mr. Clifton-Brown: I am grateful to the hon. Gentleman for giving way again. I would not want him to be misleading, although I accept that he is not doing that deliberately. Where I live, which is a very rural part of Gloucestershire, my phone comes up with three different exchanges on different days of the week, so how would the fire authority be directed to the fire in such a case? The system might work in an urban setting, but it will not work very well in a rural setting.

Andrew Bennett: I do not want to get into the technical detail, but it is essential that the information gets through to the regional control.

Mr. Jim Cunningham (Coventry, South) (Lab): Has my hon. Friend considered joint control rooms for the fire and ambulance services? How would that work in an area such as the west midlands? From time to time such ideas have been bandied about.

Andrew Bennett: I have listened to the arguments about joint control, but the fire service has convinced me of the benefits of a separate fire service control.

On charging, some difficult questions need to be asked. The suggestion from the Opposition that the motorist would pay is a red herring. Serious questions arise with regard to animals; in some situations the fire service has difficulty dealing with them. It is easy to get a cat down from the tree for an elderly lady without charge, but if it is a matter of getting a prize bull out of a slurry pit—I cannot think of anything much worse than trying to do that—and significant expense might be involved, the question arises whether it would be preferable to shoot the bull humanely. There are issues that need careful consideration.

Mr. Davey: I that hope the Minister will think about that.

Andrew Bennett: I hope that the Minister will reply. I do not expect him to get into the slurry pit, but I expect a reply.

I welcome the Bill. Some improvements could be made in Committee, but it is high time we had a fire service that is both efficient in emergencies, as the service is today, and highly efficient in preventing fires.

6.29 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): The House is doubly grateful to the hon. Member for Denton and Reddish (Andrew Bennett), first for the balanced report that his Select Committee has produced—I hope that he does not see too much of my speech as based on some of his Committee's analysis—but also for taking on in a frank and brave way the fact that some councillors, not necessarily on the types of authority about which he was specifically talking, may not be of the same calibre as other councillors. His mailbag may cause him to regret making that statement, but it has a kernel of truth, and those with some honesty will recognise that.

I shall spend most of my speech criticising the Bill, and the Minister would not expect it to be otherwise; after all, we are the constructive and effective Opposition. But I want to put it on record that we broadly welcome the overall thrust of the ideas behind the Bill—the need to modernise the fire and rescue service—a point made by the hon. Member for Runnymede and Weybridge (Mr. Hammond). I think the Minister will admit that throughout the recent dispute, we gave the Government broad support and agreed with the Bain review that certain measures needed to be introduced urgently; they had been put off by previous Governments for far too long. To the extent that the Bill meets that agenda, it is welcome, particularly the emphasis on fire prevention, which I think has broad support. Updating the Fire Services Act 1947 is vital, as is modernising work practices, and putting the saving of lives at the forefront of our policy has to be right. The hon. Member for Runnymede and Weybridge made much of the change in the target. I think the Government feel some embarrassment about that, and perhaps the Minister could have regretted the fact that the Government got the target wrong more publicly in the first place, but the hon. Gentleman went rather too far in his analysis, suggesting that the Government would downplay the objective of saving lives. The fact that the Bill has that at its forefront gives the lie to that rather cheap analysis.

The problem with much of the Bill is that it goes against the Government's stated aims. The Government, in a number of their documents, most recently in the "Draft Fire and Rescue National Framework 2004/05", stress the importance of developing local solutions for local needs. The document sometimes uses great rhetorical language—

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that one size will not fit all; that there is no national blueprint, and so on. The thinking behind the integrated risk management plans, at the centre of the work, is that local discretion and flexibility are key. But when one starts to look at the details of the Bill, one sees the sticky fingers of the Secretary of State all over it, in clause after clause.

The Minister will try to defend that by saying that those are reserve powers, but I have never seen so many reserve powers in a Bill. When we debated other Bills, such as the Greater London Authority Bill, the Government took the same approach, as they did on the local government finance regime and capping. But these reserve powers tend to be used rather too frequently. The Minister suggests that the Government do not want to use them very often, but some of the nods and winks that one gets from reading the draft framework suggest that the Government may be looking to use some of the reserve powers rather more quickly than they have on previous occasions, and that is a major concern.

The other concern is on the approach to regionalisation. The Minister is well aware that Liberal Democrats have a different attitude to regionalisation from Conservative Front-Bench spokesmen. We have no problem with the idea of elected regional assemblies; we support them, and we have argued that the Government should go faster and deeper. But there is a huge problem with the way in which the Bill approaches regionalisation, as set out in the Conservative's amendment and in ours, and that is that it uses completely the wrong boundaries. That was debated earlier: the boundaries for the Government offices for the regions were not designed for this purpose, and that is a major problem. Moreover, although the Bill puts fire prevention at the top of its list, in some of the measures that are required to promote fire prevention the Government are being rather slow, and I shall come to the issue of sprinklers later.

I shall now deal in more detail with the regional aspect. The Government's intention on regionalisation is not clear from the documents. The Minister tried to clear this up in his opening remarks, but, if anything, he has left some of us more confused. There do not appear to be any real principles in either the draft framework or the White Paper on how that move should go. The Minister seems to be suggesting that the Secretary of State—again—will decide whether the local fire authorities are doing the job that the Government want, and if not they will regionalise. That is not a principle. That is not some sort of criterion that we can look at objectively and say, "Okay, we understand what would happen and how the move would develop." It is far too random. We do not know at what speed it will develop, so there is a degree of uncertainty, and that is not good for planning or for developing the integrated risk management plans which are so important and which have cross-party support. It is not clear how the regionalisation will happen in those areas that will not have a referendum on elected regional assemblies.

When it comes down to the details, it is unclear how the regional management boards that are described in a little more detail in the draft framework will relate to local authorities. Yes, they have the six tasks that are set out in the draft framework, but how they will relate to the local fire and rescue authorities is not clear. The Government need to say much more on that, because if we are to have true accountability, we need to understand where the buck stops. Will it stop with the regional management board over the next few years, or with the local fire and rescue authority? After all, it is the local fire and rescue authority that will be setting the council tax precept, so our voters will want clarity on that. Will the regional management board be able to demand resources from the local fire and rescue authorities in its areas and force up the council tax in certain areas, with no accountability to the people in that area? So far, we do not know the answers to the key questions, and the Government must be a little clearer.

When the regional management board goes about deciding something like the regional control centre, how will the decision be taken? If one local fire and rescue authority says, "Hey, regional management board, we would like it in our area," and another says it would like it in its area, what criteria will apply? Will the Minister give a clear indication when he replies that that decision will be taken on the basis of the Government's published criteria, not by some political process that is not transparent? We need to be clear how such decisions will be taken.

Our fundamental problem with the Government's approach to regionalisation is that it appears that they are prepared to see the development of regional fire and rescue authorities in the absence of elected regional assemblies. We have no problem with regional fire and rescue authorities where there are elected regional assemblies. There is a lot of sense in that. The key thing though is that there be democratic accountability for the decisions; for the way in which taxes are levied to pay for the services. In many ways it could improve quality, transparency and efficiency. We accept that part of the Government's agenda. But we are worried that the Secretary of State will be able to come to the House with an order for those areas that do not have elected regional assemblies and say, "I want combined fire and rescue authorities on a regional basis," and then set up another regional quango.

Mr. Gummer: Has the hon. Gentleman thought that those areas most likely to vote for an elected assembly are those where the region itself is most sensible and most clearly correlates to local feeling, and those regions that are least likely to be a sensible unit are those that will be least likely to vote for a democratic system? In that circumstance, will not the Deputy Prime Minister be forcing on the most inconvenient area a non-democratically controlled system simply because he has got the region wrong?

Mr. Davey: The right hon. Gentleman anticipates my argument. My concern throughout our debates on the Regional Assemblies (Preparations) Bill was that the Government are accepting the boundaries that the right hon. Gentleman's Government produced for completely different reasons. I know that the Minister is worried that regions outside the three northern regions—for example, the west midlands, the south-west and the south-east—are unlikely to vote for a regional assembly because their boundaries are so bizarre and reflect no regional identity or community that could conceive of itself as a region.

If the Secretary of State imposes fire and rescue authorities on regions defined by the current boundaries, and boundary reviews are carried out for those regions—as will be necessary if there are ever to be elected regional assemblies, because on the current boundaries many of them will never vote for them—a huge waste of public money might be involved. For example, regional control rooms could be set up to serve all the millions of people who live in the south-east. In future, people may look at that region and say, "This won't work—no one is going to vote for an elected regional assembly for the south-east, so we need to break it up into two regions." The response will be, "Hold on—we've got this new all-singing, all-dancing, expensive fire control room, so maybe we won't redesign the regional boundaries." Giving the Secretary of State the power to impose regional fire authorities in certain regions might prejudice a future regional boundary review, which would be completely wrong and would go against democratic reforms of the sort that the Government say they want to introduce.

Mr. Raynsford: I put three considerations to the hon. Gentleman. First, he chose several regions to illustrate his thesis that, on the current boundaries, people in regions other than the northern regions will not be attracted to vote for assemblies. Does he not recognise that the eastern region—East Anglia—has a real sense of cohesion, although the evidence from our soundings suggests that at the moment it has little appetite for an elected regional assembly?

Secondly, we have obviously made it clear that we are committed to establishing a regional framework only where there is a vote in favour of an elected regional assembly. The reserve powers are to ensure effective regional co-ordination on matters such as anti-terrorism preparation that have to be dealt with if the voluntary regional management boards do not deliver.

Thirdly, I know that the Liberal Democrats would love to throw everything up in the air and begin to reconsider all the boundaries, but will the hon. Gentleman tell the House how it is possible to proceed quickly, as he urges, to establish the new arrangements for the fire and rescue service, while opening up an inevitably protracted and difficult discussion about boundaries, which, whenever it has happened in the past, has resulted in years of utterly fruitless debate?

Mr. Gummer *rose—*

Mr. Davey: I shall deal with the Minister's points, then give way to the right hon. Gentleman, because I know that he wants to help me in answering the Minister.

The Minister accuses Liberal Democrats of trying to have it both ways. That is not so. We have no argument with the Government's quickly putting in place tough measures to deal with the terrorist threat, but as I told the hon. Member for Runnymede and Weybridge, their proposals on regionalisation in the absence of an elected regional assembly go much further than that. There is nothing wrong with regional management boards considering the terrorist threat and ensuring proper co-ordination is in place quickly, but we do not support the Government in going much further than that. Our position is entirely consistent.

The Minister keeps saying that the provisions on regional management boards and regionalisation outside areas that have a referendum are simply anti-terrorist measures, but it does not say that in the Bill or in the draft national framework. In fact, as I suggested to the hon. Member for Runnymede and Weybridge, the Government are saying that if local fire and rescue authorities do not proceed very quickly—within the next quarter—along the Government's lines, these measures, which go way beyond terrorism, will be imposed. Either the Minister has not read his own draft national framework or he is not being completely transparent with the House.

Mr. Gummer: The eastern region contains both Caister-By-Sea in Norfolk and Rickmansworth in Hertfordshire. How can there be, as the Minister suggests, connections of any kind between, for example, Luton and Trimley St. Mary in my constituency? That shows just how remote from reality he is. I do not think that he has been to the eastern region at all. Most people there would find it inconceivable to be lumped together in that way. After all, it only exists because there is nowhere else to put Bedfordshire and Hertfordshire.

Mr. Davey: I am not sure that there is nowhere else to put Bedfordshire and Hertfordshire, but I agree that the eastern region is not the same as East Anglia. That is what the Government are trying to pretend, but the more they try, the more they dig themselves into a hole. *[Interruption.]* The Minister suggests from a sedentary position that I should stop digging, but I am afraid that the Government have a lot of questions to answer, and if they do not, it is they who will be in a hole.

What does the Minister intend for combined fire authorities this year? Clause 2 gives him many new powers to create those authorities, but requires them to have their own budgets, separate from those of local councils, and they will have to build up reserves in order to operate separate financial accounts. As far as I am aware, he has not clarified, in this House or elsewhere, the potential impact on council tax rises and the position that the Government will take in respect of capping. As he knows, fire authorities are already under severe pressure as a result of the impact of pension rises and wage rises, and requiring combined fire authorities to build up reserves could lead to large council tax increases. He suggested that the new reserve requirements could be phased in, but will he cap authorities if, in trying to meet his requirements, they annoy him in relation to council tax?

Mr. Raynsford: The hon. Gentleman is probably not aware that on Friday I wrote to all fire and rescue authorities—they will probably have received that letter by now—to provide helpful advice on issues such as reserves and revenue contributions towards new dimension work, about which authorities have felt uncertainties that might lead them to take an unnecessarily cautious view of the need for provisions in their budgets. I hope that once he has seen that letter he will realise that we are dealing with the matter. We

[Mr. Raynsford]

expect fire and rescue authorities, like other authorities, to budget prudently and not to impose unreasonable council tax increases.

Mr. Davey: The Minister is right—I was not aware of his letter. Will he make arrangements for it to be placed in the Library? It is germane to the debate on Thursday week about the local government finance settlement.

The hon. Member for Denton and Reddish mentioned transitional funding. Some of us have been unhappy with the Government's approach to giving help to those areas that are trying to modernise.

The Minister knows that during the debates at the time of the dispute, Liberal Democrat Members kept raising that issue. We argued that some areas where modernisation had already happened, especially rural areas that rely mainly on retained firefighters, could not generate the same sort of savings as many urban authorities. Yet the Government are not managing their transitional funding to give extra protection to those fire authorities. Instead, they use the current allocation in the revenue support grant, which is clearly inappropriate. The Minister will say that that is under review, but it will affect authorities this year.

Mr. Raynsford: In agreement with the Local Government Association.

Mr. Davey: That does not make it right. Some authorities will be under severe financial pressure. The Government knew that because we warned them time and again, but they have done nothing about it.

Mr. Raynsford: Here we go again. The Liberal Democrats argue both that we must act quickly to get money to fire authorities—we intend to do that—and that they want a new formula to take account of the variations. We have discussed that, as the hon. Gentleman knows, with the LGA, and it was accepted that there could be no agreement on an alternative formula in the immediate future. The priority was therefore to ensure that the interim or transitional payment was made to fire authorities early in the coming financial year so that they could have it at the earliest opportunity. That is another example of the way in which one cannot have it both ways: one must either act swiftly or have endless debate and talking shops, which the Liberal Democrats love, and no action. We believe that it is right to take action.

Mr. Davey: I am afraid that the Minister has outlined exactly what the Government are doing. The issue has been debated for more than a year. The Government have had time to deal with it, but they are not bothered. They keep telling local fire authorities to hurry up and setting them artificial deadlines, but they cannot get their act together. The House will therefore hold the Minister to account about the matter, which is causing genuine problems on the ground.

Richard Younger-Ross: I wonder whether my hon. Friend might tempt the Minister to go further on the subject of the transitional arrangements. The calculation in Devon is that the agreed 16 per cent. pay rise translates into a 20 per cent. increase because of the number of retained officers. How is an authority meant to resolve that?

Mr. Davey: I cannot answer that question because the Government have not given us the figures and the flexibility to do so. I am afraid that my hon. Friend must tell his constituents that the Government have again let Devon down because they have not been able to deal with an issue that we brought to their attention. I raised the matter when the Deputy Prime Minister made a statement on the White Paper on 10 June, and he promised that there would be compensation for such authorities. He did not say that there would be difficulties because the Government could not get agreement on changing the RSG. He stated in the House that there would be compensation. *[Interruption.]* The Minister says that there will be compensation, but I have read his draft national framework document—I am not sure whether he has. On page 31, under the heading, "Distribution", it states:

> "The Government will consider proposals for changes to the formula in the light of the working group's conclusions. Any changes to the formula would come into effect for 2005/06 at the earliest."

The changed formula will not be ready this year; it might be ready next year, if we are lucky. The Government are dragging their feet while requiring the local fire and rescue authorities to get a move on. It is one rule for the authorities and another for the Government. The Government, not the Liberal Democrats, are trying to have it two ways.

Let us consider the retained firefighters, who will suffer from some of the problems that I have mentioned, such as the transitional arrangements and the new financial regime for combined fire authorities. They tend to be the problems that affect rural areas, whose forces may suffer in the next year or two. I am disappointed that the Bill does not strengthen the role of the retained firefighters; indeed, it is hardly mentioned. We must remember that retained firefighters provide 60 per cent. of the fire cover in this country.

As the hon. Member for Runnymede and Weybridge said, we do not have a shortfall of full-time firefighters—it was 0.06 per cent. when I last examined the Chartered Institute of Public Finance and Accountancy figures. People are queueing up to become full-time firefighters, but there is a 20 per cent. vacancy rate for retained firefighters. One would believe that the Government had already dealt with that urgent issue and produced action plans that were included in the Bill. *[Interruption.]* From a sedentary position, the Minister mentions the improvement of the pay settlement.

I have a letter from Derek Chadbon, general secretary of the Retained Firefighters Union. It states that although the implementation of the pay settlement may be beneficial to some retained firefighters, others are having their pay cut. The 7 per cent. increase has not been effected because the Government are awaiting some modernisation. That means that other elements of pay have been changed. If the Minister has examined the matter, he knows that the formula is complex. Derek Chadbon tells me that for some retained firefighters the new deal of which the Minister is so proud will mean a reduction of 10.45 per cent. in pay. The Government

should be worried about that problem, but it appears nowhere on the agenda and the Minister did not mention it.

The Minister and the Government must pay much greater attention to the needs and demands of retained firefighters, who should be at the heart of modernising the fire service in many parts of the country.

Jim Knight: I am interested to know what the hon. Gentleman proposes including in the Bill to deal with the matter. Does he believe that legislation is the answer to everything? I acknowledge that the Minister did not say much about retained firefighters in his opening remarks, but he was introducing a Bill. What legislation should the Government pass to deal with the problems that the hon. Gentleman identifies?

Mr. Davey: I refer the hon. Gentleman to the Select Committee report, one of whose seven proposals for dealing with retained firefighters' problems requires legislation—namely, entitlement to paid leave. Existing legislation provides for that for councillors, magistrates and school governors but not retained firefighters. The Government could introduce that if they chose.

Richard Younger-Ross: My hon. Friend makes a good point about the potential cut in pay for retained firefighters. Does he know that that is largely due to the extent of activity in retained fire stations? Some smaller, less busy fire stations will have a pay rise but some of the busier fire stations, especially one in Newton Abbot, which is one of the busiest retained fire stations in the country, will experience an effective cut.

Mr. Davey: My hon. Friend may be right, but the pay formula for retained firefighters is so complicated, despite the reforms, that I should not like to give him a categorical assurance that he is correct. Given his expertise, he is probably right.

The Government could examine other matters to do with retained firefighters. Again, I refer the Minister to the Select Committee report, to which I hope the Government will respond urgently. The Committee states that, although a review will take place—notably at the end rather than the beginning, when it should happen, of the process—it will not report until the summer. The usual delays will occur. The Committee proposes seven ideas that the Government could implement now before the review reports.

The seven proposals are uncontroversial. One proposes a national recruitment campaign, along the lines of that for the Territorial Army and other reserve forces. Another suggests faster processing of applications. It can apparently take more than eight weeks for an applicant to secure a medical appointment. Another proposes leading by example—the Government and the public sector could encourage staff to undertake such roles. A review of jobseeker's allowance guidelines is also suggested. I have already mentioned entitlement to paid leave. The Committee also proposes incentives to fulfil fire prevention targets in the retained firefighters' compensation package. The Government could therefore do several things now in the Bill and without legislation. I am disappointed that the Government have not gone further on the matter, which is central to the modernisation of much of our fire service.

I shall comment briefly on part 2, which deals with functions. I want to make several points that may appear minor but which are important.

One of the very good aspects of this part of the Bill is that it introduces a role for fire authorities to promote fire safety in their area, which is to be welcomed. Part 2 also confirms the role of fire and rescue authorities in respect of road traffic accidents, but there is no provision for their having a preventive role in that regard. Does the Minister think that they could take on such a role jointly with another authority? Perhaps they could link up with the highways authorities, for example. Will the Minister tell us why that has not been proposed? I am merely asking the question—this is not necessarily a criticism of the Government—and the Minister might well have a proper answer to it.

In regard to the wider comments that I made earlier, I am concerned that the Secretary of State can give many directions to any and every fire and rescue authority, yet the Bill does not make clear whether any resources will be provided in relation to those directions. We can envisage a situation in which the Secretary of State is telling the authorities to do this, that and the other, all of it having to be paid for by the local council tax payer. We need to understand how resources will follow those directions, if that is to happen at all.

An omission from part 2 that surprises me is that there is nothing about the potential for developing the co-responder role. Such a provision could fit into parts of this part of the Bill, but they do not refer to the matter specifically. In the debates that we had before the publication of the White Paper—and, indeed, even within the White Paper itself—there was general agreement that the co-responder role ought to be developed and that it should be made obligatory for fire and rescue authorities to train their staff for such a role. I was disturbed to see that that had not specifically been included in part 2.

In regard to the Select Committee report and the comments made by the hon. Member for Denton and Reddish, the other real omission is of provisions relating to sprinklers and misting systems. I know that the Government are undertaking research into this, and that the Minister talked about the review of the building regulations that is going on. I also know that he is minded to make some moves in this area. When he gave evidence to the Select Committee, he was eloquent on the matter, saying that, in regard to reduced insurance premiums, it was possible to envisage a payback on the installation costs of sprinklers within as little as five years. It is pretty clear, therefore, that their installation represents a sensible move.

I am therefore surprised that there is nothing about that matter in the Bill. The Minister may say that the Government will look at the cost-benefit analysis and technical details and report on them, but I believe that the House should use the Bill to ensure that there is a requirement on the Government to introduce regulations in due course. Yes, they can specify the detail of, but we want to ensure that they are forced to act. Parliament should place a duty on the Minister to come to the House in due course with regulations relating to sprinklers. We do not want this to be up to the review or the Whitehall Department; we want it to be done within a specified timetable, so that the

[Mr. Davey]

Government do not escape their responsibility. They must come to the House and provide that important fire prevention measure.

There are many other things in the Bill that I could talk about, including the Government's failure to introduce the hoped-for removal of the disciplinary proceedings or the reform—even the tearing up—of the "grey book". Also, the pension provisions in the Bill are pretty broad; it is not clear what the Government are going to do about pensions. We have seen last July's consultation paper, but there is no timetable attached to the provisions. Pensions are fundamental to budgets and to reform, and the Government need to say a lot more than they did in the national framework document, which was simply that they were reviewing the financial arrangements for funding firefighters' pensions. That was very helpful last December, but this issue has been around for a long time and it is fundamental to the budgets—*[Interruption.]* As the hon. Member for Runnymede and Weybridge says, pensions represent 25 per cent. of the budget of most fire authorities. Even though the Government's modernisation agenda has reached this stage, we still do not know what their real thinking is on this issue.

A noble objective underlies the Bill. It is to modernise and reform the fire service, at long last, with the saving of lives at the forefront of that aim. We will therefore not oppose the Bill tonight. However, because of our concerns about centralisation and the approach to regionalisation, among other things, we shall not be able to vote for it if there is a Division. We shall support the reasoned amendment tabled by the Conservatives, although it is not as good as the reasoned amendment tabled by my right hon. Friend the leader of the Liberal Democrats and other colleagues. None the less, it makes some valid points, and we look forward to joining the Conservatives in the Lobby tonight and to working with them to improve the Bill in Committee.

7.5 pm

John McDonnell (Hayes and Harlington) (Lab): Given this week's parliamentary timetable, I suppose that the debate on this Bill is the relative calm before the storm. If we had been asked to predict that 18 months ago, however, we would have expected it to be part of the storm. That demonstrates how the debate has now moved on to the practical reform and modernisation of the fire service. The Bill has been welcomed across the Chamber, and I welcome it because it sets out a coherent basis for the future of the fire service. We have been arguing for that for some years.

All I want to do at this stage is to pose a number of questions about some elements of the Bill, many of which have already been mentioned. Clauses 1 to 4 relate to the proposed structure of the fire and rescue authorities. My understanding from what the Minister has said is that we shall, as far as possible, abide by the principles of subsidiarity and decentralisation, and that that will match up with the proposals for regional government, which have had broad support from many parties in the House. However, the Bill goes slightly beyond the view expressed by the Minister in regard to intervention when no regional assembly structure exists, and not just in relation to imposing solutions to tackle terrorism. Clause 2(2)(a) states that if

"it appears to the Secretary of State that for the purposes of this Act, in the interests of greater economy, efficiency and effectiveness, there should be a single fire and rescue authority for the combined area",

he will have the power to impose such an authority. That is not just a reserve power; he will have quite a strong power. I recognise that that might be necessary at some stage, but such a power should be linked as clearly as possible to directly elected members sitting on the boards.

I share the anxieties of my hon. Friend the Member for Denton and Reddish (Andrew Bennett), who expressed reservations about indirectly elected members and appointed members, and about—how can I put this diplomatically?—the quality of the interest that they would display in their engagement. We have experienced that in the past, particularly in relation to joint boards after the abolition of strategic or regional authorities. I cite our own example of the Greater London Authority. Many good members served on the joint boards relating to the services that were devolved to the authority, but there were also many who were there under sufferance, often because—let me put it as diplomatically as this—there was nowhere else for them to be placed. We should reassert the concepts of subsidiarity, devolution and what we now describe as localism, linked to direct elections.

Clauses 1 to 4 also deal with the process of consultation. When there are objections, there is the potential for a public inquiry. I would suggest that, when the Standing Committee meets to consider the Bill, it might be better to include a requirement for such an inquiry, rather than simply the potential for one. In those circumstances, the inquiry might well obtain greater support overall.

Part 2 deals with the new thrust of the service towards prevention rather than just reaction. We all welcome the recognition of the new practices, and the existing best practice that has been followed by many fire authorities around the country. Many hon. Members have drawn attention to the need for enhanced investment in prevention. I shall return to the issue of sprinklers because it has been mentioned so often. My own example is that, when the Yarl's Wood fire took place, the Government acknowledged the importance of installing sprinkler and misting systems in certain institutions. Within 48 hours of the Yarl's Wood fire, the Harmondsworth detention centre in my constituency was required to install sprinkler systems.

I gained from that requirement an understanding of the Government's commitment to and appreciation of the importance and significance of the safety benefits of sprinkler systems. Given that it was acknowledged in that small instance, I agree with Members on both sides of the House about the importance of introducing new building regulations. Improving public investment in sprinkler systems will be critical to the future prevention role of fire services.

It has been pointed out that the additional investment in prevention promised by the Government over the coming three years amounts solely to £5 million per annum—*[Interruption.]* Does the Minister want to comment on that?

Mr. Raynsford: That figure of £5 million has, I think, been circulated by the Fire Brigades Union, and it is

simply inaccurate. We have a £43 million budget for fire prevention, including the work of the arson control forum. I announced in my speech that £9 million of allocations are due to be made tomorrow on arson control alone. I therefore hope that my hon. Friend will recognise that the actual allocation is much greater than £5 million.

John McDonnell: What would be helpful for all Members, as we progress further in this debate, would be a note from the Minister on the breakdown of that money. How much of it is genuinely additional, where will it be invested, and how effective does he think it will be? That would clarify a number of questions.

With regard to road accidents, clause 7 recognises the work that is undertaken by many of our fire authorities. In my constituency, our fire station is located next to the M4, near to the M25 and the A40. Much of its time will be spent on RTAs—road traffic accidents. In that regard, the Bill provides an opportunity to bring forward measures that are part of the Government's overall programme for addressing road safety generally. Rather than waiting any longer, an opportunity to include such measures in the Bill might be provided in Committee. With further, rapid consultation, perhaps across parties, in the next week or two, amendments could be brought forward to assist in that. I am sure that the firefighters will have proposals at hand with which to advise the Minister.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Does my hon. Friend agree that an opportunity exists for the Minister, possibly working with the Department for Transport, linking up with the Highways Agency and the transport police, to work on prevention of road traffic accidents? We must not miss that chance.

John McDonnell: I am glad that my hon. Friend has had the opportunity to make that statement. Clearly, that would provide a new direction in which the fire service could be actively engaged. Those who have the onerous responsibility of prising people out of cars and dealing with the deaths associated with road traffic accidents have many suggestions about how progress can be made on the road safety agenda that the Government have started to implement.

In addition, I am not averse to examining how some costs of road traffic accidents could be borne by measures that impact on motor insurance. The health service imposes charges on those involved in road traffic accidents, which contribute to the direct cost of such accidents. A financial incentive that not only reduced accidents but perhaps increased income, which could be spent on the prevention of road accidents, would be worth examining.

Under clauses 9 to 12 the Secretary of State takes powers to respond to particular emergencies: again, the example of terrorist attack is given, which is completely understandable. Are there problems, however, with the existing collaborative arrangements and the joint planning that is already undertaken? If so, can those be drawn out so that we can have a wider debate on the matter to understand the rationale for this change? My understanding at present is that the collaborative arrangements that have been established—untested, gladly—have largely proved satisfactory.

Clauses 16 and 17 relate to the discharge of functions by others and the ability to enter into contractual arrangements with others to provide specific services. I am grateful that the Minister has clarified for the record that that does not relate to privatisation. There is no intent to remove services from the public sector—firefighter functions can only be delegated to another fire and rescue authority within the terms of this legislation. There may be questions, however, when absolute clarity is needed on the range of functions that we so define, to ensure that they cannot be contracted out and cannot in any way be construed as services with the potential to be privatised.

Clause 17 gives the Secretary of State powers of intervention to require contracts to be entered into for certain services. Why does the Bill include that requirement? If the Secretary of State is to take such powers, there must—if we are abiding by the principles of subsidiarity under this Bill—be a firm justification. Clause 19 contains the reassurance that the Government are not widening the existing powers for charging, but, as I said, a wider debate than that is necessary, particularly in relation to road safety. The Local Government Association, however, has pointed out in its briefings that there seems to be some conflict with the Local Government Act 2003, which gives local authorities more flexibility. That issue needs to be addressed, because there is some overall confusion.

Clause 21 is the key reference to the fire and rescue service framework and its introduction. Many people across the fire service welcome the opportunity that that provides to debate that framework because such debate is encouraging and democratic. However, concerns have been expressed—some were addressed in the Select Committee report—about the rush to implement new procedures without their being piloted. The Select Committee advised that there should at least be some public education to raise the level of debate and to overcome any misgivings about, for example, the effect of a potential reduction in the speed and numbers of firefighters sent in response to 999 calls; possible cuts in vital rescue and fire control equipment; plans to reduce responses to automatic fire alarms; and cutting down on responses to automatic fire alarms, not just in office blocks but in flats where people live.

The key question for all Members is how we monitor the implementation of the framework by individual fire authorities. Clearly, elements of the Bill give power to the Secretary of State to intervene if a fire service authority is failing, but more information on what criteria will trigger the Secretary of State's intervention in a failing authority would be useful. More importantly, the Secretary of State has a duty under the Bill to report back to Parliament on the framework. It would be helpful to have further information on how that report will be undertaken. Will it be a published report that will be debated on the Floor of the House, whereby actions can be determined by Parliament to overcome any weaknesses or problems that are identified during the implementation of the framework?

Again, clause 28 deals with the organisation of facilities and the Secretary of State's powers to provide services directly, and it relates to what is described as

[John McDonnell]

civil resilience. I should like clarity on how the Secretary of State will use that power. When will it be used? What is the definition of the grounds on which it will be used? Is it linked in some way to the Civil Contingencies Bill and, if so, how? What are the different gradations of anxiety or concern that will trigger the Secretary of State's implementation of that power?

With regard to clauses 31 and 32, on the new negotiating bodies, the Minister told us—he can intervene if I have got this wrong—that consultations are now taking place on establishing the new negotiating structure. Fine. Under the Bill, we propose that a new structure will be established. However, the Secretary of State will retain the opportunity—the power—to set out guidance and advise the negotiators, but I am not sure on what: the parameters of the discussion, or the desired outcome?

Mr. Raynsford: As I made clear in my speech, there was a lack of clarity during the dispute last winter, about the Government's position in relation to the line taken by both parties. We believe that it is right that the Government should have a mechanism, not to dominate, but to express our perspective on, matters that have a considerable impact on both the service's effectiveness and costs. The provision is intended to allow that involvement in the process.

John McDonnell: May I suggest to my right hon. Friend that that intention could be more directly defined in the legislation? The current drafting could lead to a suspicion—we are not suspicious people—that defining the parameters and providing guidance may well enable the Government to determine the result of those negotiations. My right hon. Friend shakes his head, so we have a negative on the parliamentary record. I am grateful to him for that. Not being a suspicious person, I accept that assurance—others may not. He has told us that the legislation will soon lapse that enables the Secretary of State to impose a settlement on negotiations, but issuing guidance and setting the parameters of negotiations comes very close to the Government becoming directly involved in those negotiations and dangerously close to a power of imposition. That is why exceptional clarity would be welcome in the Bill.

On clause 33, on pensions, all hon. Members have pointed to the urgency of the need to resolve the financial situation in respect of fire service pensions. Some 15 years ago, I was involved in the same conversation in pressing on central Government the need for them to take action on the pensions crisis that was developing in the London fire brigade. I do not support the contention of my hon. Friend the Member for Denton and Reddish that the pensions crisis has resulted in some practices evolving in the fire services. It has been argued that those in the fire services have not managed their service sufficiently well, that they have let too many people go early and that they have paid out too much in pensions as a result.

The reality is that, for many years, fire authorities have been pressing the Government for intervention to assist them with their funding crisis. They have been caught between a rock and hard place. When they have looked for Government support, they have been denied it; when they have been forced to consider increasing council tax precepts, they have been threatened and, indeed, capped in some instances. We all need to address that long-term problem. I am pleased that the Government are considering that, but they need to do so with a sense of urgency and without undermining the conditions of existing pensioners or those of existing employees entitled to the pension. We have safeguarded their position, and I would not want the benefits of a future scheme to be undermined.

Mr. Drew: Does my hon. Friend accept that one of the problems with changing pension arrangements is that we live in a world where those people who go into the fire service will not necessarily have a whole career in front of them? Unlike the police force, where some additional help seems to be provided for people who cannot complete anything like their full term, such people in the fire service are particularly vulnerable to changes in any future pension provision. More particularly, they gain no real benefit from staying in the service for any great period of time. So we have to ensure that those in that group are protected.

John McDonnell: In the past, we have acknowledged that certain services are provided by public servants who put themselves in jeopardy and who have a different working life from others. For that reason, we have designed pension schemes to accommodate their needs and, in return, to ensure that we can recruit and retain those people with the best qualifications who are dedicated to providing that service. Any fire service pension scheme must recognise, as all hon. Members have done time after time, the dedication of the firefighters who provide us with that excellent service and the jeopardy in which they put themselves every day. For that reason, we need to ensure that their pension scheme is protected and that it recognises their working life, which is different from that of many of us who do not work in that physical and physically threatening environment.

My final point relates to funding issues. I repeat the concerns that have been expressed in debating either the dispute or the reform of the service. I do not believe that the funding that will be required to modernise the fire service can come from off-setting savings elsewhere. That is why the Government have provided for some transitional costs. I am concerned that we need to monitor those transitional costs closely over the coming period. My understanding is that the demands that we are placing on the service cannot be met wholly from the savings that can be achieved.

I place the onus on the Minister: if necessary, we will require a regular report to the House on whether the implementation of the new framework and structure is being successfully implemented. If costs are a problem and the transitional costs do not accommodate all that we want to achieve in the modernisation process that we have now signed up to, we should, if necessary, debate that on the Floor of the House, and I am convinced that the Minister would find cross-party support in any fight or battle with his Treasury colleagues.

7.29 pm

Mr. John Gummer (Suffolk, Coastal) (Con): I refer the House to my declaration of interests.

I have another declaration to make: the older people become, the more liable they are to be endangered by fire, and I represent the constituency with the oldest age group in England, so I have a particular interest in that respect. What is more, I will soon be old enough to represent them effectively.

The truth is that, if the Bill were presented as a business plan for the future of an important national company, every shareholder and director would have serious questions to ask about the information on the basis which they were supposed to act. It grieves me to have to suggest that to the Minister, who, in always sitting through debates, is an admirable and most polite Minister. I believe that he genuinely wants to hear what others have to say. However, I hope that he will not mind if I do not spend much time saying what is good about the Bill, except to say that there is a necessity for such legislation. He is right that the Government and previous Governments of both parties did not approach the matter early enough, so we have to be reticent in our criticism. He is also right to suggest that we need to make radical changes.

My problem is that the facts by which the particular changes are promoted do not stand up. That is why I tabled a number of questions to the Minister. I have to say, however, that he took refuge in one of the oldest of all ministerial tricks. What often happens when a Minister is faced with perhaps a dozen and a half questions, none of which he can answer adequately, is that, instead of answering them one by one, they are grouped together and a generally inadequate answer to the general series of questions is given. The Minister therefore avoids being pinned down on any one particular question.

It is important for the House to understand how that is fundamental to our whole debate. I wanted to know what the savings were.

Andrew Bennett *rose—*

Mr. Gummer: I shall give way in a moment. I have some important points that I want to put to the Minister and if the hon. Member for Denton and Reddish (Andrew Bennett) is rising to suggest that I might have used the same technique in the past, well perhaps I did, but it does not mean that I cannot remind others when they do the same.

Andrew Bennett: I am certainly aware that the right hon. Gentleman used the same technique, but I would have thought that he was now clever enough to realise that he should have trickled his questions in one at a time.

Mr. Gummer: The hon. Gentleman is right, but the number of days between the point at which I had to table the questions and today's debate were not sufficient for the trickling process to take place. I therefore asked a range of questions, which were not, I thought, unreasonable. For example, I asked what financial benefits the Minister expected would accrue to the Treasury, to Suffolk county council, to taxpayers and to council tax payers in Suffolk from his plans to regionalise the fire service. What was the answer? Deep in the series of comments, answer came there almost none. The answer provided said:

> "It is not possible to provide a meaningful breakdown of the respective benefits these savings will bring to central Government, individual citizens and localities, but all will benefit from a reduction in the £6.63 billion annual cost of fire to the economy in England and Wales."

I did not need to be told that we would benefit if there were a reduction. I wanted to know whether there would, in fact, be a reduction and whether the Government would—for many of the reasons mentioned already by right hon. and hon. Members—say what benefits would be accrued. We all know that there would be costs, but I wanted to know whether the benefits would be directed to those who would carry such costs.

The Minister knows full well what happens in the Government. Just as after the last war, any bit of land over which there was an argument was taken over by the Soviet Union on the basis that it provided an easy answer, so in the Government, the Treasury takes any bit of money that is lying around. We know that. I gave the Minister the opportunity of saying—I mentioned the Treasury—that it was all going there, but he could not even tell me that. What business, shareholder or director would agree to a considerable change in the structure and mechanisms for payments and the way of running the staff of any organisation, without knowing something about the figures? I am afraid that the right hon. Gentleman has disobliged me by failing to provide the figures, so I cannot say to my constituents that, despite their concerns, they would benefit from paying less. Because the Minister cannot tell me the savings, I shall have to tell my constituents that I suspect that they will have to pay more. That is usually true when Governments will not reveal the precise amount of savings.

What did the Minister say? On several occasions, he said that we must "move forward". The difficulty is that moving forward suggests that one knows the direction in which one is going, but the Minister does not seem to know that. Let us consider his views on the eastern region, which he considers to be a homogeneous and easily identified region with a strong sense of self-identification. I was surprised. I asked him what discussions he had had with the county council, the district councils, the Suffolk fire service and the Suffolk police service and wondered how he had reached his interesting conclusion. The truth is that he did not have any discussions at all. He has not discussed the matter with any of those bodies. I understand from my friends in Norfolk that the same is true there—no discussion with anyone.

Mr. Bellingham: I have spent much of the morning talking to the Norfolk fire service and the Government have made no effort whatever to ascertain the views or comments of the people at the sharp end—the people on the ground.

Mr. Gummer: It is even worse. The Minister has not talked to the county or the district council, yet the county council is in his pocket. It is a Labour-driven county council. One would have thought that a word or

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two was appropriate there: we could understand leaving Norfolk out—it has happily gone back to Conservative control, as will Suffolk at the next election—but the right hon. Gentleman might have talked to his friends—but not a word. I understand that Ipswich district council has had no discussions; indeed the Minister has not talked to anyone. He has not even talked to the Fire Brigades Union in either county, or the Retained Firefighters Union. He has not done much talking or, indeed, listening, which worries me considerably.

Mr. Raynsford: Will the right hon. Gentleman now give the House the benefit of the full answer that I gave him, which made it clear that the representative of the fire authority in Suffolk attended a meeting, to which I invited all fire authorities in December to discuss those very issues?

Mr. Gummer: I did not think that the Minister wanted to be reminded of that part of the answer. When asked whether he had had detailed discussions with all those people, I discovered that

"all aspects of fire modernisation are discussed when we meet interested parties from time-to-time in the course of our Ministerial duties"—

over tea, perhaps, when there is an opportunity to have a word or two to the hand-picked ticket-holding people who attend such meetings. However, the Minister continues:

"The Chief Fire Officer for Suffolk"—

not the district councils, the Fire Brigades Union or the Retained Firefighters Union—just the one person—did not have an interview with the Minister, but he was lucky enough to attend

"the Fire and Rescue Service seminar on 3 December 2003 addressed by the right hon. Nick Raynsford MP and Phil Hope MP, and officials from the Office of the Deputy Prime Minister expect to visit the Suffolk Fire and Rescue Service shortly." —[*Official Report*, 15 January 2004; Vol. 416, c. 862W.]

We do not hear whether the chief fire officer had any discussions; all we hear is that he had to sit down and listen to the decisions that had already been taken and are now before the House. The date, 3 December 2003, means that even if the poor man had had a chance to say something, it would not have made any difference because the decisions had already been taken. I know that because the Minister told me later in response to another question that it did not matter that he had not talked specifically to counties in the eastern region because the decisions taken applied to "all regions equally well".

In other words, before discussing it with the regions, he has concluded that the decisions are so common to everyone that it does not matter whether those involved are in Cumbria or Essex: it will still work. One size fits all.

Richard Younger-Ross: It is called the Big Conversation.

Mr. Gummer: I am not sure that that advances our debate, but sadly I have never understood the hon. Gentleman to advance any debate.

I still believe that the Minister is trying to force an answer on the nation—

Mr. Raynsford: No.

Mr. Gummer: Very well, he is not trying to force it, but he is taking powers to do everything, and to make other people do his will in respect of every item. If he were the only Minister in this Government doing that, I would be less worried; but whenever an issue is presented to the House, the Government's answer is to centralise it, because the man in Whitehall knows best.

When the Government get into a mess with the health service, what do they do? They centralise it, put more power into the Minister's hands, take power away from the localities, ensure that everyone does what the Minister thinks should be done. When the Government experience difficulty with education, what happens? The Department lays down yet more regulations and targets, and gives yet more teachers yet more forms to fill in. Now the Government are doing the same with the fire service. We are going to tell everyone exactly what to do unless everyone voluntarily does exactly what we want beforehand—although the Minister will not tell people exactly what the Government want until it is discovered that they have not done it. Then they will be told to do it, and to do it before a date in May.

The Minister is very interesting on this. He is usually so genuine about these matters. Now he is asking everyone else to hurry up, but when it comes to the issue on which we all agree that he promised to be quick—the disciplinary issue—he admits that he has not met his own target. Indeed, he has not met it in respect of two crucial issues—discipline and a reduction in the number of deaths from fire. Why is that? I will tell you why, Mr. Deputy Speaker: it is more difficult than he imagined. He will not understand that the same is true of the people whom he is telling to do things: their task, too, will be much more difficult than he imagines.

I ask the Minister to think again. I ask him to explain the position to my constituents in Orford, on the edge of Suffolk. They have their own fire station, and have a good relationship with those who work there. They need to feel confident that a system that serves the people of Luton with equal care has been subject to a sensible division. They need to believe something that I do not understand.

Mr. Raynsford: I will convince them.

Mr. Gummer: I think the Minister will find that rather difficult. They are asking themselves what is the region to which he has accorded these powers. It is, in fact, a region established by the last Government to make it easier to administer national priorities through a regional office. That was a compromise that fitted most of the Departments that then had regional organisations, but it did not happen to fit the Ministry of Agriculture, Fisheries and Food, which had a different regional organisation. That was partly because it was quite difficult to exert MAFF's individual, direct influence in distant areas, not least the far south-west. I remember keeping open an office down in Truro simply because it would have been very difficult to deal with it as other Departments dealt with other regions.

I do not think that the Minister has thought fully about whether the specified regions are the right ones, if the service is to be regionalised. It is surely not logical for him to say that because they are the regions that he has decided to use in another context, it is convenient to use them in this context. I am not even sure whether he has thought this through in the context of terrorism and similar civil issues. In any event, it does not strike me as sensible to say that what has been decided in that context should apply to the fire service.

We must ask whether Mott MacDonald has been sold a pup. I suspect that it has been told to produce something that merely meets a series of financial requirements. I agree with my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), who suggested that it was difficult for a consultant not to know what the Deputy Prime Minister wanted. The Deputy Prime Minister wants better reasons for regionalisation than he already has. He must find something for the regional offices to do; he must find a reason for the regions. We know why that is. First, he is politically and personally committed, for reasons that he has never found it easy to explain. Secondly, this is the only way in which the Government can surmount the difficulty in which they have landed themselves with a half-thought-out devolution proposal.

We must ask ourselves whether these regions fit the provision of fire services. I do not think that the Government have argued their case for any one of them, and I believe that we can argue the case against most of them. It does not fit the south-west, it does not fit the south-east, it does not fit the eastern region, it does not fit the west midlands, it does not fit the east midlands, and most of us would say that it does not fit the other regions either; but it is just possible that someone might support it there.

In those circumstances, why are the Government shoehorning the whole nation into a system for which they know no one will vote? That certainly applies to at least three quarters of it. Otherwise they would already have announced referendums—but they have announced them only in areas where they think they have a hope of winning. They know that they have no hope of winning anywhere else, so what are they doing? They are removing democratic control from people, partly to encourage them to vote for a different form of democratic control because that is what they want.

Mr. Clifton-Brown: My right hon. Friend represents a very rural part of the eastern region, while I represent a very rural part of the south-west. Has he thought of the danger posed to those in rural areas? It is more expensive to provide a fire and rescue service there, simply because of the distances that fire tenders and officers must travel to deal with the odd incident.

Mr. Gummer: I have tried to concentrate on a fundamental fact that the Government should be proving to us, rather than our proving it to them—that these regions in these forms represent a sensible solution. I do not think that the Government have even tried to do that. They have simply assumed first that regionalisation will save money—and, as I have pointed out, they will not tell me what money and from whom—and secondly that it will be more efficient. They assume that the regions are the right regions, but they have not been able to argue that case either.

I have a positive dislike of the regional system, for a series of practical reasons. First, regions are bound to be dominated by their urban centres. There will be less concern about rural areas. Secondly, there will be no democratic control over the regions and they will, by their nature, set priorities. If they do not get together to set them properly, the Government will come along and say "Do it". Of course they will then set the priorities, which will be seen through the same urban eyes that enable the Minister to believe that Rickmansworth has anything in common with King's Lynn. It is that urban view that is such a mark of this Government, and so offensive to those of us who live in the countryside.

There is also a small practical matter. We assume that all this will work well, because we will all use modern technology.

I heard somebody suggest to the Minister that the system would work beautifully because it would be clear where people were ringing from as the number of their mobile or local telephone would be shown on the system. I hope that that will work, because the system will not have a fail-safe mechanism. At present, if the machine does not show up the number, our local control centre knows that there are two Tuddenhams, two Harlestons, two Cloptons, an Aldborough and an Alborough in pretty close proximity.

The Minister thinks that technology is perfect and that everything always goes absolutely right, so there will be no difficulties at all. I just wonder about that, as do my constituents—that is the important thing. We need to have confidence in, and connection with, the system. The Minister has not given us confidence because he has given us neither the relevant figures nor an argument for the structure that he proposes.

Andrew Bennett: Will the right hon. Gentleman give way?

Mr. Gummer: In one moment.

The Minister is not giving us a connection with the system because he tells the people of Suffolk that if they do not vote for a regionally elected authority—they do not even have the chance to do that at the moment, because he knows that they would not vote for it—they must understand that the regional management organisation will tie their local fire authority hand and foot. If it does not, the Minister will come along and tell it to do so, because that is the purpose of the proposal. He will not allow an authority to do anything that it wants to do if that does not fit in with his scheme for the region; he has told us that, and he will take powers to achieve it. I believe that he is being honest when he says that he wants to make the system efficient—but he, and not Suffolk, will make the decisions.

Mr. Raynsford: I have listened patiently to the right hon. Gentleman for a long time. He is usually a thoughtful contributor to debates, so it is unusual that he is building a completely preposterous case on the basis of his total failure to analyse the Government's proposals. For the record, there is no proposal whatever to regionalise the fire and rescue service in the eastern

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region. There is a proposal to establish a regional management board to deal with the elements of the fire service that are best handled on a regional basis. He knows that there are detailed figures on control rooms in the Mott MacDonald report. He accepted that there was some sense in the anti-terrorist provisions, but he may not have accepted that we have strong evidence showing that there will be real benefits if we

"integrate common and specialist services",

such as fire investigation,

"introduce regional personnel and human resource functions ... develop a regional approach to training"

and introduce regional procurement. Those items are listed in the "Draft Fire and Rescue National Framework 2004/05" as the work that in our view, is best organised regionally. I hope that the right hon. Gentleman will now accept that all his local service delivery—fire stations and so forth—will remain local, and the responsibility of his local fire authority.

Mr. Gummer: But the Minister gives himself away. First he says to Suffolk, "Training will be regional, because we do it better that way." Secondly he says, "Personnel will be regional, because we do it better that way." Thirdly he says, "The way you operate together won't be a choice you make; it'll be decided by us, and it will be done regionally." Each of those aspects develops a robust arrangement of regional management. It is not truthful—if I may put it as bluntly as that—for the Minister to say that he is not regionalising the fire and rescue service, yet then to list a series of aspects of the service that he is regionalising. He can say that he is not regionalising all the service or taking everything away, but he is still removing from localities a series of important decisions that until now, they have made. The case for that removal has not been proven. The fact is that the Minister will be able to interfere every time that he decides that something should be added to the regional list. That is why the proposal is wrong.

Mr. Edward Davey: I wish that the situation were as good as the right hon. Gentleman suggests—I am afraid that it is even worse. As I said before, the draft national framework says:

"If insufficient progress has been made, the Government will consider the use of its statutory powers to combine Fire and Rescue Authorities".

The Government will not create a special regional fire authority with a specific number of powers and leave a local fire and rescue authority, but will combine the authorities. Their plan, as shown in clause 2 of the Bill and the national framework, is to regionalise.

Mr. Gummer: I always remember a Member of the House who complained that I described her views as in favour of "killing babies" when she was really in favour of "terminating pregnancies"; she thought that if one changed the words, everything was okay. The Minister is doing a similar thing. He thinks that because he is not saying at the moment that Suffolk, Norfolk, Essex, Hertfordshire, Cambridgeshire and Bedfordshire shall have a regional system and no local fire services, he is not regionalising. That is disingenuous, because he is taking away from each area a series of their present powers and telling them that if he does not like the result, he can amalgamate services under the Bill. Is he taking the power to amalgamate because he has no intention of amalgamation, or because he has every intention of amalgamation? Is he doing that because he will amalgamate on a whim? The only factor for deciding whether an amalgamation will take place is whether he thinks that a service does not otherwise meet requirements. He, not the locality or the elected authority, will decide. What will matter is not what my constituents think, but what the Minister thinks.

The Minister is taking a series of powers that in any other circumstances would be considered to be draconian. If he does not intend to use any of those powers, why does he not say, "I'm not going to take them"? If he takes them he must intend to use them, so he must intend to say to local fire services, "You have significantly reduced powers under the Bill. What's more, if we don't like the way you use those powers, we can amalgamate you—and the only proof that we will have to show is the fact that we, as Ministers, think that you need to be amalgamated." Although that is not regionalisation at once, the regionalisation of many powers will issue a threat to local fire services that they will lose the rest of their powers unless they do what the Minister says. Therefore, the services would be regionalised in fact, because they would have to obey what the Minister said through the regional management structure.

Mr. Clifton-Brown: When the Minister intervened on my right hon. Friend to say that there would not be an East Anglia regional fire authority, he was careful to say that there would be a regional management board. It is inconceivable that the board will not threaten to use the powers that the Secretary of State will have. Clause 22(2) says:

"For the purpose of securing that the authority acts in accordance with the Framework the Secretary of State may by order require the authority ... to do something; ... to stop doing something"

or

"not do something."

If that is not an extreme power for the Secretary of State, I do not know what is.

Mr. Gummer: My hon. Friend has got it absolutely right. The truth is that the Minister would have been more helpful to the House if he had said, "We're going to have this regionalisation, and we're not going to fiddle about," and then told us what he was going to do. Instead, he is creating circumstances in which he may set up regionalisation, and half doing that, then making sure that everyone knows that he will wholly do it if they do not do precisely what he says. That is the same thing as doing it. This is a serious matter. The Bill will remove another level of local competence and decision making, and take away the local connection between paying the rates and running the services.

I shall finish with three short points. *[Interruption.]* The Minister does not like hearing this, because Conservative Members have shown that he has failed to explain the basis on which his whole policy stands to the

satisfaction of any sane and reasonable person. First, I return to his explanation of an aspect of the Bill that reveals his problem. He explained that he had been unable to meet his target on fires because of the large increase in the number of burnt-out motor cars, which was caused by the large increase in abandoned vehicles.

Rather than do something about that increase in abandoned vehicles, however, he decides to change the target—*[Interruption.]* There is a perfectly simple way to do something about the increase. It was suggested by the hon. Member for Denton and Reddish, who made it clear that there are ways to tackle the problem.

Once again, the Government, faced with the realities of their policies, will not put into operation the mechanisms by which those policies will be achieved. Last year we failed to meet the European targets for the packaging directive. The Government could have done that, but they failed to do so because they would not take action. This year, we yet again face a failure to meet a large number of our environmental targets because the Government will not take the necessary measures. In the case of abandoned vehicles, the Minister excuses his failure not by saying that he was unable to convince his colleagues in the Government that they should have done what other Governments in Europe did, but by saying that although it is terribly sad that there are many more abandoned vehicles, it has nothing to do with them.

What has changed? People have discovered that they are responsible for getting rid of their old vehicles and that the Government caved in to the pressures of the motor industry by failing to do one of the two things open to them to do. First, they could have told the polluter to pay by insisting that the industry paid the cost of the final resting place of the vehicles it produced. Secondly, if the industry could not afford to do that, the Government could have paid the cost themselves. Instead, they landed the cost on the poorest in the country by telling those who have a clapped-out motor car, which they need in the countryside to get to work, and can afford nothing else, that they should pay for getting rid of the vehicle. Then the Government are surprised when the vehicle is burnt out and abandoned, so pushing up the cost of the fire service.

Instead of solving the problem, the Government put off the target. They cannot meet the target, but instead of going solving the problem, they change the target. That is a universal element of this Government. They put the targets up and, when they do not meet them, they change the targets rather than their policy.

My second point is about retained firefighters. As I understand it, the Minister has not talked to any local retained fire service in the country about the subject. That is not true just in the east of England, but in the rest of the country as well. Yet we in the countryside rely on those people for our fire protection. It is a disgrace that he spoke so little about the retained fire service and that he has done so little to negotiate and discuss with it about how it sees the fire service continuing. The Minister has a 20 per cent. shortfall. It will be more than that if he continues to ignore the retained fire service as he has done during the changeover.

Thirdly, the measure is another example of the attack on the county councils. It is yet another way of removing from them democratic control over their policies and programmes. It is building up to the moment, which will come, when the Government say, "We don't need the county councils any longer because they don't deal with planning." They tried to stop their planning role in the House of Lords by getting rid of the county councils' consultative role in such matters. They had to give way on that, but they are slowly, in every single Act, trying to get rid of county councils.

Mr. Raynsford: Who got rid of Berkshire?

Mr. Gummer: If we vote for a regional assembly we will not have county councils. If we do not vote for regional assemblies, our county councils will lose their powers, so we may as well not have them. *[Interruption.]* That is the Government's policy. Education will be directed from the centre, as will the fire service and the police—*[Interuption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I cannot have a running commentary from the Government Front-Bench spokesmen. It is extending speeches that are already going on quite a long time. We are averaging more than 26 minutes for Back-Bench speeches, which is severely curtailing the opportunities for other hon. Members to participate.

Mr. Gummer: Lastly, therefore, Mr. Deputy Speaker, I remind the Government that they risk the vengeance of rural communities by their constant refusal to listen to them, to talk to them, to hear what they say, to support their county councils and to give them the opportunity to make their decisions for themselves locally. That is what the Government are doing. That vengeance will be wreaked on them first in the district councils, such as they are, this year, and, secondly, in the county councils, such as they are, next year. When the new Conservative county council in Suffolk comes into power, it will refuse to do what the Minister wants it to do if it is bad for Suffolk. He will then have to use his powers and show what his Government are really about—the regionalisation of the fire service. It is only a pity that the House was not told that at the beginning.

8.5 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to participate in the debate and intend to talk about what is actually in the Bill, although I could talk at great length about how loyal I am, on most occasions, to Gloucestershire county council, being a former member of it.

I have four lines of inquiry to pursue, but I shall do so at no great length because many of my points have been already been raised. The first is that I largely welcome what is in the Bill; the second is to question some parts of it; the third is to consider things of possible concern; and the fourth is to qualify some aspects of how the Bill may work in practice.

In welcoming the Bill, I believe it is clear to anyone—hopefully even those who will vote against it—that, unlike the Fire Services Act 2003, which was vested in an immediate dispute, some form of fire legislation is long overdue. We have had a number of White Papers. One did not see the light of day, which saddened some of us because it set the trend for moving the fire service away from being largely a reactive service to one that did

[Mr. David Drew]

much more preventive or—dare I say it?—proactive work. Firefighters in Gloucestershire are as one in welcoming that move. They want to talk to people in schools and old people's homes. They want to work with other parts of local government, whether that be on crime and safety or an element of criminal justice, and with other forms of the public service. For too long, they have felt excluded and somewhat in a box, which meant that they were restricted in what they could offer.

I am not saying that that would be a slightly easier job. It requires different skills of the sort possessed by people who are now attracted into the fire service. I am not talking pejoratively about those people who served in former generations of firefighters, but about a new breed of firefighters that is joining the service. There are more women and more people from the ethnic minorities, and more people are doing shorter periods of service. All those people are affecting the nature of the provision of that service. One way they would like to do that is to go out and talk to people, and to work in a partnership with them. That links directly to the integrated risk management plans. Unless firefighters are able to go out and talk to people, and to put in place something with communal attitude that allows them to pull together, the plans will merely be words on bits of paper rather than meaningful forms of action.

So I very much welcome the Bill. The Government are to be congratulated on introducing the legislation.

Mr. Clifton-Brown: In an intervention, the hon. Gentleman—my parliamentary neighbour—spoke of the great success of the tri-service agreement at Quedgeley. He is thus acknowledging the great popularity and success of our Gloucestershire fire service. Does he think that the people of Stroud would welcome its transformation into a south-western regional fire service?

Mr. Drew: I will pick up exactly that point when I turn to my second line of inquiry. As somebody who is a bit of a regionalist, I have no problem with the setting of regional strategies. It has much to commend it because of all the problems with boundaries. We have a particular problem in Gloucestershire because although we are in the south-west, we are adjacent to the south-east and the west midlands, and we are not a million miles from Wales. We are always in a dilemma about whom we would work with most closely. I do not have a problem as long as there are cross-regional strategic discussions about guidelines on the sort of things that need to happen at a level where it would be impossible for one brigade to operate. There are several sensitive locations in our county. GCHQ is one, and there are a number of nuclear power stations. They all require additional co-operation across brigades. Nobody wants to mention it, but if there were an incident, we would need not only people from different fire brigades but all manner of services from different parts of different regions. I take that as read.

I am concerned that the proposals could be taken as a step on a slippery slope to delivery of service at a regional level. The tri-service model to which the hon. Gentleman referred is a good one. Like him, I have visited the call centre on several occasions, and it seems to be bedding down well. I hope that we can genuinely consider the advantages that it provides for the locality before we rush to take firefighters to a more distant call centre in Bristol, Exeter or even further west. All that would cause me considerable concern. I therefore hope that there is full monitoring of the tri-service emergency call centre in Gloucestershire—and of the one in Wiltshire—before we do anything dramatic.

As my hon. Friend the Member for Hayes and Harlington (John McDonnell) pointed out, one criticism of the firefighters has been about the lack of piloting before deciding to go towards the centralisation of the call centres. Questions need to be asked about that. Although we have received some assurances that the proposals are not about regionalisation of service delivery, we need further such assurances.

Another possible concern has been alleviated by the good approach taken by my right hon. Friend the Minister. Could the Bill have been seen as revenge for a very long and nasty dispute, which could have resulted in further curtailment of firefighters' ability to take action and a heavy-handed laying down of their role? Nobody in this day and age can be anything but aware of the need for greater co-ordination. We must recognise that individual brigades, let alone individual services, cannot be immune from other pressures—whether that is the threat of terrorism, massive flooding or something like foot and mouth. All such incidents require changes in the way in which the services operate—today, let alone in the future.

The concern was that we could have had a much more centrally directed force, which would tell people who worked for it exactly what their role would be. I did not want that, because I think that there is benefit in engaging the local community. We should particularly bear in mind how firefighters have served this country well. I do not like the idea of rewarding public servants—even when we disagree with them in a dispute—by taking away the means by which they want to represent themselves and their ability to do their jobs effectively. I am pleased that we have not gone down such a route; things could have been a lot worse. We must recognise that there are sensitivities about the fire service. One does not have to be paranoid to realise that it was worried that a big stick would be waved over its head. Let us hope that all that has been cleared and that, as I said at the outset, firefighters—just like all those I have talked to—can get on with what they want to do.

On the issue of qualification, what is missing? The question of sprinkler systems has been well covered by other hon. Members. We need to pull together in a detailed format the demands that we are placing on firefighters when they go out and try to prevent unnecessary fires and accidents. My hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) mentioned how they could be proactive in work with road traffic accidents, and so on.

There is also the issue of maintaining services in rural areas. We have considered, somewhat sceptically, the decline in the ability to provide an effective service at a rural level. There has been much criticism—certainly from the Opposition—that what has been proposed either ignores the real problems or could make matters worse. It would be helpful if we identified the biggest single problem with retained stations: getting people to serve in them. The main reason for that is the change in

the nature of people's working lives. Allied to the geography, that has resulted in very few people living and working in a place where they can respond to calls in the amount of time necessary to remain in a retained force. We must try to do something about that.

We could extend the numbers dramatically so that there were always times at which people were available. We could pay retained firefighters a greater retainer so that they could be available when they would otherwise have to work in order not to lose money. All those things come down to cost and will be difficult to pull together. I therefore welcome the review, which I hope will come up with some genuine suggestions on how we can enhance the role of the retained service.

We must also try to improve relations between retained and full-time services, because they are not good enough. I know that many FBU members serve at retained stations, and that is to be welcomed, but relationships are still very poor. Often, retained and full-time service representatives are not ready to sit on the same negotiating bodies. Their pension arrangements, which I have dealt with, are very different too.

Richard Younger-Ross: What the hon. Gentleman is saying about why it is difficult to have retained fire officers in rural areas is exactly right. Is not the logic of his comments that we require full-time fire stations in rural areas and retained officers and stations in more urban and suburban areas?

Mr. Drew: That is a neat suggestion, but I am not sure how the full-time firefighters in Stroud would like the idea of being replaced completely by their retained colleagues, although there is a retained firefighters pump at that station.

Jim Knight: My hon. Friend makes good points about retained firefighters and the problems in rural areas arising from people living and working in different places. Does he agree that that underlines the importance of an approach based on fire safety and risk management? In some rural villages in my constituency there are high concentrations of second homes and many of the residents commute out, so the villages have very few people in them during the day, with the result that at night, when the retained firefighters come home, the risk is different. In addition, installing sprinklers in thatched buildings, which have been the subject of some serious fires in Dorset, would be a positive step to take when the Government review building regulations.

Mr. Drew: All those are laudable aims, which I hope will play a part in the review.

When taking the service forward, we have to address key issues. We cannot afford to alienate full-time members of the service by pretending that their job can be done in a very different way, but nor can we offend members of the retained service, because they are vital. The staff of several stations in my constituency could never be replaced by full-time firefighters. The only alternative to retained firefighters would be to close the stations and try to patrol their area from the larger town, some distance away. That is not what any of us want to happen. We have to get out there and recruit, and we can do that by acknowledging that the nature of the work has changed and giving people more incentive to join.

Overall, the Bill is welcome, although I have no doubt that some criticisms will be levelled in Committee at the way in which some elements of it will work. We might want the Government to take some additional matters into consideration even before they receive the results of their review—for example, provisions relating to sprinklers and how to establish building regulations and use legislative means to ensure that difficult issues are not ignored. Too many people have already lost their lives to fires.

8.22 pm

Mr. David Amess (Southend, West) (Con): I have the honour to be joint-chairman, with the hon. Member for Barnsley, West and Penistone (Mr. Clapham), of the all-party fire safety group. I may be biased, but I think that it is a splendid all-party group: our meetings are extremely well attended and the contributions are well informed. The Minister for Local Government, Regional Governance and Fire would have addressed our seminar today, had it not been for the difficulty in doing that and addressing the House at the same time.

I listened carefully to what my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) and my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) said about regionalisation. The House is well aware of the Opposition's view on that matter. Communities faced with the threatened closure of the local fire station are greatly concerned that there will not be proper consultation because of regionalisation. I was greatly concerned to hear one chief fire officer say today, "People are not as afraid of fire as they are of crime." I think that there is something in that comment, and I hope to touch on that during my speech.

During my time as a Member of Parliament, my admiration for the fire services has grown, for poignant reasons. When campaigning in the '80s, I went into a garden where a constituent who was well known in the area was on fire—I know it sounds incredible, but he had fallen into a bowl of paraffin. Most of us would not be prepared for such a sight and I probably did not react in the best possible way—if one is not used to such things, one goes into a state of shock, much as one wants to help. Although I did get help and the fire brigade was summoned, the man had 95 per cent. burns and I attended his funeral the day after I was re-elected. My admiration for the way in which the fire service dealt with that tragedy will live with me for ever more.

In another terrible tragedy that occurred in the '80s in my then constituency, firefighters attended an incident at one of our schools in which four youngsters locked themselves into a hut in the playground and were burned alive. How the fire officers coped with that tragedy, I do not know. I suspect that my hon. Friend the Member for Upminster (Angela Watkinson) was on Essex county council at the time of another incident. We ran a campaign to put smoke detectors in a challenging housing estate but unfortunately, the batteries were removed from one of the detectors and a whole family was wiped out.

When I moved to my present constituency, I took part, perhaps naively, in a march to save our local fire station in Leigh. On that march, I was assaulted. One fire officer allowed my assailant to escape, but another

[Mr. David Amess]

caught the assailant and he was duly dealt with. To the Under-Secretary of State, the hon. Member for Corby (Phil Hope), who is to reply to the debate, I say that I much regret the bad publicity and bad reputation that some of our firefighters accrued during the dispute, because I have the highest regard for the wonderful work that they do.

During our seminar, the view was expressed that the best way to eliminate fire death, injury and damage is by preventing fires breaking out in the first place—no one could doubt that—and that any attempt to improve fire safety must target resources. I—a Conservative Member of Parliament referring to the Fire Brigades Union—am anxious to be assured that the Government's motives are not dominated by the desire to achieve cuts in costs. If emergency fire cover is to be more flexible and more focused on safeguarding lives in future, we must be confident that the fire protection measures in our buildings are up to scratch. The hon. Member for South Dorset (Jim Knight) feels very strongly about sprinklers, and I share his concern, but he will know that our American guest speaker told those attending our seminar today that 16 per cent. of sprinklers in the city of Boston, I believe, do not work properly. Wonderful though sprinklers can be, they must be properly serviced.

The seminar also arrived at the view that sensible fire safety design was essential and that there should be appropriate product specification.

That would also mean ensuring that fire protection is installed correctly and maintained in good working order—I have already mentioned the problem of batteries being removed from smoke detectors. A mature framework is needed in which active and passive fire protection systems can work in concert instead of being in competition with one another, as they are at the moment.

I do not want to condemn the Bill, as it includes some good provisions. However, my hon. Friend the Member for Runnymede and Weybridge has convinced me of the merits of our reasoned amendment. I accept that the primary aim of the Bill is to reduce fire deaths and injuries, of which there are respectively about 600 and 16,500 a year. The House will applaud the introduction of a new statutory duty requiring the fire and rescue services to do more to prevent fires in the first place in addition to being prepared to extinguish them. The services have done their job magnificently in the past, but increasingly they need to look at ways of tackling 21st-century fire risks. Their effectiveness and public safety are likely to be enhanced by fire safety education, fire prevention schemes and local partnerships. Such activity is at the heart of community fire safety. The other main planks of the reform agenda are sensible. For instance, it is reasonable to allow a fire authority to vary levels of emergency response at different times of the day according to the fire risks posed.

We have heard a great deal about what fire officers have said about the Bill. I am delighted that Mr. David Turner, chief fire officer for Essex, is leading a national fire chiefs group to co-ordinate the response to the Bill. It would be a lengthy undertaking to compare the Bill with the Fire Services Act 1947, but fire officers are concerned about who would be in charge when two different brigades attend a fire, as happens from time to time. Chief fire officers hoped that there would be flexible provisions allowing for the generation of income from, for example, training courses for the public. However, provisions in the 1947 Act will still apply.

Concerns were also voiced in the parliamentary seminar about houses in multiple occupation. The definition of an HMO in the Housing Bill is intricate. The old definition in section 345 of the Housing Act 1985 and the case law arising from it are notorious for their complexity. The new definition is a gallant attempt at improvement, but I wonder how well it will work in practice. There was also concern about the details of training, but I accept that they will be announced in the autumn. Section 30 of the 1947 Act states that the senior fire officer present at a fire is in charge, and can direct resources accordingly. The all-party group on fire safety, however, believes that the Bill does not state who would now be in charge of directing available resources.

There was also concern that people were getting on a bandwagon, with many individuals offering to conduct fire safety risk assessments. People attending the seminar felt strongly that only qualified staff should be allowed to undertake registration and accreditation. I shall certainly support the reasoned amendment. The Bill is well intentioned, but I have great concerns about regionalisation. I repeat that the general public are afraid of crime, so I hope to goodness that in future they will be extremely afraid of the threat of fire.

8.33 pm

Jim Knight (South Dorset) (Lab): I draw the attention of the House to my entry in the Register of Members' Interests as a director of the Fire Protection Association and chair of the fire protection council. I am also a patron of the National Fire Sprinkler Network and, as a fellow officer of the all-party group on fire safety, it is a pleasure to follow the hon. Member for Southend, West (Mr. Amess).

I very much welcome the Bill. If it had not been for 9/11, the ensuing civil contingencies and the strike, it might not have been introduced and it would have been difficult to secure parliamentary time to discuss the issues that it covers. However, it is overdue for many other reasons as a replacement for the Fire Services Act 1947. It is fitting that we are finally putting into statutory form the duty of fire and rescue services to undertake fire safety functions, attend road traffic accidents and perform other emergency tasks that we expect them to perform but which they have been undertaking on a discretionary basis.

It is, however, important that the Bill is more than an update of the 1947 Act, and, equally, that it should be more than a reaction to both 9/11 and the fire dispute. Modernisation of fire and rescue services should be genuine, and the emphasis on fire safety and prevention is a welcome modernisation that all hon. Members should support.

The Bill is straightforward, but I shall address two issues. The first, regionalisation, has been discussed at great length by some Members this evening. I reject the alarmism of the Opposition parties about centralisation, which is appropriate given the changing nature of both the threat to this country and civil contingency requirements—the Secretary of State should have

reserve powers to direct our emergency services as appropriate. It is important that the House keeps a watchful eye on how those powers are used, so it is appropriate that the Bill says that the Secretary of State should regularly report to the House. I remain comfortable with those powers given the context of the debate and Government policy on, for example, integrated risk management planning, which is all about taking a much more localised view of risk and what response is appropriate from the fire and rescue services.

I support regionalisation in principle. I was a strong and passionate advocate of regional government in the Committee examining the Regional Assemblies (Preparations) Act 2003. Many of the members of that Committee have popped up in this debate, such as my right hon. Friend the Minister for Local Government, Regional Governance and Fire and the hon. Members for Kingston and Surbiton (Mr. Davey) and for Runnymede and Weybridge (Mr. Hammond). They were the front-line stars of that debate, and it was with some regret that I heard some of the same arguments being regurgitated over and over again this afternoon.

I support regionalisation in principle because it provides greater flexibility of response to major attacks, which we must be prepared for, and allows flexible planned responses across fire authority areas. The population is strung out around the edge of my county, Dorset, which is thinly populated in the middle. It is therefore appropriate that we have strong relationships with Somerset and Wiltshire, which border Dorset. It is equally true that we need a strong relationship with Hampshire, which is not in the south-west region, and I welcome the provisions that require fire and rescue services to develop their relationships with other authorities. The Bill does not specify that an iron curtain will fall around each region, and it is clear that relationships should extend across borders where that is appropriate.

The House should acknowledge the economies of scale that are achievable through regionalisation. I am sure that the level of council tax concerns every hon. Member, and we all get our ears bent about it by our constituents. In many constituencies, the precept for fire authorities will be identified separately for the first time this year, and I am sure that our constituents expect us to do what we can to achieve economies of scale through policies such as regionalisation to decrease precepts. There have already been discussions about regional procurement in the south-west, and it is appropriate that they should take place in a strategic context, which is possible only through a regional management board structure.

Mr. Clifton-Brown: Given the hon. Gentleman's enthusiasm for a south-west regional fire authority, does he think that his constituents in South Dorset would pay a higher or lower precept if their fire authority remained as Dorset fire authority rather than becoming part of a south-west regional fire authority?

Jim Knight: That is clearly a key question. I suspect that the cost may rise as the new system is implemented, but I am confident—otherwise I would not stand up and advocate it—that there would be significant savings over the medium and long terms. I am sure that the hon. Gentleman will have seen the table in the Select Committee report listing the different costs of regional control rooms. My right hon. Friend the Minister referred to the contrast between the unit cost of £18 in the London control room and some £136 in the Isle of Wight. We must examine possible savings very carefully and go forward on that basis.

I shall voice some of my concerns about regional control rooms shortly, but, over the medium and long term, I think that we can look forward to savings.

I have concerns about the implementation of regionalisation, and especially the introduction of regional control rooms. I have spoken to the control staff who operate the Dorset control room and to members of the Fire Brigades Union about their concerns in Dorset. Following my discussions with my right hon. Friend the Minister, I have been able to alleviate many of their anxieties, but there was considerable concern about the loss of local knowledge through the introduction of regional control rooms. As I understand it, the new software that is coming on stream, combined with the European directive on mobile telecommunications networks, means that it will be possible to pinpoint highly accurately where a call is coming from, even if it is coming from a mobile phone. I was concerned that only a cell would be identified, but I have been reassured by my right hon. Friend the Minister that that will not be so.

That leads me to concern about how the software is implemented. Dorset introduced extremely up-to-date software for its control room and it took it three years to iron out all the problems in that software. Given the importance of the reliability of that software, I ask my right hon. Friend to give us some reassurance on how that reliability will be tested and how the software will be implemented to ensure, given the tight time frame, that the operation can be carried out reliably.

I am concerned also about integrated risk management plans. We must ensure that a regional control room can account for the mosaic of such plans that will make up the region. We must also ensure that the software, the operators or however the response is co-ordinated in that control room can account for different approaches, and certainly operate across borders of fire authorities even if such authorities have not been formed.

I have in mind especially automated fire alarms, which have become a significant problem, given the number of false alarms which are causing a real drain on fire authorities. In Oxfordshire, Somerset and elsewhere there is discussion about not responding to automated fire alarms, which I find a most disturbing prospect. If we have different authorities within a region sharing a regional control room, each with a different policy on, for example, automated fire alarms, there is potential for some confusion. That is one area in which I would like to see the Government be more prescriptive about what policy is required. It convinces me that we should accelerate the process that leads towards regional fire authorities, much against the wishes of the Conservative party.

Richard Younger-Ross: I have heard from the fire authority in my area that it, too, has concern about automatic fire alarms. I have also heard talk about non-

[Richard Younger-Ross]

response. The authority's proposal is that there should be a £250 charge for repeat offences. That is not for the first time or the second time, but when a call is made three or four times. At least the authority could recoup some of its cost for call-out.

Jim Knight: I, too, have heard the notion of charging for attendance. One of the groups that works with the Office of the Deputy Prime Minister and reports to my right hon. Friend the Minister has a task-and-finish group that is considering automated fire alarms. It is chaired by Ken Knight, the commissioner for fire and emergency planning, London fire brigade. I have had discussions with him about the approach that should be taken.

Much can be learned from the issue of burglar alarms. The police had a problem with many false alarms some years ago. The burglar alarm industry got together with the police authorities and chief constables to agree to a protocol and a resolution of the problem. That involves the regular maintenance of burglar alarms and an agreement whereby the police will attend the premises as long as the alarm is regularly maintained by an accredited maintenance engineer.

Something similar could be worked out for automated fire alarms.

The hon. Gentleman should not forget that one of the main offenders in respect of false alarms from AFAs is the national health service. Some people say it is all down to nurses making toast. That can be overplayed, but there are simple ways of dealing with the problem—first, by checking the siting of the smoke alarm and making sure it is not located too close to a toaster, and secondly, by replacing the smoke alarm with a heat detector-based alarm system, so that instead of the smoke activating the alarm, the heat caused by a fire would activate it, in the same way as a sprinkler works.

That leads me neatly to the next issue on which I wanted to comment, and one that has not been touched on at all, I am happy to say: water supply. That may not seem a contentious issue. I am pleased to see that among the responsibilities of water companies is the responsibility to provide a water supply, to provide it at nil cost for emergencies, to provide it through fire hydrants and to provide it at adequate pressure. I know my right hon. Friend the Minister is aware of a problem concerning water supply for sprinklers. In some areas there is insufficient pressure in the water system to allow the sprinkler system to work effectively. That is a major stumbling block to spreading the use of sprinklers, with the fire death savings that could be made as a result.

As has been said, no one has ever died in this country in a fire in a building with a sprinkler system that has been properly maintained. I listened carefully to the hon. Member for Southend, West (Mr. Amess), but as long as such a system is properly maintained, it is more than 99 per cent. reliable. We should grasp any opportunity that the Bill provides to make sure that fire sprinklers work properly and safely.

Some two and a half years ago I convened a meeting between members of the National Fire Sprinkler Network and Water UK to facilitate a discussion about the problems of pressure in the water supply. We thought we had reached an agreement but, sadly, Water UK seems to have backed off from that agreement because of concerns about people taking water supply illegally out of a sprinkler system to avoid paying the bill from their water meter, and all sorts of spurious reasons which, to me, do not stack up, given that when a sprinkler is activated, a loud noise alarm goes off outside the house. If someone wanted to fill their kettle from their fire sprinkler, they would not do so at risk of a loud noise and a light going on outside. I ask the Government to speak to the water industry, see whether a voluntary agreement is imminent, and if not, take powers in the Bill to ensure that the supply of water for sprinklers can be arranged.

In summary—I would like to allow others to contribute to the debate; I do not want to hog the limelight, as others may have done—I welcome the Bill. I will make every effort to ease its progress, as I am asked to do, but I would be grateful if my right hon. Friend the Minister and the Under-Secretary, my hon. Friend the Member for Corby (Phil Hope), would respond to the points that I have raised.

8.48 pm

Adam Price (East Carmarthen and Dinefwr) (PC): The Bill, as the Minister said, devolves substantial powers to the National Assembly for Wales. I intend this week to vote against one Bill that devolves powers to Wales. To do so twice would be a little churlish for a nationalist party, so we shall support the proposals on Second Reading.

It is interesting to note that the Fire Brigades Union in Wales is an enthusiastic advocate of the Bill. It has been writing to Welsh MPs urging us to support the Bill. I have not seen the FBU recently acting as cheerleaders for the Government, but it welcomes the proposals—in large part, I think, because with devolution, there will at least be a shield from any regressive proposals that may emanate from Westminster in future. We welcome the devolution aspect of the Bill.

But for Wales, devolution does not end at Cardiff bay. It has to work right down into local government. It would be a matter for the National Assembly, but I would not want to see the creation of an all-Wales national fire and rescue service. The three combined fire authorities in Wales, created by the previous Conservative Government under local government reorganisation, do not have the same connection with the localities that they serve that the previous county-based fire authorities had, and in saying that, I echo some of the comments made by other hon. Members.

Having observed the debate and as a keen supporter of elected regional government in England, I believe that one of the dangers is that elected regional assemblies will be seen as the basis for the attrition of the powers of local government; that rather than decentralising from Whitehall they will arrogate to themselves the powers that exist at local level. One reason why we succeeded in Wales, although by a narrow margin, in winning the referendum was that we allayed precisely those fears among local government networks that an elected, convincing assembly in Wales would not be a Trojan horse to deprive local government of its powers.

It is interesting, listening to the debate in England, that the Bill eliminates one of the tensions that exists within new Labour. The tension between the desire to

decentralise and promote local innovation and flexibility on the one hand and on the other a desire to push through modernisation of public services, sometimes impatiently, through recentralising power, was well presented by the hon. Member for Runnymede and Weybridge (Mr. Hammond). That tension is right at the heart of the Bill.

There is a new currency to the debate, because we are told that the new localism—to use that new shiny phrase—will be the theme of the Government's third term. We have had a speech from the Home Secretary, a pamphlet from the Minister for Crime Reduction, Policing and Community Safety, and in the last few days, speeches from the right hon. Members for Tyneside, North (Mr. Byers) and for Darlington (Mr. Milburn) on the new localism. There is clearly a consensus that there is a strong case for devolution in the case of fire and rescue services. A fire authority that is accountable to its local community and has the power and resources to respond to local concerns is, in theory at least, likely to be more responsive than a fire service that is driven by central diktat.

We have seen in the debate and in last year's measures, that there is an unresolved tension in Government policy. Last year, albeit with the sound and fury of the fire dispute in the background, we had the Fire Services Act 2003, which, for a period, centralised powers in terms of conditions and gave wide-ranging powers in relation to the use or disposal of property that are carried forward in this Bill. On the one hand we had a centralising measure; on the other hand, in the Local Government Act 2003, we repealed a provision of the Fire Services Act 1947 that required fire authorities to have the permission of the Secretary of State to close a fire station or to reduce the number of full-time firefighters.

We saw that tension last year, we see it in the Bill and we have heard it in the debate tonight. The real question that needs to be answered is whether these measures will create a fire service that is more or less responsive to local need. Some of the reserve powers that the Minister has claimed will be used only in extremis are drafted very broadly, as has been said. Clause 22 allows the Secretary of State to require the authority to do something, to stop doing something or not to do something. That is certainly a first for me.

I have never seen a clause drafted that widely. Perhaps the Minister can tell me what is the difference between stopping doing something and not doing something. The clause goes on to refer to the "economy, efficiency and effectiveness" of the fire and rescue authorities. Apparently, fire authorities could be required to close stations or to vary the numbers of staff in particular stations. Those are micro-level decisions about operational effectiveness. Other broad, centralising provisions include compelling a fire authority to use particular equipment and services, then making it pay for the privilege.

Regionalisation has led to widespread concern not only in the Fire Brigades Union, but in the Chief and Assistant Chief Fire Officers Association, which states that more research is needed on regionalisation and argues that there is a lack of focus and detail as regards the timing of any future regionalisation, which deserves more scrutiny and clarity. That was echoed by the Local Government Association. I fear that this is another kneejerk response to a complex problem. Restructuring is always a popular solution in government because formal structures are among the few things that politicians have direct control over and can change. Restructuring and institutional change is often presented as a straightforward solution to a complex problem, but we saw the problems that it created in Wales during the creation of the 22 new local health boards. The Haskins review of the rural agencies in England gave the same kind of simplistic response.

Institutional restructuring is often a recipe for more organisational chaos or inertia: it seldom illustrates the real causes of poor performance. Public services are much better improved through incremental, adaptive change through interactive processes that directly involve practitioners, professionals and service users in shaping the end result, but the Government's proposals for the fire service were ill thought out and rushed through with little opportunity for practitioners to be involved in the process. That was partly because the FBU was alienated by Bain, which it saw as a fait accompli. As a result, one of the main institutional bodies in the fire service was not involved with the review that is the basis of the Government's proposals. Now, the FBU is asking the Government if, instead of rushing through these proposals, they will allow local pilots to take place to evaluate the results of different solutions more effectively and to establish best practice more incrementally.

On pay and pensions, will the Minister confirm that it is intended fully to devolve the pay negotiation and pension elements of the Bill to the National Assembly for Wales? That would allow the Welsh Assembly Government to create under the Bill a separate negotiating body in Wales.

That would be a departure from current practice. I am sure that the FBU in Wales would welcome it; my party certainly does. However, I would be grateful if the Minister could confirm that that is the intention.

On behalf of my colleagues in the Scottish National party, I want to draw attention to a few provisions on pay and pensions that affect Scotland. Will the Minister confirm that in clauses 33 to 35, which refer to the "Secretary of State", the provisions are devolved to the Scottish Executive? The Bill does not make that clear.

The Secretary of State is required to report annually to Parliament on the national framework. Will the Minister confirm that the National Assembly for Wales will not be required to report to this place and that the debate on the Welsh national framework will happen where it should—in the Assembly?

9 pm

Mr. Henry Bellingham (North-West Norfolk) (Con): I declare my interests, although I am not sure how they are relevant to the debate.

It is a pleasure to follow the hon. Member for East Carmarthen and Dinefwr (Adam Price) who speaks a great deal of sense. Although he is a nationalist, I am sure that he is also a Tory at heart because he shares many of our ideals. He was right to mention a perverse contradiction in Government policy. They promote localism, yet there is often a desire and a drive for increasing centralisation. In the context of the Bill, the

[Mr. Henry Bellingham]

Minister has spoken of trying to centralise pay bargaining, yet in the health service, he is trying to move in the opposite direction.

We have had a good debate, which gives me a chance to pay tribute to the Norfolk fire service. It does a superb job of serving the local community and its professionalism and commitment is unsurpassed. I have visited King's Lynn fire station on several occasions and I am always impressed by the professionalism of the men in Norfolk's fire service. We must not forget the retained service, because there are several retained fire stations in west Norfolk, including Terrington St. Clement, Great Massingham and the Dersingham-Sandringham station. There is an esprit de corps and camaraderie that one must witness to understand it fully.

Many retained firefighters are former military men and women. They might take umbrage at some of the Minister's remarks about the fire service not being representative of society as a whole and his belief that we should embrace an agenda of inclusiveness and diversity. I do not especially want the fire service to be representative of society as a whole; I want it to sort out fires, save lives and rescue people from car accidents. My constituents want the same. They do not want the fire service to be used for social engineering and political correctness. Of course, it would be a good idea to get more blacks, Asians and women into the fire service, but surely what we need are dedicated and committed people. They will not be representative of society as a whole because the service is uniformed and people join it for special reasons: because they want to be part of a service that is dedicated and committed to the local community. Many will be former military people, and if we begin talking about quotas or going on about the diversity agenda, it will simply undermine morale in the fire service.

Mr. Swire: Does my hon. Friend agree that the key to recruiting firemen—retained or otherwise—is that they should fit in with the existing fire team so that they do not present a threat when they deal with fires? Any other consideration of gender or political correctness must be thrown out of the window.

Mr. Bellingham: I agree. If people have to deal with an appalling motor smash, for example on a motorway, and work as a team in the most impossible conditions, surely selection must be on merit alone.

Mr. Clifton-Brown: There is a fire service college at Moreton-in-Marsh and I have seen at first hand that when fire officers approach a difficult fire, in smoke-filled premises, with appalling visibility, each fire officer relies on the other absolutely for his life and to save lives. Recruitment must therefore be done on merit so that the best and most suitable person for the job is appointed.

Mr. Bellingham: That is my philosophy and that of the Opposition. Unfortunately, however, it is not the philosophy of the Government, who are obsessed with social engineering and political correctness.

Andrew Bennett: Will the hon. Gentleman give way?

Mr. Bellingham: No, I must press on because other hon. Members want to speak. The hon. Gentleman has already spoken for a long time.

There are some plus points in the Bill. There is a need for change and for more emphasis on prevention, as the Bain report outlined. Furthermore, I entirely accept that terrorism does not respect county boundaries. I am pleased to see in the Bill the emphasis on smoke alarms. I did not know the statistics until the Minister pointed out that 24 per cent. of households do not have such alarms, and that, if they did, 150 more lives would be saved. That is of interest to me because I represent an ageing community, and elderly people are more vulnerable to house fires than younger people. Having smoke alarms fitted is absolutely vital. I was not a Member of Parliament when the former hon. Member for Romsey and Waterside, Michael Colvin, and his wife were tragically killed when their house in Hampshire burned down, but I understand that that could have been prevented if a smoke alarm had been fitted. I think that that incident brought home to everyone in the House the crucial need to have these devices fitted.

My hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) made a very good speech, in which he flagged up a number of important points. I hope that the Under-Secretary, the hon. Member for Corby (Phil Hope) will comment on them when he winds up the debate. My hon. Friend mentioned the overstretch in the armed forces and the fact that the green goddesses are to be decommissioned in the near future. He also referred to the privatisation of the airfield support services through a private finance initiative scheme. He asked whether the military would be able to provide the necessary support to the Government if we had another dispute on the same scale as that of last winter, in the light of the changes that are to take place. I hope that the Minister will address that question.

The Bill gives rise to other grave concerns. It is a centralising measure, under which the Government are going to grasp huge extra powers in relation to appointments and procurement, giving rise, as the hon. Member for East Carmarthen and Dinefwr pointed out, to an authority having the power to go into another authority's area, even though there might be a disagreement on the ground over whether it should be allowed in. The power will also be created to intervene in the management of a specific incident. The powers will be more far-reaching than those that were in place during world war two. The Bill contains a substantial centralising agenda, second only to its agenda of regionalisation. The sub-plot underlying the entire Bill is the move to regional structures.

I also want to say something about control rooms. There has not been proper consultation on this matter. I have spoken on the telephone this morning to the assistant chief fire officer of the Norfolk fire service, as well as to a number of other fire officers. They were being very tactful and careful in what they were saying to me, but it was perfectly obvious that there had not been proper consultation. In Norfolk, 22 people work in the control room. The Minister said that there would be no disruption to such work, but that is nonsense. We are talking about 22 very hard-working men and women—professional fire officers—who are probably going to lose their jobs and who are very worried about their future. Of course that is a blow to morale.

Other significant problems will arise from the Bill. My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) pointed out the challenge presented by multiple place names. A number of villages in Norfolk have very similar names to villages elsewhere in East Anglia—Aldborough, Hanworth and Grimston, for example. Local knowledge is therefore going to be very important. As the assistant chief fire officer pointed out to me, members of staff in the control room often start their career working on the appliances. They go to fires and get to know the communities intimately. They understand the challenges presented by particular villages, streets, trading estates or factories where there might be a fire risk.

Those are the people who end up in the control room. I submit that that local knowledge is vital in providing the professionalism and response that is needed.

Andrew Bennett: Will the hon. Gentleman give way?

Mr. Bellingham: No, there are many other Members who want to speak.

I do not see how regional control rooms can replicate that local knowledge. We have heard the Minister talk about modern technology, but I am not yet convinced that modern technology will be any substitute for the local, intimate knowledge that such people have. What we are seeing is creeping regionalisation: first, in the control rooms; then in fire safety, risk procedures, training and procurement. It is ironic that just as integrated risk management planning is being introduced, and just as fire authorities are leaping free from one part of central control and being able to put in place local plans to fit that local agenda, they must embrace the regional agenda. All the progress being made in terms of advancing the local agenda will be subsumed under regionalisation.

I therefore believe strongly that what we are seeing is an agenda to regionalise fire services. If we look at the White Paper "Our Fire and Rescue Service" we see that that must be the case, because the Government make it absolutely clear that they are talking about proposed UK fire authorities and regional management boards. I agree that some areas, such as anti-terrorism, contamination and airport security, require a greater degree of co-operation. What I suggest, however, is that we have a framework in which we keep in place the local structures but try to build critical mass in some areas of expertise. In that way, expertise can be shared across counties, as is already the case in Wiltshire and Gloucestershire and with several bi-service and tri-service projects. We must try to encourage local initiative, local pride and the ability to adapt to local needs, not an over-prescriptive approach.

If we go down the regionalised route, we will see the end of local democracy in the county councils as we know it. We will see the end, for example, of Norfolk and Suffolk county councils. We will see much more power concentrated in the region, which will mean more bureaucracy, more cost, and less control given to local people. Ultimately, although the Government are rightly determined to save more lives, regionalisation is not the best way to go about it. That is why I shall support my right hon. Friend the Leader of the Opposition's amendment.

9.12 pm

Angela Watkinson (Upminster) (Con): I shall make my speech much briefer than I had planned, in the hope that others will be able to speak.

I want to comment on the Fire Services Act 2003 and its impact on the current situation. This Bill comes hot on the heels of that Act, which was passed as a result of the industrial dispute about pay. The result of that dispute was a pay award of 16 per cent. over three years, financed by savings. We should bear that phrase "financed by savings" in mind. Four per cent. was paid immediately, and 7 per cent. was promised last November. In fact, only 3.5 per cent. of that has been paid so far, and firefighters to whom I have spoken recently have no idea whatever when the rest of the pay award will be received.

The Act also gave the Secretary of State powers over the conditions of service of fire brigade members, powers over the use or disposal of property—fire engines and fire stations—and unprecedented powers of intervention. It gave firefighters little or no more than a rise in line with that of blue-collar workers, excluding overtime, which they could have expected without a strike. The firefighters did not come out of it well at all. The aftermath of the strike, and what was seen by most firefighters as a highly unsatisfactory outcome, left morale at a low ebb. It is essential that this Bill be dealt with sensitively, and do nothing to harm the fragile process of restoring that morale, which is essential to the efficient operation of the fire service.

Before the strike there were 40 applicants for every job, of which only four were suitable. If morale is not restored, the fire service could go the same way as teaching, the police service and nursing, with a gradual diminishing of the number of people who wish to pursue those careers.

The Minister and the hon. Member for Denton and Reddish (Andrew Bennett) have referred to the need for more ethnic recruitment and for more women to go into the fire service. I know from my service on the Essex fire authority that there are some ethnic, cultural and religious groups to whom the fire service is not an attractive job; it does not appeal to them at all, partly because it involves getting dirty. I should like to make a plea that if there are to be more women in the fire service, they must be recruited to the same standard as everyone else. To sacrifice high standards on the altar of political correctness would be most inadvisable, because it is essential that every qualified firefighter have the appropriate strength and ability to do the job. Firefighers work in very close-knit groups—the watches—and each relies on the others in life-endangering situations. If one member of a watch did not have sufficient grip strength, for example, and could not hold on to someone in an emergency, the possible outcome is easy to understand. For that reason, the fire service needs a recruitment policy that is open to anyone who can meet those standards, and whether applicants are of a certain gender or ethnic group should be irrelevant; it is attracting recruits of the right quality that is important.

The Local Government Association—a body with which I do not always see eye to eye—has stated that collaboration should be voluntary, not compulsory, that fire authorities must be able to maintain control of

[Angela Watkinson]

local services and that the additional costs of regional arrangements need to be considered, as they will be borne across the whole fire modernisation programme. The arguments against regionalisation have been well rehearsed in the debate, so I will not add to them now, but I should like to ask about the relatively new additional responsibility for fire services: dealing with terrorist threats. One has only to recall the role of the New York fire department in dealing with the terrorist attacks on the twin towers to know how important that is, and there is a clear need for strategic planning in unprecedented emergencies such as that. For that reason alone, I can understand the benefits of regionalisation, but not for the whole spectrum of duties that fire services undertake.

I should like to ask the Minister to throw some light on the cost of new dimension training—for example, for massive decontamination incidents, where firefighters could be on continuous duty for days at a time. That will have considerable cost complications. Where will the funding for such specialist training come from?

Part 3 has caused most alarm to serving firefighters in relation to setting up the national framework, the draft of which was published on 11 December last year and replaces national standards of cover for fire risk. Following the integrated risk management review, standards should be set according to local knowledge and circumstances. However, given the recent history of industrial disputes in the service, firefighters are concerned that that review will result in a reduction in the level of service either by station closures or by the removal of fire engines—and, therefore, in an inevitable increase in response times, which could cost lives. Would it not have been wiser to pilot a service based on integrated risk management in certain areas first, and to assess the results carefully before introducing a blanket policy? The effect of such a change is bound to differ between rural and metropolitan fire authorities, and between those that are efficient and those that are less so. I hope that that point will be picked up and examined closely in Committee.

Firefighting is not just a job; it is not done solely for the money. There are many easier ways of earning an equivalent income without involvement in life-endangering situations. During the last strike, which caused considerable hardship to those taking part, it was clear that firefighters felt that the Government, if not the general public, undervalued them. The whole exercise was hugely damaging to internal relations in the fire service and the public it serves. The changes proposed in the Bill—they will become law because the Government have a large majority—must be consulted on in a genuine and meaningful way. I hope that any objections will be given a fair hearing and that amendments will be considered, so that the good will among serving firefighters, which was holed below the waterline last year, can continue its tentative recovery.

9.20 pm

Mr. Hugo Swire (East Devon) (Con): No one can seriously be against the modernisation, rationalisation and restructuring of the fire service, when nothing has been done to it since the Fire Services Act 1947, and we now live in a very different world to that in which we—or at least, some of us—found ourselves in that year. The threat of global terrorism is relatively new to us. Some hon. Members pointed out in the debate on the Civil Contingencies Bill last week that not enough had been done about that, so how can the same people stand in their places tonight and fail to say that something should be done quickly about that problem by means of this Bill, too?

The Bain report suggested that we were talking about a new approach by the fire services to reduce the number of fires and save more lives. As far as it goes, that is good, and the whole House would support it. I do not have time to pray in aid the comments made about the Bain report and the White Paper, but they do not entirely support everything that appears in the Bill.

The Minister will not be surprised to hear—he and I have discussed it across the Chamber many times before, and no doubt will again—that my main concerns are centred on regionalisation and its impact on a rural community such as the one where I live in Devon. I agree with my hon. Friend the Member for Upminster (Angela Watkinson) that a rational case can be made for regional control of some sort in respect of a national emergency. However, in respect of the day-to-day running of fire services throughout the country, I see no need to use the fire services to fulfil part of the Deputy Prime Minister's dream of carving the country up into nine administrative regions.

People, particularly people in the west country, are concerned that all the talk of rationalisation and regionalisation is a cover to make up for the vast amounts of money that the Government have had to pay out as a result of the fire dispute last year. I am particularly concerned about something that the Minister said about the question of accountability, which other Labour Members also spoke about this afternoon. Local accountability is something that people in remote areas are particularly keen on. I do not subscribe to the view that taking firefighters—in Devon's case, retained firefighters—away from their local communities and having one large administrative centre covering an area from the Isles of Scilly to Gloucester does not involve some loss.

I spent some time recently at the headquarters of the Devon fire and rescue service, met chief fire officer Paul Young and his excellent team, and saw at first hand how the operations room works. I saw how they could pinpoint the location of a fire within seconds. No village name needed repeating, because the drivers knew exactly where the village was. They also had the mechanisms to tell the drivers exactly what sort of fire it was. While I was in the control room, a fire broke out in a timber yard, so they knew what vehicles and equipment to dispatch to it. There might have been inflammable liquid or some sort of ammunition there. The retained firemen had that sort of local knowledge.

I question whether such knowledge could be preserved if the area covered by the firemen were extended.

It is feared that more than 160 fire service jobs could be lost. According to the *Western Morning News* last week, when challenged about the issue a spokesman for the Office of the Deputy Prime Minister said:

"We are encouraging fire authorities to redeploy staff into other roles. We want to emphasise fire prevention, educating more vulnerable people in the community into the dangers of fire, and how to prevent them happening."

The spokesman was also quoted as saying—this is rather more worrying—that

"local knowledge was no longer relevant to the job".

He said:

"The world is not that local any more and the technology exists to find callers even if they don't give their position."

I question whether that is true in an area such as Devon, where there is rural population sparsity. I also agree with the county council network of chief fire officers, which states:

"Simply stating that a Fire Authority which has fewer than 700 people is inefficient without supplying any argument to support this, verges finely between simplistic and arrogant. We can easily furnish evidence that smaller Authorities, many of which are linked to County Councils, outperform much larger fire brigades, frequently at a lower expense."

The Minister will know of the good work done by the Devon fire authority, and what it has achieved so far. The total number of fires is decreasing, with an expected year-end result of 55.2 per 10,000 of population. That is a decrease of 9 per cent. on 1999–2000, and is well below the national average in that year. The number of primary fires—those involving damage to property—is also decreasing. The number of accidental dwelling fires is falling, and the number of malicious false alarm calls has steadily decreased. All those are good stories from a fire authority that knows the county in which it operates.

There is a feeling in our part of the world that we are always at the losing end. We have a feeling that, unfairly, too many of our post offices are being closed. We have a feeling that our pubs are closing, even if they are not closing in great numbers. We have a feeling that our magistrates courts are closing, and that we have lost local connections as a result. Now we are being told that we may lose the local accountability of our fire service, which is to go to a wider region. That, too, is questionable.

Devon fire and rescue service claims that the

"reality of savings in rural communities is doubtful".

Additional complications are involved in the delivery of a modernisation agenda in an authority like Devon, as a significant number of retained firefighters operate there. Nothing in the Bill so far deals with such concerns.

Another result of the Bill will be—as we have heard—a far greater concentration of power in the hands of the Secretary of State. There is a contradiction here. While arguing that they are providing more accountability as part of their regional and localised programmes and ceding power to the new regional assemblies, the Government are taking power back to the centre, giving the Secretary of State powers that he has never enjoyed hitherto.

There is a further point, about the budgets. I understand that on Friday the Minister sent a letter to the fire authorities, saying that he envisaged budget increases in single low figures in the next financial year. The Devon fire authority thinks that he meant about 5 per cent., but has endorsed a 16 per cent. pay deal over a period of about 18 months. Where does that leave us in Devon? We are left with a pretty stark choice. A spending increase of 5 per cent. would already result in significant cuts, and the authority is convinced that the Government may intervene to cap any increase in excess of that.

In fairness to the Minister, I must say that the Bill contains much that is good, but it raises many questions that it does not answer.

That will be the job of those of us who serve on the Committee. I support the reasoned amendment because I believe that the Bill does not go far enough or explain enough as it stands—and I look forward to the opportunity of going through it clause by clause at a later date.

9.29 pm

Mr. Roger Williams (Brecon and Radnorshire) (LD): I apologise to you, Mr. Deputy Speaker, and the Minister for being slightly late for the beginning of the debate. I was delayed by a small incident which, luckily enough, did not require the fire and rescue services. In the two minutes or so that I have available, I wish to touch on two issues: devolution; and the way in which fire services and ambulances may act as co-responders, especially in rural areas that feel vulnerable in the event of an emergency.

We support the aspects of devolution and the processes for that in the Bill. I feel that the parliamentary draftsmen have found an elegant way to achieve that—there are several ways in which it can be done—because clause 59 says that a reference to the National Assembly for Wales should be inserted in the Bill where a reference to the Secretary of State is made in parts 1 to 6. However, part 4 relates to pay and conditions and will set up pay negotiating bodies. I had the impression that such matters would remain reserved, so I wonder whether clause 59 should refer to parts 1 to 3, 5 and 6. Perhaps the Minister will reply on that matter.

I can best express my next point by referring to an incident that happened in Knighton, which is a remote rural part of my constituency. A gentleman collapsed on the pavement one night but was able to ring the emergency services. However, local general practitioners now provide no out-of-hours cover and the out-of-hours service operates from 20 or 30 miles away. Additionally, the local ambulance service was attending to another person in Hereford, which is 30 miles away, so there was no one to attend to the gentleman who could perhaps have saved his life. However, retained firemen were on standby in Knighton at the time, so if there had been a system of better understanding between the ambulance service and the fire and rescue service—especially one that covered defibrillators—the gentleman's life could have been saved. I hope that the regulations in the Bill will allow the National Assembly for Wales and the Secretary of State in England to find a solution to the problems that are faced especially by rural areas that feel vulnerable to such emergencies because they are without the cover of fire and rescue services or ambulances.

I support the Bill, which will probably do more good for the fire and rescue services in Wales than for those in England.

9.32 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am delighted to be able to wind up this important debate. I join my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), my hon. Friends the Members for East Devon (Mr. Swire) and for North-West

[Mr. Geoffrey Clifton-Brown]

Norfolk (Mr. Bellingham) and other hon. Members who paid tribute to their local fire services and the bravery and heroism of our firefighters throughout the country—we all owe them a debt of gratitude.

There is much to welcome in the Bill. Many of the speeches in our good, hearty and well informed debate have paid tribute to the principle behind the Bill: to modernise the fire service in the wake of the Bain report of December 2002 and the fire strike of last year. There is clearly a need to enact more permanent legislation than the Fire Services Act 2003. We especially welcome the standardisation of communications, the provisions on pensions and the provisions on water supplies. We give a qualified welcome to the powers of entry in an emergency, because they should not be used in a draconian manner. We welcome the provisions on fire alarms and the pre-commencement consultation, provided that that is genuine.

We can welcome the Bill's principle and various bits of its detail. However, I shall start with a question from Professor Ann R. Everton, who is a professor of law at the university of Central Lancashire and one of the most knowledgeable people in the country on fire law.

She starts by saying:

"Can so enormous a programme of reform ever be effectively pursued? More particularly, can it ever be effectively pursued at the rate at which it is currently being driven?"

The Bill has been produced in an enormous amount of haste, without proper consultation. My right hon. Friend the Member for Suffolk, Coastal and my hon. Friend the Member for North-West Norfolk told us how neither of their fire services was consulted on this huge change. If we are to introduce such a change, it is remiss of the Government not to consult the knowledgeable and longstanding chiefs of those important fire brigades properly.

We would all say "Amen" to the prospect of reducing the 300 deaths a year and the 11,000 injuries that the Minister mentioned. That must be an overriding objective.

Andrew Bennett *rose—*

Mr. Clifton-Brown: I was coming to the hon. Gentleman. I pay tribute to him and his Select Committee report. He will be interested to know that I will quote it because it makes interesting reading.

Andrew Bennett: Will the hon. Gentleman give way?

Mr. Clifton-Brown: In a minute. First, I want to welcome some of what the hon. Gentleman had to say. On the composition and recruitment of the fire service, it is important to recruit as many retained firefighters as possible, especially in rural areas. His report makes useful recommendations on that. Much has been said about the make-up of those whom we recruit. In my intervention on my hon. Friend the Member for North-West Norfolk, I said—backed up, I think, by my hon. Friend the Member for Upminster (Angela Watkinson)—that it is important to have the most suitable person for the job. I accept that in some areas of the country that will involve different ethnic groups.

Although I would encourage the recruitment of women, having seen the job that firemen do in detail at the Fire Service College at Moreton-in-Marsh, I know how difficult and physically arduous it is. Trying to lift a hydraulic opener, which opens a vehicle's roof and windows to get people out of a car, is physically arduous. Going into a smoke-filled room and carrying out people who may be unconscious is difficult and arduous. My hon. Friend the Member for Upminster was right to say that we need to recruit women and men on the same basis.

Andrew Bennett: If the hon. Gentleman has read our report carefully, he will know that people have been proposing changes to, and the modernisation of, the fire service for more than 30 years, and nothing has happened. It is surprising that he now complains that change is being done in haste.

Mr. Clifton-Brown: It is clear from talking to a number of experts that the change has been done in haste. There have been many reports, studies and one thing and another, but they have not been implemented wisely. There is still plenty of scope to amend the Bill. There will be plenty of discussions in Committee to see how we can improve it. It is a bit like the Planning and Compulsory Purchase Bill, however, because it has been introduced in haste.

The hon. Gentleman did the House a great service in his report. To back up my argument that the Bill is being implemented in haste, the report says that the national framework, which the Government talk about, was implemented in far too much haste. In addition, the Government promised the £30 million supplement for the pay award more than a year ago, but it was only introduced in December. They promised the disciplinary regulations in December—the so-called grey book—but we still have not seen them. We would have been interested to see some of the secondary legislation that goes with the Bill, but there has been little of that. Those are good examples of how the Bill has been implemented in haste.

There is a great deal of centralisation in the Bill. A cursory look at it reveals just how very centralising it is. Clause 10 concerns

"Directions relating to particular fires and emergences";

clause 13 is entitled "Reinforcement schemes"; clause 17 is on

"Directions as to arrangements under section 16";

clause 22 is headed

"Intervention by Secretary of State".

Although I quoted clause 22 in an intervention, I shall do so again. Anybody who doubts that this is a centralising Bill need only look at clause 22; it is the best example of the legislation's centralising nature. It states:

"For the purpose of securing that the authority acts in accordance with the Framework the Secretary of State may by order require the authority—

then we have these three marvellous conditions—

(a) to do something;

(b) to stop doing something;

(c) not to do something."

I wonder sometimes why we pay parliamentary draftsmen huge salaries. Many of us could have drafted a better clause. Effectively, the clause states that the

onerous framework can be implemented at the whim of a Secretary of State. Under clause 23, that will be tested by the best value regime.

My right hon. Friend the Member for Suffolk, Coastal raised the issue of regionalisation in his very powerful speech. I shall not be able to go through it in detail because it was quite long, and time is limited. We know that it is the Government's intention that there should be nine national fire centres by 2007. I thought that the Minister was dissembling to my right hon. Friend, who asked whether there were powers in the Bill to create an eastern region fire service, resulting in his Suffolk fire service ceasing to exist. The Minister said that the Government have no intention of doing that but that there will be a regional management board. If that is not dissembling, I do not know what is. Such a board will threaten my right hon. Friend's Suffolk fire station.

I represent the Fire Service College in Moreton-in-Marsh. Clause 30 states that a central training institution may be established. Will the Minister confirm that that institution will be the Fire Service College in my constituency? I shall be seeking—I wish that he would listen to what I have to say—an Adjournment debate on the college because things are not going very well there. There has been no permanent chief executive for the past year, and the college is likely to make a loss for the second year running. It cannot continue while running at a loss. Since the last chief executive prematurely retired, before which the college made a profit, things have not been going well. I should like the Minister's assurance that—perhaps in a separate debate—we will be able to examine those matters in greater detail.

The tension between localism and regionalism was expertly expounded by my hon. Friend the Member for Upminster. Under a county council structure, fire services are democratically accountable locally and they know the rural areas that they cover. Many hon. Members have quoted the figures on page 32 of the Select Committee report. If one examines them carefully, one sees that the column starts with London, where of course costs are likely to be low, and ends with the whole of the Isle of Wight, where of course costs are likely to be higher. Costs rise as one goes down the table because the areas are more rural. People like their local structures and fire services.

What a waste of the £3.6 billion that has been spent on a tri-service call centre in Gloucestershire, given that it is to be altered or abolished. *[Interruption.]* If the Minister, who is chuntering, is to abolish or alter that centre, will he find the funds for a regional call centre?

The Government's dream is regionalisation—everything has to be regionalised: housing, planning and now the fire service—regionalisation, so that people can sit in an office many miles away, not understanding the problems in the local area. Will that make a better service? I doubt it. Professor Everton is right to say that we should make haste slowly. I urge the Government to consider carefully what they are doing. If they do not, as my hon. Friend the Member for Upminster said, we will turn an excellent service into one that is far more difficult to operate, as has happened to many of the other public services that have had legislation visited on them by this Government. I say to the Government in the Latin, "Festina lente"—make haste slowly.

9.45 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): I shall endeavour to deal with the points raised in this important and good debate. I thank all hon. Members for their contributions. Before responding to some of them, I will remind the House why a new approach to a modern fire and rescue service is required.

Despite the high standards of performance of our fire service and the dedication and bravery of our firefighters in responding to fires, too many lives are still being lost, especially among the most vulnerable in our society. Although raising awareness of fire safety has made a difference, 357 deaths and 11,000 injuries occurred in 2002 alone.

The independent review of the fire service led by Sir George Bain called for a new risk-based and preventive approach. We responded to that report with our White Paper "Our Fire and Rescue Service", which was published last summer and which set out our vision of a modern fire and rescue service—a service that will save more lives and create safer communities; that is proactive in preventing fires and other risks alongside performing its traditional firefighting role; that is committed to change and will adapt to changing circumstances, such as the new threat from terrorism; that is well managed and effective with institutions that support its role and purpose; and that supports the Government's wider social agenda.

The report of the Select Committee chaired by my hon. Friend the Member for Denton and Reddish (Andrew Bennett) broadly welcomed the Bill and its reforms. Despite some reservations, during today's debate a broad consensus supporting the thrust of the Bill has been expressed on both sides of the House. It is a shame that Opposition Members do not feel that they can vote for the Bill as well as speak in support of it in the Chamber.

One of the first and major accusations that the Opposition have levelled is that the Bill is too centralist. It will put our new national fire framework on to a statutory footing: that responds directly to Sir George Bain's observation that for too long successive Governments had not provided the service with the correct strategic direction. That is precisely the point that we have tried to address. The national framework represents a contract between the Government and the service, for the first time setting out our requirements, what authorities should do to meet those requirements and the support with which we shall provide them. At the start of the debate, the hon. Member for Runnymede and Weybridge (Mr. Hammond) asked when we would introduce the new discipline regulations—a small but crucial point. That was one of the undertakings in the national framework. We shall publish the regulations in early spring—on target.

The national framework focuses strongly on working in partnership. We are anxious to hear the views of all concerned on the draft framework as we proceed with the consultation process. Let me be clear: the framework is not about being prescriptive or dictating to authorities how they should run their service. It is neither centralist nor interventionist.

The hon. Member for Kingston and Surbiton (Mr. Davey) complained about the powers that can be used to intervene if that is needed. My right hon. Friend the

[Phil Hope]

Minister for Local Government, Regional Governance and Fire emphasised that those would be reserve powers, to be used as and when needed. It is important that public authorities meet the expectations set out in the framework, because failure to do so might have an impact on national strategies to deliver essential emergency response services. The Bill therefore rightly includes provisions that allow for such intervention where authorities are clearly failing, but I assure the House that those intervention powers are very much a last resort. We are working with local authorities to ensure that we can overcome any barriers to meeting the expectations, and of course we will have regard to the intervention protocol that we agreed with the Local Government Association when considering how best to address poor performance.

A second theme embraced by Opposition Members is the fact that the Bill would lead to major regionalisation. That appears to be their new bête noire or paranoia. It used to be Europe—mention that and everyone would jump up like puppets on a string. Now the word "regionalisation" has exactly the same impact. I was pleased that my hon. Friends the Members for Stroud (Mr. Drew), for Hayes and Harlington (John McDonnell) and for South Dorset (Jim Knight) supported an appropriate level of regionalisation for the fire services, as indeed did the hon. Member for Upminster (Angela Watkinson) in some of her remarks. Unfortunately, the hon. Member for Runnymede and Weybridge, the right hon. Member for Suffolk, Coastal (Mr. Gummer), the hon. Members for East Devon (Mr. Swire) and for North-West Norfolk (Mr. Bellingham), as well as the hon. Member for Cotswold (Mr. Clifton-Brown), were against the concept of regionalisation. The hon. Member for Kingston and Surbiton sat on the fence—the Liberal Democrats are very much in favour of a regional approach to policy, but they decide not to support it when it matters.

To make it clear, we are not regionalising the service, except in areas where voters themselves choose to have an elected regional assembly. The Opposition oppose the referendums, and are no doubt campaigning against those regional bodies. We have spelt out very clearly—I refer Opposition Members to page 31 of the White Paper—that there are national, regional and local functions and responsibilities to be delivered by the fire services at different levels. The hon. Member for Cotswold said that regional management boards were a form of regionalisation. We said that they were not—they would be introduced in areas that do not have elected regional assemblies. He called that dissembling, but it is not, because in the national framework we spell out in words of one syllable the functions of regional management boards. My right hon. Friend intervened on him to make that point, yet still he said that there would be regionalisation in areas, even though that is clearly not the case.

Mr. Clifton-Brown: The hon. Gentleman sets great store by the regional management boards, but the Secretary of State has reserve power to elect 49 per cent. of the members of those boards. If the hon. Gentleman genuinely wants those boards to work properly and democratically, why are they not properly elected full stop?

Phil Hope: The hon. Gentleman appears to be saying that if they were directly elected he would support them, which sounds like a bid for an elected regional assembly in the south-west. If he wishes to campaign on those grounds, I urge him to travel to Newcastle, Manchester and Yorkshire to press his case.

Mr. Hammond: The Minister has carefully ignored the principal point made by most Members who spoke about regional management boards. It is simply not appropriate for the boundaries governing the organisation of the fire and rescue services to be the same as the boundaries of the Government offices for the regions. He has not addressed that point at all.

Phil Hope: I was going to come to that. I find it entertaining that Opposition Members, who have lost the argument about whether we should have a regional structure and what should happen afterwards, should divert the argument into a big debate about boundaries. The Liberal Democrats usually pursue such causes. If in doubt, we have been told, we should have a review and kick the problem into the long grass. On the one hand, we are told to get on with the job, but on the other to hold a review to stop that. We simply will not accept such advice.The Bill also makes provision, as the hon. Member for Brecon and Radnorshire (Mr. Williams) pointed out, for the devolution of fire services to the Welsh Assembly and the Welsh Executive, which is an important step in the right direction. The hon. Gentleman is right that fire services in Wales will be much better off as a result of devolution to the Welsh authorities.

The unacceptability of regional control rooms was a subsection of the Opposition's argument on regionalisation. Those control rooms were introduced as a result of the Bain review, which was followed up by the Mott MacDonald review. They made it quite clear that the cost of regional control rooms and their efficiency and effectiveness far outweighed the drawbacks that Opposition Members talked about. My hon. Friend the Member for Stroud made an important point about shared and tri-service control rooms, particularly in his constituency and region. I accept those difficulties, but the concept of national resilience against the threat of global terrorism, which the hon. Member for East Devon discussed, was not identified as a priority when the proposal for shared control rooms was introduced. We need to make sure that we get benefits from regional control rooms, and we want to incorporate best practice.

Again, I refer to the draft fire and rescue national framework, in which we say:

"The Government accepts the conclusions of the research done by Mott MacDonald that improvements in control room efficiency should be achieved by amalgamating fire control rooms".

However, we go on to say that we will

"seek to build on the lessons of the three existing shared control rooms and integrate them as far as possible into the new system."

My hon. Friend the Member for South Dorset also raised a concern about regional control rooms, and his particular point is whether we will have the necessary

technology. I assure him that the Government will support and fund the development of those regional control rooms to ensure that they have the most modern communications technology. The regional management boards in those areas will develop common procedures to deal with the issues that he discussed.

The right hon. Member for Suffolk, Coastal and the hon. Member for North-West Norfolk claimed that local knowledge is an important feature of their local control rooms, but we expect global positioning systems and other uses of new technology to deal directly with the problems that they have identified.

Resilience is a key function of regional work for the fire service. My hon. Friend the Member for Hayes and Harlington raised the question of when we might intervene if the quality of service were not sufficient. It would not be practical to put a definitive list of emergencies in the Bill, and if we were to do so we could run the risk of not covering all possible threats. By taking a power to create new duties by order, we retain the ability to respond to changing events. On that issue, the hon. Member for Upminster made a point about cost. I assure her that the Government are meeting in full the cost of equipment for the new dimension of fighting terrorism and that every firefighter will receive basic training to operate that equipment. We are investing some £188 million over the next two years to achieve that outcome.

Prevention was the issue that caused hon. Members most concern, and I am pleased to say that every hon. Member spoke in favour of the measures to promote fire safety. My hon. Friend the Member for South Dorset and the hon. Member for Southend, West (Mr. Amess), who gave some good examples of the tragedies that can occur when we fail to prevent fires, emphasised that point. My hon. Friend the Member for Stroud mentioned the importance of education in schools and work with young people. Those hon. Members were right to make these points.

Some hon. Members raised particular issues about sprinklers. We recognise that sprinklers have a part to play in fire safety, but we have undertaken extensive research on the effectiveness of residential sprinklers, which indicates that sprinklers are not cost-effective for universal installation in residential dwellings. My hon. Friend the Member for South Dorset said that that would not be the right direction to move in, but that we might want to target the use of sprinklers where people are most vulnerable, such as homes for children and for the elderly. Houses in multiple occupation, which carry a high risk, were also mentioned.

I regret that, in the time available, I cannot cover all the points about pensions, although I must say to the hon. Member for Brecon and Radnorshire that pensions are a reserved matter. The Welsh Assembly will be able to make regulations, but it will not be able to influence primary legislation.

In conclusion, a year ago the independent review of the fire service set out a challenging agenda to create a modern fire and rescue service, and the White Paper "Our Fire and Rescue Service" responded to that challenge. It sets out the Government's vision for a service that is better able to meet the challenges of the 21st century and recognises the service's current role in dealing with incidents such as road traffic accidents alongside its traditional firefighting role.

The Bill will ensure that the service plays an effective part in national and regional resilience to terrorism and other serious emergencies, and it will put fire prevention and safety at the heart of the fire and rescue service. The Bill will create a service that helps to save more lives by protecting the public and creating safer communities. That is why it should get a Second Reading, and I commend it to the House.

Question put, That the amendment be made:—

The House divided: Ayes 164, Noes 344.

Division No. 37] **[9:59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Barker, Gregory
Baron, John *(Billericay)*
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Burnett, John
Burns, Simon
Burnside, David
Burstow, Paul
Burt, Alistair
Cable, Dr. Vincent
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Cash, William
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cotter, Brian
Davey, Edward *(Kingston)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Duncan, Alan *(Rutland)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Greenway, John
Grieve, Dominic
Gummer, rh John
Hammond, Philip
Hawkins, Nick
Hayes, John *(S Holland)*
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, rh Michael
Jenkin, Bernard
Johnson, Boris *(Henley)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
Malins, Humfrey
Maples, John
Mawhinney, rh Sir Brian
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Murrison, Dr. Andrew

Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Osborne, George *(Tatton)*
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Rendel, David
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Mrs Iris *(Strangford)*
Robinson, Peter *(Belfast E)*
Roe, Mrs Marion
Rosindell, Andrew
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Teather, Sarah
Tredinnick, David
Trend, Michael
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, David
Williams, Roger *(Brecon)*
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Hugh Robertson and Mr. Mark Francois

NOES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Bailey, Adrian
Baird, Vera
Barnes, Harry
Barron, rh Kevin
Beard, Nigel
Beckett, rh Margaret
Benn, rh Hilary
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Caborn, rh Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Charles *(Norwich S)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Corbyn, Jeremy
Cousins, Jim
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Davey, Valerie *(Bristol W)*
David, Wayne
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Ewing, Annabelle
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Llwyd, Elfyn
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCartney, rh Ian
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Michael, rh Alun

Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morley, Elliot
Morris, rh Estelle
Mudie, George
Mullin, Chris
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, rh Paul *(Torfaen)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
Olner, Bill
O'Neill, Martin
Organ, Diana
Osborne, Sandra *(Ayr)*
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Price, Adam *(E Carmarthen & Dinefwr)*
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Sarwar, Mohammad
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Helen
Spellar, rh John
Squire, Rachel
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Straw, rh Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Harrow W)*
Thomas, Simon *(Ceredigion)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
Weir, Michael
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Hywel *(Caernarfon)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wishart, Pete
Woolas, Phil
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Fraser Kemp and
Gillian Merron

Question accordingly negatived.

Main Question put forthwith, pursuant to Standing Order No. 62 (Amendment on Second or Third Reading), and agreed to.

Bill read a Second time.

FIRE AND RESCUE SERVICES BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Orders [28 June 2001 and 6 November 2003],

That the following provisions shall apply to the Fire and Rescue Services Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 2nd March 2004.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Sessional Order B (programming committees) made on 28th June 2001 shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further Message from the Lords) may be programmed.—*[Paul Clark.]*

Mr. Speaker: The Question is the Programme Motion. As many as are of that opinion, say aye.

Hon. Members: Aye.

Mr. Speaker: To the contrary, no.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): No!

Mr. Speaker: Does the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) want Tellers?

Mr. Hogg *indicated dissent.*

Mr. Speaker: There has been some friendly persuasion. I declare the Division to be off.

Question agreed to.

FIRE AND RESCUE SERVICES BILL [*MONEY*]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Fire and Rescue Services Bill it is expedient to authorise the payment out of money provided by Parliament of—

(a) any expenditure incurred by the Secretary of State in consequence of the Act, and

[Mr. Speaker]

(b) any increase attributable to the Act in the sums payable out of money provided by Parliament under another enactment.—*[Paul Clark.]*

Question agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

PROTECTION OF GROUNDWATER AGAINST POLLUTION

That this House takes note of European Union Document No. 12985/03, Directive on the protection of groundwater against pollution; and supports the Government's aim of negotiating a flexible, risk-based instrument, which takes account of the variability of groundwater and its uses, in accordance with the Government's policy of effective groundwater protection.—*[Paul Clark.]*

Question agreed to.

COMMITTEES

CATERING

Ordered,

That Mr Simon Thomas be discharged from the Catering Committee and Pete Wishart be added.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

WELSH AFFAIRS

Ordered,

That Adam Price be discharged from the Welsh Affairs Committee and Hywel Williams be added.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

HOME AFFAIRS

Ordered,

That Miss Ann Widdecombe be discharged from the Home Affairs Committee and Mr David Cameron be added.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

PETITION

Telecommunications Masts

10.19 pm

Mr. Speaker: I call Mr. Jim Dowd.

Jim Dowd (Lewisham, West) (Lab): Thank you, Mr. Speaker—*[Interruption.]*

Mr. Speaker: Order.

Jim Dowd: I have to admit that mentioning my name normally has the effect of making colleagues and comrades leave the Chamber.

I am grateful for the opportunity to present the petition on behalf of my constituents and others. Without going into undue detail, I have raised the subject with Ministers, and had an Adjournment debate about it. It is a matter of grave concern to my constituents but it also has a wider resonance because it relates directly to the way in which mobile telephone systems are installed throughout the United Kingdom.

The petition states:

To the House of Commons,

The Petition of Mr. Jeremy Newell, other residents of the Tewkesbury Lodge estate in Forest Hill, London SE23 and parents of children attending Horniman primary school in Forest Hill declares

That we oppose the installation of the TETRA transmitter on the existing Horniman radio mast because of the possible risks unique to TETRA. We believe that it is an insensitive, inappropriate siting, being close to a school and in the middle of a residential area.

The Petitioners therefore request that the House of Commons will press Her Majesty's Government to recognise that, as it has been installed without any consultation whatsoever with either the school or the local residents, it should be removed.

And your Petitioners remain, etc.

To lie upon the Table.

Railway Pedestrian Crossings

Motion made, and Question proposed, That this House do now adjourn.—*[Gillian Merron.]*

10.21 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): I am delighted to have secured the opportunity to draw the House's attention to a problem that blights the lives of many people in southern England and to address an important safety issue.

The specific issue that I want to consider is that of footpath level crossings on the railway. It has two distinct aspects: noise nuisance that is caused by the sounding of train horns and safety risk from trains, including electrocution in parts of the country that use a live rail.

Hon. Members who represent seats in southern England will be familiar with the surge of complaints about disturbance from train horns, especially at night, that followed the introduction of the modern, sliding-electric-door trains on Connex, South Central and, in my constituency, South West, where the offending units are the class 458 trains.

The new trains are most welcome in every respect except for their noisy horns. When the new classes of train were introduced, it became apparent that the horn, in the range of 115 to 125 dB, was many times more powerful than that of the old slam-door trains, which was typically in the range of 90 to 95 dB. By way of illustration, 90 dB is the equivalent of a lawnmower and 125 dB is that of a jet plane flying at 150 ft. Although they are required to have a 400 m forward range, reports confirm that the new horns can be heard two miles away in specific conditions.

Railway safety rules operate on a type approval system. The old slam-door trains, which were designed in the 1950s and early 1960s, have been allowed to continue operating although their horn volume is considerably less than that under the current safety standards. The new trains comply with the standards that have been in force, but perhaps not in evidence, for many years.

At the same time as the introduction of the new train types, the publicity surrounding the high profile rail accidents in the past few years and the consequent new focus on railway safety have clearly heightened driver awareness of and compliance with the rules on requirements to sound the horn. I am sure that greater awareness is partly the result of improved safety training by train operating companies, but it may also have something to do with the fact that modern trains have data loggers on board. In the event of an incident, they can confirm definitively whether the driver complied with the requisite safety requirements.

The Rail Safety and Standards Board, which co-ordinates safety matters in the industry, has acted with commendable speed to try to tackle the problem.

With effect from December last year, train drivers are no longer required to sound their horn when leaving a station over a level crossing. Nor are they now required to sound it when passing through a station where another train is stationary at the platform. Those two changes will reduce by a significant proportion the nuisance that has been experienced, focusing the use of the horn back on to incidents in which drivers identify a particular danger.

The Rail Safety and Standards Board expects, by June this year, to be able to scrap the rule that requires the horn to be sounded as a train enters a tunnel, and also when it leaves a tunnel during the night, although it will still be necessary to do so, for technical reasons, when leaving a tunnel during the day. That deals with two of the four main categories of situation in which horns are mandatorily sounded. The other two involve footpath level crossings and user-worked crossings—that is, private rights of way across the railway, with or without vehicles—and I make no apology for focusing on the former tonight, as that is the category that is causing the problems in my constituency and in the majority of others in which a problem persists.

Of the 8,000 or so level crossings in the United Kingdom, 2,546 are footpath crossings. Perhaps rather alarmingly, while Network Rail and its predecessors have succeeded in closing a total of nearly 1,000 level crossings since 1991–92, during the same period the number of footpath crossings has risen by 240. Depressingly for me and my constituents, the regular bulletins from the Rail Safety and Standards Board—which wax lyrical on the progress being made in relation to trains moving away from stations and entering and leaving tunnels—have repeatedly had to report that little progress has been made on the issue of footpath crossings.

The Health and Safety Executive sets the requirements for the placement of so-called whistle boards, which instruct a driver to sound the horn. The siting of these boards is based on the line speed and the forward visibility from a footpath crossing towards the direction of the train. Where a whistle board is deemed necessary according to those criteria, all trains are required to sound the horn on approach from either direction, day or night. It is a fact that, in urban areas, footpath crossings are often used late at night, sometimes by people who are not in a heightened state of alertness. In those circumstances, relaxation of the HSE standards does not seem to be a safe option.

Having had my attention firmly focused on the issue of footpath crossings from the point of view of the noise disturbance being experienced in large parts of my constituency, I confess that I had come to think of the problem simply in those terms. I had begun to ignore the no less important issue of safety. That issue was brought firmly back on to my agenda in the most brutal way possible on 17 September last year, when Sophie Storey, aged 10, died 30 m up the line from a footpath crossing at Moore lane in Staines, after falling on the live rail.

There are, therefore, two issues to be addressed: the elimination of the noise nuisance that blights the lives of tens of thousands of people across southern England, which is a relatively new phenomenon; and the reduction of the risk to pedestrians—a long-standing problem, particularly among children—who are using, or misusing, railway footpath level crossings. The obvious and simplistic answer would be simply to close the crossings. Network Rail and its predecessor organisations have long had a policy of trying to eliminate footpath level crossings wherever possible, both to improve safety and to reduce the significant burden of maintaining the crossings in a safe condition.

[Mr. Philip Hammond]

Unfortunately, from Network Rail's point of view, railway footpath crossings enjoy the same rights as the rest of the footpath network and can be closed only after what is often a lengthy public inquiry process. The closure orders involved almost invariably attract opposition from users and, in particular, from the Ramblers Association. As a regular footpath walker myself, I fully understand the association's instinct to resist their closure. I wonder, however, whether a more discerning approach could be developed.

Railway footpath crossings appear to fall into three categories: those in rural areas—probably the majority—where noise nuisance is probably minimal and the status quo is probably acceptable; those in urban or suburban areas which are little used, where, I would suggest, closure should be explored as the preferred option; and those in urban and suburban areas where the level of usage clearly indicates that they are an important local facility that cannot be closed.

My principal purpose tonight is to raise this issue and bring it to the attention of the House and the Government. However, I also want to ask the Minister a couple of specific questions. First, will his Department support an urgent review of all railway footpath level crossings where whistle boards are currently established, starting in the areas where the new trains have been introduced, to establish the numbers falling into each of those categories and, thus, the extent of the problem? Unfortunately, the Network Rail database does not identify the demographic context of individual crossings at present.

Secondly, will the Minister discuss with his colleagues in the Office of the Deputy Prime Minister the possibility of the development of an accelerated process for the closure of footpaths that are demonstrated to have low-level usage in urban areas? In some cases, I understand that objections have been lodged and pursued vigorously to closures of footpaths that would involve a diversion of only 100 m or so to allow the railway to be crossed at another point. The risk to life and the constant nuisance and sleep deprivation from train horn noise surely cannot be justified by such a minor inconvenience for such a small number of users. A proper balance must be struck.

Thirdly, on the relatively small number, I hope, of high-usage crossings in urban areas, the traditional response to replacement of footpath level crossings has been grade-separated crossings—bridges or tunnels to you and me, Madam Deputy Speaker. Unfortunately, those are phenomenally expensive and often unsightly. There are one or two practical issues, however, which the Minister might be able to address. At present, if Network Rail proposes to replace a footpath crossing that is accessed by a stile with a bridge, the bridge is required to be fully compliant with the Disability Discrimination Act 1995, complete with ramps and all the other facilities to ensure wheelchair and other disabled access. It seems to me slightly absurd that if the track operator wants to replace a dangerous and non-wheelchair-accessible level crossing with a safer bridge, the bridge must be provided with full disabled access. The consequence, of course, is that the bridge, in almost all cases, does not get built. Is there any possibility of creating an exemption to the requirement for full disabled access where the facility is simply a safer replacement for an existing non-compliant crossing? Can the Minister discuss that with colleagues in other relevant Departments?

Even if less elaborate bridge crossings are to be permitted by such an exemption, and even when planning consent for them can be obtained, which is not always easy, there will be significant financial implications. I therefore ask the Minister whether there is a possibility of additional financial support being made available for replacements of footpath level crossings with bridges where train horn noise is a particularly acute nuisance. To save time, however, I will anticipate a negative answer and move on to my next point.

Perhaps the logical next course is to look for more innovative potential solutions. The Rail Safety and Standards Board is about to conduct a test on the south coast using a Japanese device, a broadband frequency horn, which apparently allows the horn to sound at different frequencies in an attempt to narrow the spread of sound. Some research is already under way examining the optimum location of the horn on the train to maximise the forward profile of the noise footprint and minimise the spillage, which causes most of the nuisance to residential properties. I understand that other tests are about to take place using train-activated trackside horns—a horn that is located on the crossing but activated by the approaching train. Clearly, because the horn is on the crossing itself, it does not have to be of the same loud volume as one that is train-mounted. Such a system can be supplemented by sensors on the crossing to detect the presence of pedestrians.

Even those measures, however, will have significant cost implications at a time when the railways are under financial pressure. I understand how difficult that makes any of these suggestions for Network Rail, the train operating companies and the Minister. I urge him, however, to take this problem seriously. The railways are a part of our communities. We all want rail to make a greater contribution to the total transport solution, but the inconvenience being caused to large numbers of my constituents and others across the south of England is creating hostility to the idea of any expansion of services on the rail network.

Additional services produce more horn noise disturbance. Part of the line through Virginia Water and Egham—a particular source of the problem in my constituency—could become part of the route of the proposed Airtrack south-western rail approach to Heathrow. I should very much like that infrastructure development to go ahead, and I expect that the Minister would too; but, if he wants the support of those in the local community, we must ensure that the burden that the railway imposes on them is reduced to an acceptable level.

What is clear is that the railway must act as part of the community. Too often in the past, the railway's attitude has been rather disdainful of the wider community issues. The railway has to modify its procedures to make it an acceptable neighbour. Health and safety at work legislation also imposes a duty of care to the public, and the recent Heathrow night flights ruling has established that human rights legislation can bear on issues that relate to sleep deprivation, and when train horn volumes are equivalent to a low-flying jet plane, there is clearly a

direct read-across. I want the railway and the community that it serves to operate in harmony, but that will require an urgent resolution to the intolerable burden that train horn noise at footpath level crossings currently imposes on my constituents and others.

In summary, major steps have already been taken in relation to trains moving away from stations and trains passing through tunnels, but the noise problem generated by footpath level crossings will be more difficult to address. I hope that the Minister will be able to reassure me that the Government are aware of not only the problem and the extreme misery that it causes to tens of thousands of people across southern England, but the animosity that the problem creates towards further expansion in the use of the rail network. It is in all our interest that we find a solution that eliminates the noise nuisance for as many communities as possible, as quickly as possible, and that addresses the very real safety risks by closing those railway footpath crossings that are not sufficiently used to justify the risk and burden that they place on the community.

10.37 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): I congratulate the hon. Member for Runnymede and Weybridge (Mr. Hammond) on securing this debate and on the way in which he has raised these serious issues, which are clearly of concern not only to many of his constituents, but, as he said, to many other people in the south of England and beyond. I shall discuss footpaths in general, and then noise and safety, in turn.

First, on train horn standards, as the hon. Gentleman said, the Rail Safety and Standards Board is currently undertaking a review of the problem caused by noise from train horns to those who live near railways. I am sorry if the RSSB's constant updates, glossy or otherwise, sent to him and to his colleagues talk at length about what the board may or may not do about some of the issues that he has raised—but he has already generously agreed that some progress has been made. The review is considering whether changes can be made to the requirements that apply to pedestrian crossings without increasing the safety risks.

I am grateful to the hon. Gentleman for the way in which the issues have been raised, because he clearly recognises that there is a balance between access and safety—both matters of real concern. The review is considering whether there is scope to deal with a sequence of crossings close together with one use of the horn, the types of horn fitted to current rolling stock, and how to work closely with local authorities to find out where alternatives to level crossings or footpaths across railway tracks can be introduced.

The hon. Gentleman has already alluded to the fact that the review is considering the existing requirement to sound horns at level crossings, at the entrances and exits of tunnels, and at some railway stations. The review is also considering research into the possibility of alternative technology for providing warnings, which will minimise disturbance to those living alongside or near railway lines. However, the hon. Gentleman also alluded to the fact that any retro-fitting of rolling stock or providing new systems to give warnings will have clear cost implications that have to be considered against other safety priorities for the railway network.

I welcome the hon. Gentleman's support for the efforts that the RSSB and the industry have made to address the concerns raised by line-side residents.

As has been said, the RSSB has already made some progress in respect of the sounding of horns at level crossings and at a station. I understand that it is also to consult on the requirement for train drivers to sound horns when entering or leaving tunnels. Some degree of progress has been made and I assure the hon. Gentleman that I will try to ascertain in more detail where we are with regard to the two areas that he mentioned. If he will forgive me, I will write to him about them.

Mr. Hammond: The Minister said that if the new technology of train horns and trackside horns proved viable there would still be considerable cost implications, which would have to be measured against other safety priorities for the railway. However, does he recognise that this is not just a safety issue? It is about many people across quite a large footprint of southern England suffering from sleep deprivation.

Mr. McNulty: I accept that, which is why the problem must be seen in the totality—if I may use the word—in the sense that, alongside the requirements on horn sounding, Network Rail is also developing, for example, new crossing equipment. Approval has been given by the safety review group for the installation and shadow trials of new equipment designed to provide audio-visual warnings at certain types of level crossing, which may eventually apply to foot crossings. Those trials start in April 2004. It is also a question, as the hon. Gentleman said, of what is done at the crossing and how it may mitigate the compulsion to sound the horn. The issue must be viewed in the totality: fitting or retro-fitting equipment, and also the issue of resources. I shall ascertain what the RSSB says about those two aspects and write to the hon. Gentleman.

The hon. Gentleman mentioned safety, which is an important aspect of the difficulties caused at some crossings. The risk, particularly to children, of accidental contact with the live rail was tragically brought home by the death of 10-year-old Sophie Storey when she came into contact with the electrified conductor third rail near the Moor Lane footpath crossing. I understand that Sophie's mother has raised a petition relating to the safety of foot crossings; I would like to take this opportunity to offer my condolences to her and her family. The hon. Gentleman will know that the circumstances of the incident are still under investigation by the coroner, the British Transport Police and the Health and Safety Executive's railway inspectorate. The HSE is liaising closely with Network Rail about the issues that have been raised by its investigation, and is in contact with Sophie's parents.

The design of the foot crossing at Moor Lane is similar to many others that are in place throughout Britain. It relies on the user going through a special gate known as a "kissing gate", which prevents them from walking across the infrastructure and ignoring the presence of a rail system. The pedestrian must then observe and listen for the approach of trains from both directions and cross when it is safe to do so. Judging the speed of trains is a skill quite different from judging road traffic speed. There are also signs that remind users not

[Mr. McNulty]

to trespass, that identify the presence of an electrified conductor rail, and that warn users to stop, look and listen for the approach of trains.

I am advised by the HSE that, broadly speaking, the risks of electrocution are usually extremely low. However, where there is a risk of electrocution, it is important to provide effective safeguards to prevent access to dangerous live equipment such as the railway's conductor rail power supply or third rail. Protection is generally provided by trespass guards formed of angled timber rails secured horizontally at ground level to make it difficult for a pedestrian to walk off the crossing and on to the railway. Signs are also provided and maintained to deter the public from wandering on to the railway, and to ensure that crossing users follow safety instructions properly.

Mr. Hammond: I have listened carefully to what the Minister said I have looked at the signs at Moor Lane and I do not believe that there is anything out of the ordinary about them, but they are not terribly child-friendly. Given that many trespassers on the railways are likely to be children, could the Minister look further into the possibility of making the signs more child-oriented?

Mr. McNulty: I shall return to that issue in a few moments.

As I said before, where crossings are used solely by pedestrians, a balance has to be struck between the need to keep the crossing open to maintain links between local communities, and the need to close those that are used infrequently. I will happily take the hon. Gentleman's point into account and try to establish precisely what my colleagues in the Office of the Deputy Prime Minister are doing about underused crossings. I would be pleased to pursue that issue with them.

In general the HSE supports Network Rail's attempts to close footpath crossings, especially where alternative access routes can be provided.

Network Rail is attempting to close pedestrian crossings on a progressive basis, but it is a costly and time-consuming exercise. Network Rail liaises with and consults local residents when it plans to close a crossing, but its proposals are nearly always opposed by local residents—who have become used to the convenience that they offer—and other interest groups such as the Ramblers Association. It is entirely their privilege to object in such a fashion, but I shall check with my colleagues to establish whether the process involved is appropriate.

There are 8,188 level crossings on Network Rail's infrastructure—of which 2,546 are footpath crossings—representing a sizeable source of risk to pedestrian users, motorists and railway passengers. Network Rail calculates that level crossings account for approximately 23 per cent. of train accident risk. In 2002–03 13 people were killed using level crossings, including 11 pedestrians who were struck and killed while using the crossings. Crossings are, however, designed to ensure safety when they are used correctly. It is therefore essential that all users, including pedestrians, follow the instructions and signs provided to ensure safety. However, I will pursue with Network Rail the issue of child-related and child-sensitive signs.

Network Rail is responsible for maintaining the safe operation of its level crossings. It has a legal duty to prevent unauthorised access to the operational railway. It is committed to learning lessons from level crossing incidents and ensuring that recommendations are implemented at strategic, planning and operational levels. The HSE investigates serious incidents at level crossings, and keeps the safety standards under review. If necessary, it can legally require action to improve the protective arrangements at level crossings, depending on changes in the level or frequency of risk. It has encouraged Network Rail to reassess nationally all types of level crossing in the light of incidents that have occurred in past years.

A national level crossings safety group has been formed by the HSE, the Rail Safety and Standards Board and Network Rail to formalise work on issues relating to level crossings. The group is beginning to engage with key stakeholders—for want of a better word—such as local highway authorities and other bodies with an interest in rail crossings. The group plans to extend and develop work with other stakeholders. Surrey county council and other local authorities can feed their concerns into the group through the RSSB, which provides the secretariat. If the council wants to contact me to ensue that the RSSB considers specific issues, I shall be more than happy at least to act as a conduit.

Work is in progress to collect accurate information on the numbers and types of level crossings. Network Rail has publicly stated that it will maintain a list of crossings where opportunities for closure exist, and will liaise with landowners and stakeholders to pursue closure where it is feasible to do so.

The HSE is monitoring the progress of Network Rail's strategy. It has started work to establish a database to record the numbers and types of crossing in the UK, and is developing a long-term strategy to review the appropriateness of level crossing types with a view to recommending improvements. I am sure that Network Rail, and the HSE and the RSSB, would endorse what the hon. Gentleman said about the railways being part of wider communities rather than an imposition on those communities. Along with others in the Department, I shall keep a close eye on what Network Rail and the HSE are doing.

It saddened me a little that the hon. Gentleman chose to pre-empt any inquiry to me by assuming a negative. It is a negative in terms of a specific response in relation to specific funds, but we are giving local authorities the money that they need—in a broader sense—to deliver better and safer facilities for pedestrians. We are investing locally on a scale not seen for many years. Last month I announced a £1.9 billion package of local transport investment for 2004–05, including over £13 million for small-scale transport improvements in Surrey. Surrey county council will have the option to use part of that to deliver better, safer facilities for pedestrians, working with Network Rail and others. There is not always a single solution, but the hon. Gentleman may want to put that option to the council; it might prove appropriate where crossings need amelioration or modification.

If he wants to talk further with me on that subject, or to bring Surrey county council in for a chat about the safety of specific rail crossings in his constituency or the

county, I shall be more than happy to consider that. We have no plans to set aside capital funding specifically for pedestrian rail crossings because only local authorities can, and should, decide how best to invest in safety in their areas. I am, however, more than happy to work with them and talk to them about that.

I take on board what the hon. Gentleman said about whether the bridges that Network Rail replaces should be compliant with the Disability Discrimination Act 1995. Our starting premise is that they should be, and although I am happy to consider his point, I shall need some persuading. The Department takes such matters seriously—they are serious in Runnymede and Weybridge and beyond.

I conclude by once again congratulating the hon. Gentleman on raising such important matters, which go far beyond his constituency. I also congratulate him on the manner in which he raised the subject, and I shall be more than happy to pursue the matters that I promised faithfully that I would.

Question put and agreed to.

Adjourned accordingly at nine minutes to Eleven o'clock.

House of Commons

Tuesday 27 January 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

The Secretary of State was asked—

European Constitution

1. **Mr. Andrew Rosindell** (Romford): What discussions he has had with the Slovak Government about prospects for a referendum in Slovakia on a European constitution; and if he will make a statement. [150687]

10. **Mr. Peter Viggers** (Gosport) (Con): What discussions he has had with the Slovene Government about prospects for a referendum in Slovenia on a proposed European constitution; and if he will make a statement. [150696]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): I spoke to the Foreign Ministers of Slovakia and Slovenia yesterday. They confirmed to me that neither country is planning referendums on a European Union constitution.

Mr. Rosindell: I thank the Foreign Secretary for his reply, but does he agree that although an overwhelming majority of people in Slovakia voted to join the European Union, that does not automatically mean that they are willing to accept the imposition of a European constitution? If other countries in Europe, such as the Czech Republic, Spain, Denmark, Luxembourg and Portugal, are willing to have a referendum, does he not believe that all EU countries should give their people the right to make the decision?

Mr. Straw: I am sorry that I gave the hon. Gentleman a disappointing answer, but a fundamental rule of cross-examination is that before one asks a question, it is a good idea to anticipate the answer. I offer that as friendly advice.

The position of Slovakia and Slovenia is consistent with that of the United Kingdom. A Labour Government gave the country a referendum on whether we should stay in or leave the EU, but, like Slovakia and Slovenia and the majority of other EU member states, we do not judge that any likely content of the constitutional treaty will affect the fundamental relationship between our country and the European Union.

Mr. Viggers: The constitutional treaty completely changes the position. Does the Foreign Secretary agree that the serpent of the European constitution is not dead but merely sleeping? Does he genuinely believe that his explanation is sufficient reason to deny public opinion, which is clearly in favour of a referendum?

Mr. Straw: The hon. Gentleman asked me about Slovenia and obviously thought of it as a paradigm for the United Kingdom. Slovenia had a referendum on whether to join the EU, as we did in 1975.

Ann Winterton (Congleton) (Con): How did you vote?

Mr. Straw: I voted no.

Mr. Speaker: Order. The hon. Lady should not shout across the Floor.

Ann Winterton: I apologise, Mr. Speaker.

Mr. Straw: Slovenia, like us, has judged that there are no grounds for a referendum, given what we believe will be in the draft constitutional treaty.

Keith Vaz (Leicester, East) (Lab): Does the Foreign Secretary agree that, rather than being obsessed with the European constitution, as Conservative Members are, the Government and people of Slovenia and Slovakia look forward to EU enlargement on 1 May and the continued agenda for reform? How many points for reform that were mentioned in the letter sent by the Prime Minister and Chancellor Schröder on 25 February 2002 has the European Commission ticked off?

Mr. Straw: I thank my hon. Friend for that question; I shall write to him. I have a lot of information and statistics in my head, but I do not have an immediate answer to that specific question.

Mr. John Bercow (Buckingham) (Con): Disgraceful!

Mr. Straw: I accept the disapproval of the House. However, my hon. Friend is right to say that as well as discussing the important draft constitutional treaty, we need to ensure that the EU delivers on its core functions of greater prosperity, better growth, better investment and, where it can be agreed, a more effective common foreign policy.

EU Presidency

2. **Mr. Mark Hendrick** (Preston): What discussions his Department has had with the Irish Government about their plans for the EU presidency. [150688]

The Minister for Europe (Mr. Denis MacShane): My right hon. Friend the Foreign Secretary discussed Ireland's presidency plans with the Irish Prime Minister and Foreign Minister during his trip to Dublin on 16

December. He also spoke by telephone to the Irish Foreign Minister on 20 January. He and I met the Irish Foreign Minister and the Minister with responsibility for Europe yesterday in Brussels. Our officials are involved in frequent dialogue with their Irish counterparts.

Mr. Hendrick: What will the Irish presidency do to pursue the Lisbon agenda to turn Europe into the most competitive and dynamic knowledge-driven economy by 2010? Does my hon. Friend agree that there has been little progress on that since the Lisbon summit?

Mr. MacShane: Ireland is an exemplar nation for the rest of Europe in economic growth, job creation and social partnership. It is committed to making economic growth a key issue for its presidency. That was discussed here yesterday at the productivity summit, which my right hon. Friend the Chancellor of the Exchequer chaired. The Government attach the highest importance to it.

Mr. Richard Spring (West Suffolk) (Con): Does the Minister agree with the Irish Prime Minister—in contrast with what the Prime Minister has indicated—that any understandings on so-called red lines reached in December are now irrelevant?

Mr. MacShane: The Taoiseach gave a very interesting interview to *Le Monde* on 31 December, in which he underlined Ireland's determination to maintain unanimity in regard to, for instance, tax, which is an important British consideration. I think that, in general, Ireland will be found to be very much in line with the thinking of Britain and other European member states that unanimity in a number of key areas is an essential part of progress on the European constitutional treaty issue.

Donald Anderson (Swansea, East) (Lab): Does my hon. Friend agree that no country is better fitted to take forward the constitution than Ireland, not least because the Taoiseach himself is extremely skilled in negotiation owing to his ministerial experience? Is there not some urgency, in that the longer the debates on the constitution last, the more difficult it will be to maintain the major advances that our Government made in December?

Mr. MacShane: I wish the Taoiseach well in his consultations with the 24 other European Union states to establish whether we can make progress. I agree with my right hon. Friend that the Taoiseach's European and national experience as an extremely skilled negotiator makes him perhaps the best of our Heads of Government to assume the presidency at this crucial time of discussions on the future of Europe.

John Barrett (Edinburgh, West) (LD): One of the major failings of the European Union is the ineffectiveness of its overseas development aid. Does the Minister agree that all possible encouragement should be given to the Irish Government to deal with this important issue during their presidency?

Mr. MacShane: The hon. Gentleman is quite right. That was one of the themes discussed yesterday at the European General Affairs and External Relations Council, when the Government were represented by the Under-Secretary of State for International Development, my hon. Friend the Member for Harrow, West (Mr. Thomas). I think we have worked not just with the Irish Government but with a range of Irish non-Governmental and other organisations, including those connected with churches, to make development and a more sensible European approach to it a core issue for the presidency.

Andrew Mackinlay (Thurrock) (Lab) rose—

Mr. Speaker: Mr. Mackinlay.

Andrew Mackinlay: I just wanted the windows opened, Mr. Speaker.

Iran

3. **Sir Teddy Taylor** (Rochford and Southend, East) (Con): If he will make a statement on relations with Iran. [150689]

11. **David Taylor** (North-West Leicestershire) (Lab): What assessment he has made of the progress of political reform in Iran; and if he will make a statement. [150697]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): Our policy towards Iran is one of constructive engagement. Through it, we seek to support reform in Iran while maintaining a robust dialogue on matters of concern, including human rights and religious freedom.

Following my visit to Teheran in late October with my French and German counterparts, and the agreement that we secured on nuclear matters, Iran signed the additional protocol to the non-proliferation treaty on 19 December. A report from the International Atomic Energy Agency's director general will be considered by its board of governors in mid-March.

Sir Teddy Taylor: I thank the Foreign Secretary for that excellent reply. Does he agree that as Iran has a strong basic democracy and had the courage to oppose Saddam Hussein at a time when Britain and America were allied to him, that great country has a unique role to play in resolving the problems of the middle east, and should have the full support and understanding of Her Majesty's Government?

Mr. Straw: I have great affection for Iran. It is of huge strategic importance. I have visited Teheran five times, and I met President Khatami and Foreign Minister Kharrazi on Wednesday in Davos. I maintain a constant dialogue with them. There are, however, important issues on which we look to Iran to make progress. One, self-evidently, is the issue of its nuclear programmes: I look forward to full compliance with IAEA requirements. Another is the establishment of a full democracy. Yesterday, the European Union Foreign Ministers Council issued a call for free and fair elections, without restrictions on candidates, in next month's elections for the Majlis, the Iranian Parliament.

David Taylor: This week sees the second anniversary of President Bush's "axis of evil" address, in which he justified Iran's inclusion on the basis of the unelected few who were repressing the Iranian people's hopes for freedom. Against the bleak backdrop of that speech, does the Foreign Secretary agree that we should redouble diplomatic efforts to secure free and fair elections next month, to win the battle for democracy and thus to avoid the catastrophe that might otherwise await Iran in the light of the policies of the hair-trigger and bellicose American Administration?

Mr. Straw: It has hardly been a secret that our approach to relationships with Iran has been different from that of the United States. My predecessor, my right hon. Friend the Member for Livingston (Mr. Cook), re-established full diplomatic relations; and I am pleased to say that as a result of various international pressures, including the co-ordination of work done by my French and German counterparts and myself early in the summer, we have been able to secure agreement from Iran in respect of areas in which it was plainly not complying with its own obligations under the non-proliferation treaty.

As I said to the hon. Member for Rochford and Southend, East (Sir Teddy Taylor), we look to Iran to co-operate fully with the IAEA and the resolution passed by its board of governors on 26 November.

Hugh Robertson (Faversham and Mid-Kent) (Con): How close is the relationship between hardliners in Iran and the militant Shi'a in the south of Iraq? Does the Foreign Secretary agree that any tie-up between the two would pose a grave threat to western interests in the area?

Mr. Straw: Iran is a complex country, and there are many strands of opinion. It is, to an interesting extent, democratic, but a high degree of power continues to be exercised by an unelected religious authority, and there is a constant tension between the two elements. That said, our analysis so far suggests that the Iranian Government as a whole have played a constructive role in respect of Iraq, as they have in respect of Afghanistan; but obviously, we continue to monitor the situation.

Mr. Stephen McCabe (Birmingham, Hall Green) (Lab): How concerned is my right hon. Friend about the recent reported comment of the Palestinian Prime Minister that elements in the Iranian regime seek to undermine his leadership, and are directly responsible for the sponsoring of terrorism in Israel? What impact will that have on our relations with Iran?

Mr. Straw: I have not read those remarks, but a constant item for discussion with the Iranians is our concern about their support for rejectionist terrorist groups working in Israel and the occupied territories, and causing mayhem and death on a significant scale. Another is our profound concern that the Iranians' so-called policy on Israel's right to exist—or, in this case, not to exist—runs counter to United Nations resolutions, and to any prospect of a serious peace process getting on the move there. That is an important issue. We believe that Iran needs to resolve it, and cease to support the terrorists.

EU Enlargement

4. **Miss Anne McIntosh** (Vale of York) (Con): If he will make a statement on progress towards enlargement of the European Union on 1 May. [150690]

The Minister for Europe (Mr. Denis MacShane): The EU is on track for a successful and historic enlargement on 1 May, setting the seal on the end of the cold war divisions in Europe.

Miss McIntosh: The Minister will know of my close interest in enlargement. I particularly welcome the application of central and eastern European countries to return to the bosom of the European family. Will the Minister explain why Britain is one of the few countries not to allow the normal seven-year transition period for the free movement of workers? Does he think that the national health service, in particular, will be able to cope with a potentially big influx from 1 May? Would it not have been wiser to wait for the full seven years?

Mr. MacShane: That was fully discussed when we debated the European Union (Accessions) Bill. On Second Reading, the House voted by 490 votes to zero to support the policy—a Second Reading vote that I hope might be matched later today. It is, however, important for us to send a clear signal of welcome.

After 1 May, all EU citizens—the 350 million existing citizens and the 70-odd million who are coming in—will be able to travel freely and live where they want. In Britain, where we have a labour shortage, we have said that Polish nurses, Hungarian doctors and Czech plumbers are welcome to come and find a job, if they can find one. Countries with high unemployment, such as Germany and France, have adopted a different policy. Our policy is good and the European Union (Accessions) Act 1994 had the full backing of the Conservative party at all stages of its passage through the House. I hope that we maintain that united front of welcome to our new friends from east Europe.

Andrew Mackinlay (Thurrock) (Lab): May I take this "window of opportunity" to ask the Minister whether he will announce a package of celebrations for 1 May? Long after we have debated today's issues, the lasting legacy of this Government will be the widening of Europe and the admission of millions of people who have been subjugated for the best part of 200 years into the club of free nations. We should celebrate that achievement, and I look to the Government to proclaim it.

Mr. MacShane: I pay tribute to my hon. Friend's dedication, especially to building links between this House and the British people, and the Polish Sejm and the Polish people. I have celebrated May day on and off all my life, but I especially look forward to this one. Many events are planned: some will contain high pomp, while I hope that others will be popular and full of fun. I invite all hon. Members to take part and will make sure that my hon. Friend has an invitation to each and every event.

Mr. David Heathcoat-Amory (Wells) (Con): Since Britain is the only large member state to permit an unrestricted number of people from those countries to come and live here and seek work from 1 May, do the Government stand by their earlier estimate that only between 5,000 and 13,000 people a year will avail themselves of that right? If so, why have they confirmed that they are taking out advertisements in the Czech Republic to persuade the Romana Gypsy population not to take up the right to live and seek work in this country, which they would otherwise be permitted to do after 1 May?

Mr. MacShane: The right hon. Gentleman should recall that the Government have reserved powers that could be used to introduce controls on applications for work. He makes a mistake when he refers to "Romana" or Romanian people entering Britain. Of course, the only famous Romanian family that we know about is that of the Conservative party leader, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard). If rancid hate campaigns such as those that the tabloid press have recently been conducting against our east European friends had been applied in the 1930s, the position would be very different. Let me repeat again for the sake of clarity that every single European citizen will be able to travel freely in France, Germany and anywhere else. The United Kingdom and a number of other successful economies in Europe say that plumbers, doctors, teachers, cleaners and agricultural workers from the enlargement countries are welcome. The House voted unanimously in favour of that policy, and I hope that we do not follow some of the hate campaigns against our new partners and friends from eastern Europe.

Mr. Bill Tynan (Hamilton, South) (Lab): I am sure that my hon. Friend agrees that enlargement offers wonderful opportunities to the UK and all other countries involved in it. However, I have a note of caution: I hope that discussion is taking place between Papadopoulos in southern Cyprus and Denktash in northern Cyprus. What progress is being made to ensure that Cyprus becomes a member of the European Union as a united island?

Mr. MacShane: At the beginning of the year, I paid a three-day visit to Turkey to discuss that issue with the Turkish Government, and I found a distinct new mood. Mr. Erdogan, the Prime Minister, presented his thinking to the UN Secretary-General on Sunday in Davos, and he will discuss the matter with President Bush tomorrow—I know that the American Administration are taking a keen interest in a settlement in Cyprus.

We urge all sides to seize the opportunity in the next two and a half months to allow a united Cyprus to enter the EU. Turkey has made remarkable strides given where she was even a year ago. It is now up to the Greek Cypriot Government to indicate clearly and unequivocally that they will start negotiations; that they will seek to finish them by 1 May; and that they will put the results to a referendum—as should the Turkish Cypriots in northern Cyprus. The Government's message is that speed and urgency are necessary and that both sides should take this historic opportunity to allow a united Cyprus to enter a united European Union.

Ann Winterton (Congleton) (Con): Notwithstanding previous replies given by the Minister or the vote on the principle of widening membership of the European Union, the British taxpayer is extremely concerned that numbers of people may come to this country and use our services without having contributed to them. I ask again why the Government did not apply for the derogation that would have prevented that situation.

Mr. MacShane: Anyone who comes to this country may be eligible for benefits after a certain period of employment— we call it the habitual residence test—like any British citizen who travels anywhere in the European Union. I repeat that we welcome the fact that our new friends and partners—the citizens of Poland, Slovakia, Slovenia, the Czech Republic, the Baltic states and the others—will be able to come here. If they can find work, they will make a positive contribution to our economy. I hope that the Conservative party, which took a principled position on the issue of enlargement and voted consistently and unanimously with all the other parties in the House to send that positive message to our friends, will not now resile from that and start using the language of hate against our friends from eastern Europe that we have seen in some of the tabloid papers recently.

Israel

6. **Mr. Michael Connarty** (Falkirk, East) (Lab): What assessment he has made of restrictions announced by the Government of Israel on the right to travel to Palestinian-controlled areas from Israel. [150692]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Bill Rammell): We are seriously concerned by the possible impact of new regulations on media, humanitarian organisations and civil society groups operating in the occupied territories. We have raised our concerns with the Israeli Government directly, and are exploring with our EU partners further avenues for doing so.

Mr. Connarty: I am grateful to my hon. Friend for that answer. It is clear that the Israeli state is trying to obliterate any sovereignty of the Palestinian Authority. I was an observer, on behalf of the EU, at the elections for the Palestinian Authority and it was clear that in certain areas there was, theoretically, a Palestinian state in the making. Will my hon. Friend step up the pressure—together with the EU, which has raised the matter already—to have the restrictions withdrawn? They apply not only to voluntary organisations but to EU officials and, I presume, representatives of this Government and Parliament.

Mr. Rammell: I fully understand my hon. Friend's strength of feeling on the issue. Baroness Symons, who made a three-day visit to the occupied territories last week, has been lobbying the Israeli Government vigorously on the issue and spoke to the Israeli ambassador yesterday evening. It is worth noting that

our understanding at present is that the new regulations are not being applied on the ground at Ben Gurion airport. However, it is worrying that such restrictions exist and that information leaflets are being distributed. We shall certainly continue strongly to urge Israel to lift the restrictions as soon as possible.

Mr. Gary Streeter (South-West Devon) (Con): While I understand the Israelis' need for security against the daily threat of suicide bombings, the controversial fence, 63 checkpoints and 34 road gates bring intolerable disruption to the lives of many Palestinians going about their ordinary, peaceful business. Does the Minister accept that one possible benefit of the Israeli Government completing their security partition—as they are determined to do—would be the removal of many, if not all, of the roadblocks on the east side of the partition? Will he urge them to do that as quickly as possible?

Mr. Rammell: We understand the legitimate security concerns of the Israeli state, but the issue is that several of those measures are not only a concern in themselves but are counterproductive to the interests of the Israeli Government and their people. The fence is a retrograde step; it is unlawfully positioned on the occupied territory and it threatens the two-state solution. I urge all parties on both sides to go back to the negotiating table and to implement the roadmap, which is the only feasible way forward in the circumstances.

Richard Burden (Birmingham, Northfield) (Lab): I welcome what my hon. Friend has said about the new movement restrictions. It is important that British Members of Parliament are able to see the situation over there for themselves. For example, over Christmas I met a disabled Palestinian boy who has to take a £20-a-day taxi ride to reach his special school and his father cannot go with him because he does not have the right permit. Does my hon. Friend agree that such movement restrictions are not only unlawful but immoral? No country, including Israel, should stop parliamentarians from this country or anywhere else seeing matters for themselves and making the appropriate representations.

Mr. Rammell: I fully understand the views that my hon. Friend puts forward. There is a genuine concern that the restrictions will have serious consequences for those who attempt to work in or report from the occupied territories. More importantly, the restrictions could seriously disrupt the supply of essential emergency provisions for the most vulnerable people in the Palestinian territories. We will continue to put forward those views vigorously.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Given the high priority attached by President Bush and the Prime Minister to the middle east peace process in the run up to the conflict in Iraq, what precisely is now being done to draw the two sides together to attempt to reach a real solution?

Mr. Rammell: We continue to urge both parties to go back to the table and to fulfil their responsibilities in terms of phase one of the road map. If the road map process did not exist, we would have to invent a similar process. It is the only way forward, and the US, the UK and the other Quartet partners continue to make that argument forcibly.

Mr. Parmjit Dhanda (Gloucester) (Lab): As someone who was fortunate enough to see the area at close quarters last week, I wonder whether my hon. Friend is aware of the situation in Kalkilya, a Palestinian town that is now surrounded by the security fence, barbed wire and a concrete wall. There is only one entrance and exit, and even that was closed for part of last week. Will my hon. Friend make representations to ensure that that does not happen again?

Mr. Rammell: We shall certainly continue to make representations to the Israeli Government on the issue of the fence. My hon. Friend's description underlines the serious impact that the fence has on those Palestinian people who are cut off from their livelihoods. It is an issue of real concern and, as I said earlier, it is counterproductive to the interests of the Israeli Government and people, because a settlement cannot be reached while opinion remains so polarised and divided.

Zimbabwe

7. **Norman Lamb** (North Norfolk) (LD): If he will make a statement on Zimbabwe. [150693]

14. **Mr Andrew Mackay** (Bracknell) (Con): If he will make a statement on relations with the Government of Zimbabwe. [150700]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Chris Mullin): The political, economic and humanitarian outlook in Zimbabwe remains bleak. There has been no recent progress in the dialogue between the ruling party and the opposition. The treason trial of the opposition leader has resumed, and the independent press continues to be harassed. Approximately 6 million Zimbabweans will be dependent on international food aid before the next harvest in April.

Norman Lamb: I thank the Minister. Does he agree that given the dire and worsening humanitarian situation in Zimbabwe, the total disregard of the rule of law and the denial of individual rights and liberties, it would be entirely inappropriate for the England and Wales Cricket Board to continue with its tour of Zimbabwe?

Mr. Mullin: The Government would prefer that the England cricket team did not go to Zimbabwe, but at the end of the day it is up to the cricket board. I understand that it is meeting later this week, and we await the outcome of its deliberations with interest.

Mr. Mackay: I hope the Minister will excuse me if I have no confidence whatever in Present Mbeki's latest proposals for talks between the Government of Zimbabwe and the Opposition, because he has singularly failed so far. Does that not mean that we have an even greater responsibility? May I just return to sanctions, and specifically the very sharp sanctions that

so many people in Zimbabwe want introduced? They would penalise those who are funding the regime in Zimbabwe, but they are not being fully implemented at the moment by us, our European colleagues or our American allies.

Mr. Mullin: As the right hon. Gentleman knows, the EU sanctions come up for renewal towards the end of next month. We are looking for ways to strengthen them, but of course we have to do that in line with the international community. We are discussing with our partners in Europe how we can make them more effective without inflicting greater suffering on the people of Zimbabwe.

Mr. Tom Clarke (Coatbridge and Chryston) (Lab): In view of the information made available last week, that during the past year thousands of people in Zimbabwe have died of malnutrition, does my hon. Friend agree that his Department should continue to work with the Department for International Development and the United Nations food programme to ensure that ordinary people do not suffer from the terrible nature of the regime?

Mr. Mullin: That has been our policy from the outset. We are one of the largest donors of humanitarian aid to Zimbabwe. As I said in my first answer, we estimate that about 6 million Zimbabweans will be dependent on international food aid before the next harvest and we shall be making, as we have done in the past, a major contribution.

David Winnick (Walsall, North) (Lab): Is not the decision to be made this week by the cricket board much the same as that made, for over a third of a century, about playing in apartheid South Africa? Are not the principles the same? If it was wrong, as Labour MPs argued at the time, for any such cricket tour to take place in apartheid South Africa, how could the proposed tour be justified when the rule of law has been totally destroyed by Mugabe and his fellow gangsters?

Mr. Mullin: As I made clear in my first answer, the Government would prefer the cricket team not to go, but at the end of the day it is a matter for the cricket board and it must make the decision. My right hon. Friend the Foreign Secretary wrote to the ECB last week, making the Government's position very clear—that it is a decision for the board, at the end of the day.

Rev. Martin Smyth (Belfast, South) (UUP): When the Minister speaks of the 6 million who may be in danger of malnutrition before the next harvest, is he aware of the pressure on some farmers, who have been told now to sack their workers, pay them redundancy and then re-engage them? When one went to the bank to try to obtain help for those workers, he found that the banks could not help him. Can the Minister give us an assurance that the Mugabe regime will not siphon off the international aid to their supporters and miss the people who really need it?

Mr. Mullin: The distribution of humanitarian aid is very strictly monitored, but we are well aware that the disastrous policies of the Mugabe Government have collapsed much of the agricultural sector in Zimbabwe. As the hon. Gentleman says, some who have suffered worst are the workers who were employed on the farms of some of the bigger landowners.

Mr. Michael Ancram (Devizes) (Con): I have heard what the Minister has had to say about the cricket tour, but he knows that Mr. Des Wilson of the cricket board wrote to the Foreign Secretary on 15 January, asking a very simple question,

"whether in present circumstances the Government believes that such a tour would be wise".

The board was looking for a clear answer. The Minister described the Foreign Secretary's answer as clear. I will tell the House what the Foreign Secretary said. He described the deteriorating situation in Zimbabwe and talked about the sanctions, which we all know are ineffectual. He ended with these words:

"You may wish to consider whether a high profile England cricket tour at this time is consistent with that approach".

When will he realise that the ECB is looking not for weasel words, but for clear, unequivocal guidance? Will he now come off the fence and repeat after me these very simple words: not only would this tour be unwise, it would be morally wrong and should be called off?

Mr. Mullin: This gets increasingly pathetic, if I may say so. We receive rather a lot of letters from the right hon. and learned Gentleman about Zimbabwe, and some of them appear to be written in green ink. Does he write them himself, or is there some teenage scribbler in his office? However, the fact is that the Government have made—*[Interruption.]* He is quite right; it is a serious issue and I wish Opposition Members would treat it seriously, instead of playing these—*[Interruption.]*

Mr. Speaker: Order. Let the Minister reply.

Mr. Mullin: Instead of playing these foolish and pathetic word games.

My right hon. Friend—*[Interruption.]* Opposition Members' indignation is entirely synthetic. My right hon. Friend the Foreign Secretary wrote to the cricket board last week. He answered its questions about the situation in Zimbabwe very clearly. We are in close contact with the cricket board, but at the end of the day it is for it to make a decision.

Incidentally, we are a free country. The Government do not have the power to ban people from going to Zimbabwe, as the Government with whom the right hon. and learned Gentleman was once associated found out when they tried to ban people from going to the Moscow Olympics. His former hon. Friend, Sebastian Coe, went there and won a gold medal.

Iraq

8. **Mr. Harry Barnes** (North-East Derbyshire) (Lab): What advice he has given to the governing council of Iraq on the setting up and operation of the Iraqi special tribunal for crimes against humanity. [150694]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): The statute of the special tribunal was promulgated on 10 December. The United Kingdom provided comments on the draft through the office of the UK special representative for Iraq and the coalition provisional authority's Office of Human Rights and Transitional Justice. Our comments were focused mainly on the application of international law and the scope of the tribunal, but we also raised concerns about the application of the death penalty. We are actively discussing what further assistance we can give to ensure that the tribunal operates to internationally accepted standards.

Mr. Barnes: Before the Iraqi people can build their own future, they may need to come to terms with the horrors of their past under Saddam Hussein. Is not the special tribunal one of the means by which this can be done within Iraq? How do the occupying forces facilitate such developments in Iraq without being seen to dictate the outcome?

Mr. Straw: My hon. Friend is entirely right in the first part of his question. As for the second, this must in the end be a decision made initially by the Iraqi governing council, but then, following the transfer of power on, we hope, 30 June, by a sovereign Iraqi transitional authority. It is the role of the coalition provisional authority and, separately, of the United Kingdom to give advice to the Iraqis, but the decision must be theirs. I have every confidence that they will ensure that this tribunal operates to high and internationally recognised standards.

Sir Menzies Campbell (North-East Fife) (LD): The Foreign Secretary will know that it is not just the terms of the statute that matter but the way in which it is implemented. Will he undertake that Her Majesty's Government will advise those responsible that there should be no hint of revenge in the proceedings of this tribunal; that if it is to enjoy international confidence, it certainly needs a substantial international component in the form of judges or even prosecutors; and that all are entitled to a fair trial irrespective of the heinous nature of the accusations made against them? In particular, will he maintain the Government's opposition to any question of the imposition of the death penalty?

Mr. Straw: On the final point, yes we will, and that is the agreed policy of this Parliament. However, I also have to say to the right hon. and learned Gentleman that in the end that is a matter for decision by the Iraqi sovereign Government and there are a great many countries around the world, including the United States and the People's Republic of China, with whom we have good relations but who operate, against our opinion, the death penalty.

Of course, the right hon. and learned Gentleman is right about the need for high standards to be maintained and operated by this tribunal. Together with the advice we have already given about the drafting of the statute, we are, as I said in my first answer, actively considering what further operational assistance we can give to the running of the tribunal.

Ann Clwyd (Cynon Valley) (Lab): What will my right hon. Friend say first, to allay the fears of those who say that the Iraqi judiciary is corrupt; and secondly, to allay the fears of those who say that the Iraqis have no experience of dealing with war crimes, crimes against humanity and genocide?

Mr. Straw: The adjective that comes to my mind about many people in the Iraqi judiciary is how brave they are. Quite a number of Iraqi judges and jurists have already been assassinated for seeking to uphold the rule of law in Iraq. One striking thing about Iraq, which my hon. Friend knows better than I, is that notwithstanding the terror of Saddam there are some basic principles of human rights and the application of the rule of law that are deeper than the memory of Saddam, and I have every confidence that the judiciary will uphold those.

Mr. Michael Ancram (Devizes) (Con): The Foreign Secretary referred to the dangers and risks to judges. Has he, or will he discuss with the governing council the security requirements that will be necessary for a tribunal of the sort that we are discussing to operate effectively? Given the briefings from Downing street over the weekend that the Prime Minister still believes that there are weapons of mass destruction in Iraq, is he comfortable with the prospect of a tribunal being held to try Saddam Hussein with such weapons possibly in the sort of hands that led the Prime Minister on 18 March last year even to describe them as a real and present danger to Britain and its national security? Does he agree with the Prime Minister on that, or does he take the view of the US Secretary of State, Colin Powell, that it is now an open question whether Iraq had any stocks of WMD? They cannot both be right, so who does the right hon. Gentleman back?

Mr. Straw: On this occasion, I congratulate the right hon. and learned Gentleman on his ingenuity in working into a question about the Iraqi special tribunal a question about other, if related, matters. As to the protection and security of Iraqi courts, it will form part of the wider questions that the new transitional national assembly and the Government formed under it will have to address when, as we hope, they take sovereignty after 30 June.

South/Central America

9. **Mr. Mark Simmonds** (Boston and Skegness) (Con): If he will make a statement on the current state of the United Kingdom relationships with south and central American countries. [150695]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Bill Rammell): We enjoy good relations with all the countries in south and central America, and we value those relationships. We are pursuing a strategy to promote and support reform in Latin America, partly operating in conjunction with Spain.

Mr. Simmonds: I thank the Minister for that answer, but is he aware of the enormous concern of many Latin

and central American countries, which believe that the Government are disinterested and disengaged in their continent? The closure last year of several embassies, the transfer of much-needed aid from that area to Iraq and the potential further downgrading of diplomatic ties can only further harm not only vital economic and trade relationships, but essential cultural and social links. What will the Minister do to address that deteriorating position?

Mr. Rammell: I refute the accusation that the position is deteriorating. In the 14 months that I have held this ministerial portfolio, I have regularly visited Latin America. I gained the sense that the people there feel that we are engaged with them, particularly in respect of the Latin American reform programme that we are pressing forward. This Government, net of post closures, have increased their diplomatic representation by a figure of 10 since 1997, but we have to respond to changing strategic international priorities, especially regarding international terrorism and international crime. We are not abandoning those countries, which are continuing to be represented, albeit in different forms. A balance has to be struck. In the face of the proposed public expenditure cuts that Conservative Members advocate—

Mr. Speaker: Order.

Hugh Bayley (City of York) (Lab): Does my hon. Friend agree with the Secretary of State for International Development that our aid should be used to help poor people in poor countries—in other words, that poverty alleviation rather than the pursuit of foreign policy aims should be the goal? Would it not be a terrible step backwards if we were to reinvent the Pergau dam, which the Conservatives used to divert moneys from the aid budget to support an arms deal in pursuit of foreign policy?

Mr. Rammell: There are certainly no proposals to reinvent the legislative framework within which the Pergau dam issue was pursued, but my hon. Friend hits the nail on the head in respect of aid to Latin America. The vast majority of countries there are middle-income countries, and the key challenge that they have to face is the extraordinary disparity between the very rich and the very poor. I know that many of them are seeking to deal with that.

Sir Nicholas Winterton (Macclesfield) (Con): I am sure that the Minister would agree that Chile has been a good friend to the UK in times of crisis, especially in respect of trade, and is an extremely well administered country in an area where that is often not the order of the day. What policies do the Government have to increase trade and contact with that important country in south America?

Mr. Rammell: I certainly agree with the hon. Gentleman about the importance of Chile. When I visited the country just before Christmas, I was struck by the extraordinary degree of economic success that is being pursued there—under, I have to say, a left-of-centre Government.

European Constitution

12. **Mr. Julian Brazier** (Canterbury) (Con): What the status is of the United Kingdom's red lines in the current intergovernmental conference on the proposed constitution for Europe. [150698]

The Minister for Europe (Mr. Denis MacShane): My right hon. Friend said to the House immediately after the European Council in December last year that

"nothing is agreed until everything is agreed . . . If it"—

the intergovernmental conference—

"proceeds on the basis outlined by Prime Minister Berlusconi, tax, EU finance, social security and criminal law will all remain in the province of the nation state".—[*Official Report*, 15 December 2003; Vol. 415, c. 1320.]

Mr. Brazier: Will the Minister reconsider his rather complacent answer in the light of the draft provisions on asylum, which refer to the

"uniform status of asylum for nationals of third countries, valid throughout the Union"

and to an absence of internal border controls, even for foreigners and non-EU citizens? Does the Minister really want our asylum policy handed over to the European Union? Will he reconsider his answer?

Mr. MacShane: I hesitate to acknowledge that my answer was complacent, given that I was quoting the Prime Minister. As the hon. Gentleman knows full well, our border controls will remain in place, but it is important to co-operate on the question of asylum. The singular achievement of my right hon. Friend the Home Secretary and his opposite number, the French Interior Minister Mr. Sarkozy, in shutting down Sangatte is exactly the way forward. This side of the House believes in co-operation with our European partners, as opposed to the policy of isolation and detaching Britain from the EU which is pursued by the Conservatives.

Dr. Vincent Cable (Twickenham) (LD): I welcome the Government's reassurance that taxation and social security remain areas of national competence, but can the Minister confirm that energy resources and their taxation are red-line matters?

Mr. MacShane: Had the hon. Gentleman been present at debates in the House or the IGC Standing Committee, he would have heard the assurances that he seeks. Hon. Members from both sides of the House raised those issues and they were dealt with successfully. As of the middle of December, satisfaction was expressed that the energy issues had been adequately dealt with.

Iran

13. **Julie Morgan** (Cardiff, North) (Lab): What discussions he has had with the European Union about the barring of reformist candidates by the Council of Guardians in Iran. [150699]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): Iran was discussed at yesterday's Foreign Ministers Council in Brussels,

which I attended. A unanimous statement was issued, calling for free and fair elections in Iran. I also discussed the matter with President Khatami and Foreign Minister Kamal Kharrazi when I met them both in Davos last Wednesday.

Julie Morgan: Does my right hon. Friend agree that it is essential for the bar on reformist candidates to be lifted before the February elections to ensure that they are free and fair? What can he do to aid the reformists in Iran?

Mr. Straw: In the end, the issue has to be resolved internally within Iran. We can do what we did yesterday at the Foreign Ministers Council of the EU, and I hope that a message will go out from both sides of the House today to those who are holding back progress in Iran. The message is that Iran will not be able to meet the expectations of its people unless it becomes a properly functioning democracy, which is not possible while the Guardian Council continues to prohibit a wide range of perfectly decent but reformist candidates.

Mr. John Bercow (Buckingham) (Con): In his discussions with the Iranian President, did the right hon. Gentleman inquire, as he could legitimately have done, why among the 3,500 candidates disbarred from standing for election was the President's own brother?

Mr. Straw: We took that as read, but it demonstrates the gulf that exists between the majority of elected parliamentarians and office holders, including President Khatami, and the unelected individuals running the entirely non-democratic Guardian Council.

Iraq

15. **Ian Lucas** (Wrexham) (Lab): What recent discussions he has had with representatives of the United Nations concerning its future role in Iraq. [150701]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Bill Rammell): We are in regular discussion with representatives of the United Nations, at ministerial and official level, concerning its future involvement in the reconstruction of Iraq. On 19 January, there was a meeting between the Kofi Annan, Secretary-General of the UN, and members of the Iraqi governing council, at which Sir Jeremy Greenstock, the UK special representative to Iraq, was present. We continue to support the UN having a vital role in the reconstruction of Iraq.

Ian Lucas: I thank the Minister for his reply, but does he agree that to achieve the sort of legitimacy that will create the environment for free and fair elections, the United Nations must have a leading role within Iraq? Only then can elections take place and the Iraqi people have some confidence in the governing structures.

Mr. Rammell: I certainly agree with my hon. Friend that the involvement of the United Nations will increase confidence among the Iraqi people. He will be aware of the meeting on 19 January, during which there was a request to the UN for assistance in clarifying the political process leading to the transition to the Iraqi authority on 1 July. As of this morning, the Secretary-General announced that he is sending a team of experts in electoral processes to Iraq to provide an independent assessment of the best means of developing a representative transitional process, which is something that we certainly welcome.

Ms Julia Drown (South Swindon) (Lab): Would the United Nations be able to help with the current difficulties that are being raised in Iraq over the possible involvement of sharia law there? Islam does not need to conflict with women's rights, but there are real concerns that sharia law might be introduced. Could the United Nations help to ensure that women's rights will be protected in any future administration arrangement in Iraq?

Mr. Rammell: I fully understand my hon. Friend's concern, but there is undoubtedly a difficult balance to be struck between upholding our view of what is right and respecting the fact that the Iraqi people must arrive at a settlement that is appropriate and in their interest. She will be aware that different kinds of sharia law exist throughout the world. We will continue to maintain our strong concerns about the most extreme interpretation of sharia law, especially with regard to the interests of women.

Roma Citizens

16. **Bob Russell** (Colchester) (LD): What representations he has made in the past three months to applicant nations to the European Union on the human rights of their Roma citizens. [150702]

The Minister for Europe (Mr. Denis MacShane): As I have already informed the hon. Gentleman, we regularly raise the importance of equal rights for Roma and other minority groups with EU accession and candidate countries.

Bob Russell: I thank the Minister for that answer and his earlier answer about what I can describe only as the irresponsible, hysterical and misleading media reports about Roma, especially those from the Slovak and Czech Republics. Will he give an assurance that he is satisfied that the Governments of those two countries, either by deliberate act or omission, are encouraging Roma citizens to depart from the Slovak and Czech Republics?

Mr. MacShane: No. There is no doubt that the issue is sensitive, despite the rather unpleasant language used in some of our press. I had the pleasure of visiting a DFID-sponsored project in Bulgaria recently where Roma children were helped by a bilingual kindergarten—the project was dear to our embassy staff there. Our embassies in the Czech Republic and Slovakia have been active, and we have tried to support projects to defend the housing rights of Roma people and, for example, to train the Czech police to deal with minorities. That shows the experience that we can bring.

The problem is real, but I urge the House not to use language about Roma or any other minority such as that which shamed Britain in the 1930s when it was

applied to Jews. There are Roma communities all over the existing European Union, and we must work with the applicant and candidate countries so that the Roma people may find their way inside the countries of which they are citizens.

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): Will my hon. Friend specifically congratulate our friends in the Hungarian Government on the work that they have undertaken on poverty alleviation among their Roma communities?

Mr. MacShane: There has been an awakening of conscience about the issue which was frozen during the Communist era. The European Union maintains that respect for minority rights is an absolute condition of being a EU member state. We have helped in Budapest with a programme on Roma rights that was paid for by the Foreign Office called "Training the Trainers". There is also a Foreign Office-financed programme on Roma school desegregation, so we are not only talking about the matter, but actively trying to help. Again, I make an appeal that Roma minority rights must be respected. We must reject language such as that used in one tabloid paper when it referred to a "murderous mob" waiting to come here. Such unacceptable language is unworthy of British journalism and the House should have nothing to do with it.

Iraq

17. **Mr. Desmond Swayne** (New Forest, West) (Con): What discussions he has had with his United States counterpart regarding the possibility of early elections in Iraq. [150703]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): I have frequent and regular conversations with the United States Secretary of State, Colin Powell, at which all aspects of policy relating to Iraq are discussed, including how best to establish a transitional Government.

Mr. Swayne: Does the right hon. Gentleman accept that Ayatollah Sistani is held in great respect by the vast majority of the Shi'a community and that he has hitherto been supportive of the coalition? Does he agree that the last thing that we want is to find ourselves at odds with the principal beneficiaries of our liberation?

Mr. Straw: The hon. Gentleman is entirely correct to say that Ayatollah Ali Sistani is held in the highest possible respect by the vast majority of Shi'a. Of course we try to work collaboratively with him and his representatives, but we obviously must also take account of the interests of the Sunni and the Kurds.

Power Supply (Compensation for Erroneous Transfer)

12.30 pm

David Cairns (Greenock and Inverclyde) (Lab): I beg to move,

That leave be given to bring in a Bill to require electricity and gas suppliers to compensate customers whose supplier is erroneously transferred; and for connected purposes.

May I begin by making the joke that is customary on these occasions and say how pleased I am that so many hon. Members have turned out for this important debate? I thank in particular my right hon. Friend the Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown) and my hon. Friend the Member for Leeds, East (Mr. Mudie) for doing a terrific job in getting such a good turnout for me—those e-mails certainly worked.

Up and down the country, tens of thousands of people have had their gas or electricity switched from one company to another either without their consent, or after strong-arm or blatantly dishonest sales techniques on the doorstep. It is extraordinary that that ongoing outrage does not generate the sort of media coverage or political interest that certain other matters do. Perhaps that is because many of the worst victims of that mis-selling are among our elderly constituents, or it might be because most people simply do not pay that much attention to the details of their gas and electricity bills.

By means of comparison, I ask hon. Members to reflect for a moment on how they would feel if, for example, they opened their front door one day to find that during the night, Nissan had come along, taken away their Ford and left a Nissan in its place? How would they feel if they were to switch on their mobile phone to find that T-Mobile had switched their Orange service to them without so much as a by-your-leave? Even worse, how would my hon. Friends feel if they woke up one morning to discover that the Liberal Democrats had switched their party membership to that party without their consent? Parliament would be recalled! However, thousands of our constituents endure such distressing experiences each month.

Energywatch, the consumer watchdog, is currently recording around 500 monthly complaints. However, hon. Members should be under no illusion, because that is just the tip of the iceberg: the problem is far greater. I am sure that all Members have heard about the matter in their constituency surgeries. One case was that of an 80-year-old lady in Greenock who specifically told a nice young woman on her doorstep that she was perfectly happy with her electricity and that she did not want to switch. "Not to worry," she was told. "Can you just sign this bit of paper telling my boss that I've explained the benefits to you, that's all?" My constituent signed—she was trying to be helpful—and, needless to say, her supply was switched.

That case is at the shallow end of the pool. At the extremes, we have heard of cases of forged signatures, salespeople entering homes under completely false premises and people being told blatant lies about potential benefits. Some companies have even been caught forging the signatures of the recently dead so that the electricity supply could be changed before a new owner moved into the home.

Let me make one thing perfectly clear: I fully accept that the deregulation of the market has by and large been good for the consumer, and that changing one's supplier can deliver lower fuel bills. I also accept that people generally do not go out to shop for a new gas or electricity supplier; they need to have it sold to them. The industry maintains that the most effective way to communicate the advantages of switching supplier is by doorstep selling. Well, that may be so, but the industry needs to understand that aggressive—*[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman is entitled to some fairness. [HON. MEMBERS: "Hear, hear."] All those who say, "Hear, hear" should be quiet. That is the best thing.

David Cairns: I am indebted to you, Mr. Speaker.

The industry needs to understand that aggressive and fraudulent behaviour by its doorstep agents is completely unacceptable and must be stamped out. There have been recent welcome moves to end to such practices. An industry-wide code of conduct has been adopted, which aims to

"provide a clear framework within which responsible companies will conduct their face to face activities".

A great deal of credit for that important development must go to my hon. Friend the Member for Cunninghame, North (Mr. Wilson), who, as the Minister for Energy and Construction, did so much to force the industry to face up to its obligations.

In addition, the regulator, Ofgem, has begun to flex its muscles and has levied some massive fines on the worst miscreants. Most recently, London Electricity has had to stump up a fine of £2 million. To its credit, the company has responded with some reforms to its selling practices. That is a very welcome move. However, the money generated from such fines currently goes directly into the Consolidated Fund. Let me say right away that I have every confidence in the ability of my right hon. Friend the Chancellor to spend that money wisely—not least because he is sitting two rows in front of me—but let me also say that I have every confidence in the ability of the Great British consumer to spend their own money wisely too.

My Bill would ensure that those who suffer the distress, inconvenience and uncertainty of having their supply switched should be the ones who benefit from the fines. Therefore, I propose that anyone who has their power supply switched against their wishes or without their knowledge should be awarded £100 in compensation. It is only right that those who suffer are the ones who gain. They would be up-front fines, and they would not be deferred or related to the ability to pay.

Obviously, in the compensation culture in which we live, companies will need safeguards to protect them against frivolous claims. An easy way to do that would be to require a positive confirmation by the customer that they wished to switch supplier. So an individual would simply have to confirm to the company—perhaps a week or so after the doorstep agreement—over the phone or in writing, that they wished to move to it. At a stroke, that would protect companies from frivolous claims. It would ensure that contracts signed under false premises were not acted upon and give peace of mind to

[David Cairns]

the consumer that the final decision is up to them, and them alone. Good companies that practise respectable selling techniques would have absolutely nothing to fear from that. In fact, the opposite is true. I believe that they would welcome the opportunity to show that not all gas and electricity suppliers resort to hoodwinking elderly citizens on their own doorsteps to win new business.

It is vital that we bolster customer confidence in the domestic energy market, and to do so, I propose one further reform. Energywatch currently compiles a league table of complaints against each company. I would compel every power company to print that table on every quarterly bill that they send to every customer. I, for one, want to be reassured that my power supplier is not guilty of inflicting distress upon some of the most vulnerable and elderly members of our society.

I will draw my remarks to a close, as I understand that there may be other items of interest on the agenda today, but it remains, quite simply, a disgrace that thousands of people have had, and continue to have, their power supply switched against their will or without their consent. It is a stain on the industry that needs to be removed. If the industry cannot or will not do that, the House must take a stand. My Bill would force companies that cause distress to make amends. It would compensate those who have been affected. It would offer protection for business against frivolous claims. It would allow all consumers to monitor the behaviour of their own supplier. It would bolster confidence in the domestic energy market, and I commend it to the House.

Question put and agreed to.

Bill ordered to be brought in by David Cairns, Kevin Brennan, Mrs. Irene Adams, Mrs. Lorna Fitzsimons, Mr. Mark Lazarowicz, Laura Moffatt, Mr. Russell Brown, Siobhain McDonagh, Kali Mountford, Rob Marris and Sandra Osborne.

Power Supply (Compensation for Erroneous Transfer)

David Cairns accordingly presented a Bill to require electricity and gas suppliers to compensate customers whose supplier is erroneously transferred; and for connected purpose: And the same was read the First time; and ordered to be read a Second time on Friday 18 June, and to be printed [Bill 45].

Points of Order

12.41 pm

Mr. Simon Thomas (Ceredigion) (PC): On a point of order, Mr. Speaker. I refer to the report that has been delivered to 10 Downing street, as shown on our television screens. If that report—we Back Benchers will know about it tomorrow—says that the Prime Minister, any Minister or any hon. Member has in some way misled the House or lied, I seek your ruling on how we can respond to that report, either in debate or on a statement—

Mr. Speaker: Order. There is a saying in Scotland, "The cares of tomorrow are for a day still to come."

Pete Wishart (North Tayside) (SNP): Further to that point of order, Mr. Speaker. Yesterday, I received a letter from No. 10 that states that only two Opposition parties will have early access to the Hutton report. The Conservatives and the Liberals will see the Hutton report some six hours before publication, yet that privilege will not be extended to all the parties in the House. What can you do to ensure equality for all Opposition parties in the House?

Mr. Speaker: I tell the hon. Gentleman that the leader of his party wrote to me, and I responded. Perhaps he should get in touch with the leader of his party.

Mr. Gerald Kaufman (Manchester, Gorton) (Lab): On a point of order, Mr. Speaker. On any day, let alone this day, is there anything whatever that you can do to protect us from bogus points of order by creeps? *[Laughter.]*

Mr. Speaker: The right hon. Gentleman's point of order was bogus in a sense.

Orders of the Day

Higher Education Bill

Order for Second Reading read.

Mr. Speaker: I inform the House that it is not a day for Back Benchers to come to the Chair to ask where they are in the list, and also on the question of applications to speak that there is a limit of eight minutes on Back-Bench speeches. I also inform the House that I have not selected either of the reasoned amendments on the Order Paper.

The Secretary of State for Education and Skills (Mr. Charles Clarke): I beg to move, That the Bill be now read a Second time.

A year ago, the Government published the White Paper on the future of higher education. It set out a wide range of proposals and, today, we reach the point of decision on those proposals. Our decision today in the House—the vote of every single Member of Parliament of every party—will determine the future of our universities and so determine the future ability of this country to prosper in the increasingly competitive global economy. In that world economy, the existence of the high-level intellectual and skilled talents of all our people will be decisive. Our success in that economy will determine the economic strength of this country. That was the reason for the White Paper; that is the reason for the Bill; and, despite all the entertainment of all the different forms of political speculation, we should all acknowledge today that the outcome of the debate will be real and substantial for this country's universities and for the future welfare of this country.

Let me begin with some aspects of the Bill that have received less attention but are nevertheless important. The Bill will create an arts and humanities research council—the first new research council since 1994 and a major step forward for the arts and humanities community, giving those disciplines their proper status. Some might call that measure the revenge of the mediaeval historians.

The Bill gives statutory underpinning to the office of the independent adjudicator, and thus provides a common and transparent means of redress for student complaints, in place of the often archaic arrangements with so-called visitors and other mechanisms—more appropriate to the novels of C.P. Snow than to modern university life.

The Bill transfers to the National Assembly for Wales student support for students living in Wales, wherever they study in the United Kingdom, from the academic year 2006–07 onwards, together with higher education fee levels for higher education institutions in Wales. That will enable the National Assembly for Wales to create a consistent structure of policy to govern higher education in Wales.

The Bill will simplify current arrangements for applications for higher education by enabling relevant information about student support to be shared between relevant institutions.

The Bill has three aspects of even greater substance, which I shall now address in turn: first, increasing levels of funding for universities; secondly, the establishment of an Office for Fair Access; and, thirdly, the creation of a fairer system of student support.

I shall deal first with university funding, and begin with the facts. Since 1980, academic salaries have increased by an average of only 20 per cent. compared with a rise in average earnings of 60 per cent. and of average graduate earnings by still more. The average salary of a professor or head of department is well below comparable salaries in both the public and the private sectors. At the same time, university student-staff ratios have worsened, from 10:1 in 1983 to 17:1 in 2001. Similar stories can be told in respect of books, equipment and other essentials for academic excellence. Between 1989 and 1997 under the Conservatives, planned public funding per student fell in real terms by more than 36 per cent. By comparison, the United States spends 2.3 per cent of its gross domestic product on tertiary education institutions, whereas we spend just 1.1 per cent.

We need to take account of the fact that many of the countries with which we need to compete in the global economy have significantly higher levels of participation in higher education than we do here. I cite Australia with 65 per cent., Finland with 72 per cent., Netherlands with 54 per cent., Norway with 62 per cent., Sweden with 69 per cent., and so on. The OECD average of 47 per cent is higher than the figure here. I put it to the House as strongly as I can that it is our bounden duty to do what we can to address that state of affairs. We cannot simply let it continue.

Through general public spending, we have already made great steps. From 1997–98 to 2005–06, we have increased publicy planned spending on universities by a total of about £2.9 billion. For the current spending period of 2002–03 to 2005–06, we have increased unit funding by 7 per cent. in real terms. In the same period, capital funding for teaching and learning is increasing by 185 per cent., and research capital funding by 77 per cent.

We have given and will continue to give substantial resources, particularly to modern universities, to widen access. For example, Manchester Metropolitan has received £7.5 million; London Metropolitan, £7.5 million; Leeds Metropolitan, £5.9 million; and so on. Continued access is important and we shall continue to address funding by that route.

Although the lion's share of spending will always come from the public purse—at least under Labour, though not I think under the Conservatives—that will not be enough. We cannot continue to rely on the taxpayer alone to solve these matters. The reason is clear. There are and always will be strongly competing demands for public resources. The annual cost of a nursery place for a three to four-year-old is about £1,775, or about £3,550 for a four-year-old. The annual cost of a secondary pupil is about £4,000; £4,200 for a further education student; and about £5,000 for a university student. Those are striking figures, and I contend that any Secretary of State looking at those figures is bound to say that if extra resources are available for investment, it should be directed at the under-fives and primary level. That is the area where we must target resources.

Mr. David Rendel (Newbury) (LD): If the Secretary of State really feels that such resources as are available to the public sector should be spent in areas other than higher education, surely what will happen in the near

[Mr. David Rendel]

future is that the extra funding that is coming in from tuition fees will be removed by the Government from the Government grant and spent on the things that the Government apparently think should receive a higher priority.

Mr. Charles Clarke: I have said on many occasions that is simply not the case. Extra resources are needed for the reasons that I have given. The Liberal Democrats have difficulty allocating the product of their 50 per cent. tax rate in so many different ways. What would they do for under-fives education? What would they do for primary education? They would have no resources left. If the Liberal Democrats were honest, they would face up to that fact and say that more resources are needed.

Simon Hughes (Southwark, North and Bermondsey) (LD): In that case, will the Secretary of State tell the House what has fundamentally changed since three years ago, when the Labour party said that it would not introduce top-up fees? What makes universities' funding needs so significantly different? What makes the unacceptable level of tens of thousands of pounds of debt so much more acceptable to a Labour Government now?

Mr. Clarke: The short answer to that question is the very rapid pace of change in the global economy and the impact of a large number of universities working very directly in that context.

I conclude from those facts that it is fair to ask students, when they have graduated, to make a contribution to the cost of the university education from which they benefit. For example, I believe that that is just because the labour force survey suggests that individuals with higher education qualifications currently earn on average about 50 per cent. more than those without. I expect the fee regime that the Bill will put in place to provide at least £1 billion a year to universities—a significant sum and one that would allow an increase of about 30 per cent. in the funding of teachers.

I put it to right hon. and hon. Members on both sides of the House, but particularly to Conservative Members that one of the most significant implications of the Bill being defeated today would be that universities would be stripped of the resources that they need to address the challenges of the future. Moreover, if the Conservative proposals were ever to be put in place, all the income currently generated from fees would be lost—as well as that from any increase. One Tory Front Bencher is reported as saying, "We want all universities to be largely financially independent and some completely financially independent." That can only mean the complete removal of public financial support, which would utterly destroy our universities and take hundreds of thousands of student places away from our universities and from people who aspire to go to university.

Llew Smith (Blaenau Gwent) (Lab): Will the Secretary of State explain how it is that we can always find moneys to go to war—including the £7 billion to go to war with Iraq—and that we can always find moneys to spend on nuclear weapons of mass destruction but we cannot find money to provide and support a system of free higher education?

Mr. Clarke: I am of the view that the national security of this country is important and that international threats such as terrorism must be dealt with and addressed. I acknowledge that takes resources, but it is a false choice to suggest that there is a straight trade-off in the way that my hon. Friend implies.

I believe that our proposals for university funding meet the needs of the country. I report with pride the verdict of the OECD, published earlier this week, that the UK graduate contribution scheme could be a role model for other countries in Europe that may also have to consider the adequacy of their higher education systems in a modern knowledge-driven economy.

Mr. Graham Allen (Nottingham, North) (Lab): From the studies made by my right hon. Friend, what conclusions has he reached in respect of the reduction in the number of students that would occur if the Conservative proposals were adopted? Does my right hon. Friend agree with Universities UK that 410,000 fewer students would attend university?

Mr. Clarke: I do accept those estimates. The fundamental fact that the Conservatives have not been prepared to face up to is that the result of their policies would be a massive reduction in numbers, certainly of the order of hundreds of thousands of students. The political strategy set out by the Leader of the Opposition is to stop the Bill today to create space to introduce that policy.

I said that the first main feature of the Bill deals with the need to get increased resources for universities. The second major feature is the establishment of the Office for Fair Access.

Lynne Jones (Birmingham, Selly Oak) (Lab): Universities UK says that there is a shortfall of £2 billion a year in higher education funding. According to the Institute for Fiscal Studies, the measures will raise £950 million for the universities, but will cost the Treasury £1 billion in terms of up-front money for loans. How will the measures fund the universities in future? How will they solve the funding crisis in the long term?

Mr. Clarke: We are putting more money in from the taxpayer and the Exchequer, courtesy of my right hon. Friend the Chancellor, and will continue to do so. We are putting more money in through the fee regime, which we have described. I acknowledge, and have always done so, that that does not completely fill the gap that my hon. Friend spoke about. But the question that she must answer is how taking out an income stream enables us to reach any solution whatever? If she decides to vote against the Bill tonight, she must face the consequences—there will not be any more money for universities beyond what we have already allocated to meet those needs.

Mr. James Paice (South-East Cambridgeshire) (Con): On the subject of the money that all the right hon. Gentleman's concessions will cost the taxpayer, he is already on record as saying that that will have to come

out of the education budget. Can he tell the House clearly whether or not that money will be taken from money that would otherwise be going in grant-in aid to universities?

Mr. Clarke: Yes I can. No, it will not, as I have told Conservative spokesmen on a number of significant occasions.

I turn to the Office for Fair Access, which is a significant development in the Bill. We need to be candid about the reality of the situation facing our universities. It remains the case that one in four working-class young people who achieve eight good GCSE passes do not go on to higher education. It remains the case that 19 per cent. of young people from the lower socio-economic groups enter higher education, compared with 50 per cent. of young people from middle and upper groups. That has not changed over the decades. In 1960, 27 per cent. of upper groups went to university, but only 4 per cent. of working-class students. There has been an expansion of numbers in the meantime, but the key issue is the fact that the massive, vicious class differential in our higher education system has remained consistent. We must attack that.

Mr. Gerald Kaufman (Manchester, Gorton) (Lab): Is my right hon. Friend aware that Father Connolly of the Society of African Missions in my constituency wrote to me yesterday? He said:

"Poor families should not be deprived of the opportunity of a university education. But should they be responsible in financial terms for those who can afford it? The plan put forward by Mr. Blair is one to help everyone. It may not be perfect but it is a step in the right direction."

Father Connolly is an independent man who knows about poverty in Africa. He said—*[Interruption.]*

Mr. Speaker: Order. I must hear what the African missionary said.

Mr. Kaufman: Father Connolly said:

"It is a matter of justice, a principle."

Mr. Clarke: First, my right hon. Friend is quite correct. Secondly, the hilarity among Opposition Members about poverty and access to higher education has been a characteristic of their conduct in government and opposition. I urge my hon. Friends to take the opportunity provided by the Bill to ensure that the appalling obscenity of the deep class difference that affects people who go to our universities is addressed and attacked. That is what the Office for Fair Access is about.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does my right hon. Friend not agree that an access regulator with fewer teeth than a Glasgow granny, as well as a financial package for the working class that is broadly neutral in relation to the present position, are not great incentives if we are to remedy the deplorable position to which he rightly drew attention on working-class participation in higher education, particularly in the Russell group of universities?

Mr. Clarke: My hon. Friend is right. We have discussed the fact that getting high-quality schools for those communities is essential. He is right that we need financial packages such as the education maintenance allowance. He is right that we need a student support package of the kind that we are introducing in the Bill to encourage people from working-class families to go to university. However, above and beyond that, we need an Office for Fair Access with teeth, specifically to address the unacceptable disparity between social classes in applications to our greatest universities.I am not surprised that the Tories laugh, because for the first time in history we have decided to stifle the old approach. It is critical to end that disparity, and we are determined to do so.

Mr. Patrick McLoughlin (West Derbyshire) (Con): As I understand it, under the proposals that the right hon. Gentleman is putting before the House today, in a few years' time there may be a position in which two people who, having graduated from university, are on exactly the same income but pay different levels of taxation. Where is the justice in that?

Mr. Clarke: The hon. Gentleman is wrong, but I am happy to discuss the matter with him in Committee—*[Interruption.]*

Mr. Speaker: Order. I do not want the hon. Member for Blaby (Mr. Robathan) to shout at the top of his voice. I do not want him to shout at all.

Mr. Clarke: The whole purpose of the package is to link repayment to the ability to pay. That is the nature of our proposals, which are an improvement on the current state of affairs.

Rev. Martin Smyth (Belfast, South) (UUP): I understand universities' need. In Northern Ireland, they have been underfunded by 30 per cent. compared with English universities. However, our universities have a higher proportion of people from lower-paid families who, with others, have written to us because they are concerned about the imposition that the legislation will make on them.

Mr. Clarke: Our proposals will help universities in Ireland and elsewhere. The hon. Gentleman is right that there are different cultures in Northern Ireland and Scotland concerning universities and their development. There is greater working-class access and participation in some parts of the country, but our proposals will help across the range.

Turning to our proposals on student support, the first key point is one that Members on both sides of the House must weigh very carefully indeed. Our proposals will eliminate up-front fees, which are currently a clear barrier to people going to university. At the moment, students and their parents must find £1,125 a year, which would increase to £1,200 a year by 2006, just to be able to get access to the campus. There is no doubt whatsoever that those up-front fees are unpopular—*[Interruption.]* They are unpopular, and they are the precise reason why we rightly decided to review the policy. The Opposition parties should acknowledge the fact that if they vote against the Bill today they will be voting to keep up-front fees. That is their decision. The opinions that they have just expressed are simply

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crocodile tears. The only way to get rid of up-front fees is to vote for the Bill. Every vote against is a vote to keep up-front fees, and every elector will know it.

Mr. James Gray (North Wiltshire) (Con): Will the Secretary of State apologise for having brought in up-front fees in the first place?

Mr. Clarke: I made that point one second ago.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Does my right hon. Friend accept that those of us who chose to judge these measures according to whether they made it easier for able working-class kids to go to university are now satisfied that he has addressed that issue fully? Will he go a little further and promise that in any future review, when he looks at the costs and the repayment regimes that will kick in, housing costs will be taken into account?

Mr. Clarke: Yes, I can give my hon. Friend that assurance. The review process that we are describing will take those factors into account.

Several hon. Members *rose—*

Mr. Clarke: Before I give way, I shall make a little progress.

The second important aspect of student support is the establishment of a £3,000 package for all students from working-class families going into higher education. In my statement to the House on 8 January I set out a minimum £3,000 support package for students from the poorest backgrounds attending the most expensive courses, which was made up of £2,700 from the Government and a minimum £300 bursary from universities. This £3,000 package will ensure that no student qualifying for the higher education grant will be any worse off as a result of variable fees, and many will be better off.

Many universities are beginning to develop and announce bursary proposals that go far beyond those minimum requirements. We already have £4,000 bursary packages for a number of universities, such as Imperial college, Cambridge university and Essex university—substantial bursary packages that lead to students getting support of up to £6,700 a year to go to some of our elite universities. That is a significant development.

I also told the House that I was minded to combine the fee remission and the higher education grant into a single combined grant. Last week I published a discussion paper setting out the details of how making a single up-front cash payment of up to £2,700 from the Government to go with the £300 bursary from the university might work. My officials have been addressing the practical and financial implications of merging the two grants, and I can tell the House that from 2006 we will be offering all students from low-income backgrounds a single grant of up to £2,700. I intend that the detail of that should be discussed in Committee.

About 30 per cent. of students will be eligible for the full grant and a further 20 to 25 per cent., where the family income is up to £33,500, will be eligible for partial grant. That will give students real choice about how they manage their finances and will provide more cash up front to support them while they are studying.

Andy King (Rugby and Kenilworth) (Lab): I am grateful to my right hon. Friend for the commitment that he has made to open up access to those from the poorest sections in our society. That is real progress. Some of us have had some difficulties in relation to the variability aspect, and also with the possibility of the poorest students being forced into the poorest universities and the gulf widening. Can my right hon. Friend assure us that the aspect of variability will be looked at in the review?

Mr. Clarke: I can give my hon. Friend that assurance, as I will describe in a moment.

Hugh Bayley (City of York) (Lab): Is my right hon. Friend aware that York university is the only one of the top 10 universities in Britain that fully meets the Government's targets on access? The vice-chancellor of York university, Professor Brian Cantor, has written to me to say:

"Overall we support the Government Bill. It is an acceptable compromise and the best option on offer."

Does my right hon. Friend recognise that if the grants he is proposing are not brought in—if the Bill is defeated—fewer working-class kids will get to the best universities, like York?

Mr. Clarke: My hon. Friend is correct and I appreciate the support from him and from his vice-chancellor. Again I must make a political point. [HON. MEMBERS: "Oh!"] Yes, listen to it. This package establishes a £3,000 package for students from working-class families going to university. That is the package that will operate if the Bill is supported today. Those who vote against will be voting against such a package, against grants and against the kind of opportunities for people from working-class families that are so critically important.

Mr. Kenneth Clarke (Rushcliffe) (Con): Does the right hon. Gentleman accept that people with wealthy parents will not be affected, because those parents will not allow their children to get into debt and they will pay the fees? Of course, children from the very poorest families will not be affected, because they will get the advantage of the bursaries that the right hon. Gentleman is enlarging upon to try to get a majority for his Bill. It is the ordinary student from the ordinary family who just fails to qualify for that help who will carry the burden of tens of thousands of pounds-worth of debt in the first years after they graduate. Does he seriously expect that that will have no effect at all on the willingness of such people to go in for the more expensive courses in higher education?

Mr. Clarke: I must say, this is the first time I have known the right hon. and learned Gentleman stand up as Mr. Ordinary. I always thought he was rather exceptional.

For the ordinary student, we are removing the up-front fee. If the right hon. and learned Gentleman votes against tonight, he will be voting to keep the up-front fee. For the ordinary student, we are increasing the threshold of repayment after graduation from £10,000 a year to £15,000 a year, which is a direct reduction in the amount per year that all students have to pay. If the right hon. and learned Gentleman votes against the Bill today, he will be voting to keep the threshold at £10,000, rather than £15,000, so the ordinary students in his constituency will find themselves in a far worse position than they otherwise would be.

Finally, for the ordinary students in his constituency, if the right hon. and learned Gentleman votes for the Bill tonight, he will vote for a 25-year cap so that beyond that time, all debts will be written off. If he votes against, he will be voting to keep that debt going on for ever for the ordinary students in his constituency. So the ordinary students have a lot to gain from the Bill, too.

Tom Levitt (High Peak) (Lab): I am grateful to my right hon. Friend for explaining how the level of support will be far higher than the maximum fees that will be charged. Will he confirm for the record that had universities been charging £15,000 or £20,000 a year in fees, there is no way that a similar package of support to cover those fees could have been considered, and it is that anarchy in universities that we legislated against when we said that we were abolishing top-up fees in the past?

Mr. Clarke: My hon. Friend is correct. It is important to acknowledge that, although the Opposition will find that difficult. I shall come to points about variability for the future. Precisely because of the package that we have today, including the Office for Fair Access, major universities in this country, including the university that the right hon. and learned Member for Rushcliffe (Mr. Clarke) attended when he was young and fancy-free, are able to offer bursaries of £4,000 a year on top of what the state is offering for working-class children from his constituency.

Ian Lucas (Wrexham) (Lab): I am grateful to my right hon. Friend for the recent discussions that have taken place with me and my colleagues. On variability, is it not sensible to weigh the evidence before making the decision in principle to introduce variability? Would not a sensible way forward be to hold a review to investigate the adverse effects of variability before the decision is made in principle? If my right hon. Friend were to give me that assurance, I could undertake to give him my support.

Mr. Clarke: I shall have a word or two to say about variability in a moment, but I am afraid I cannot entirely meet the generous invitation from my hon. Friend.

Claire Ward (Watford) (Lab): Does my right hon. Friend agree that as Members go through the Lobby tonight, they need to remember one simple fact: if we agree that universities require more money, either we raise it through general taxation and ask those—the majority—who do not go to university to subsidise to a greater extent those who gain the benefit of a university education, or we ask those who are gaining personally from that university education to make some contribution to that benefit?

Mr. Clarke: My hon. Friend is entirely correct in what she says. That is the choice that is faced, and our proposals are widely recognised as fair, in that students make some contribution when they have graduated to the cost of their education.

I now turn to variability, which has been a key element in the proposals.

Mr. Robert Jackson (Wantage) (Con): One of my colleagues has spoken up for middle England. Will the Secretary of State not agree that the interest of middle England in universities is that they should be of good quality, and that is what this Government are taking steps to deliver?

Mr. Clarke: I am grateful for that comment. At the risk of being invidious, I pay tribute to the hon. Gentleman, as he has had the courage to face up to the logic of the situation which we are trying to address. He has avoided the blind opportunism that has informed the policies of the Leader of the Opposition and his Front-Bench team, who are not prepared to face the real issues, whereas he is.

Several hon. Members *rose—*

Mr. Clarke: I am going to make progress on the question of variability. Much concern has been expressed by Labour Members, and, on one or two aspects, by Opposition Members, about the future of variability. People see calls for fees of £10,000, £15,000 and £20,000 a year, and say that although they can accept the £3,000 fee cap, they are concerned that in the future some new regime could be established that could undermine that approach. I want to set out clearly our approach on this matter, which is important.

The maximum level of tuition fees will be set at £3,000 in real terms. That figure will need the approval of the House in an affirmative resolution on Royal Assent to this Bill. As I said, many colleagues have expressed the fear that this is a prelude to fee levels rising much higher in later years. I assure the House that fees at that level form no part of the Government's agenda, and I can provide a threefold assurance that fee rises on that scale will not happen.

First, the £3,000 cap in real terms will apply for the whole of the next Parliament, and lest there be any doubt, we shall bring forward an amendment in Committee which ensures that no vote to raise the maximum level of tuition fees over and above inflation can take place until 2010 at the earliest. Secondly, the ability to raise the fee beyond that level will, under clause 24, require an affirmative resolution. I have given previously and repeat this afternoon the undertaking that that debate will take place on the Floor of the House, enabling every Member to participate publicly and openly in the vote. Thirdly, before any vote takes place, there will be a review by an independent commission, reporting to Parliament directly on the impact of the new fee regime three years after implementation.

[Mr. Clarke]

Yesterday, in a written ministerial statement, I set out for discussion the draft scope of that review, and the exact terms of reference will be the subject of discussion in Committee. Clearly, if as a result of the review by the commission significant changes were to be made, legislation might be needed.

Angela Eagle (Wallasey) (Lab): I thank my right hon. Friend for the way in which he has listened to those of us who have difficulties with variability and the prospect of a cap that goes up as well as down, and for the way in which he has listened to ways of screwing down that cap for the whole of the next Parliament. Will he confirm that an amendment will be included in the Bill to make certain that that £3,000 level cannot rise without a further resort to primary legislation?

Mr. Clarke: I can confirm that that is the case. Were there to be a proposal that the fee should rise beyond £3,000 in real terms during the next Parliament, primary legislation would be required to change that. May I say that I respect the way in which my hon. Friend has pursued that discussion?

Kate Hoey (Vauxhall) (Lab): Perhaps my right hon. Friend will correct me if I am wrong, but if we cannot keep our manifesto commitment, how can we commit the next Parliament to something that has happened in this Parliament? We cannot do it.

Mr. Clarke: We can do it simply by including in the Bill a commitment that no order to raise the fee can be made, so that there can be no change without primary legislation.

Richard Burden (Birmingham, Northfield) (Lab): Clearly, my right hon. Friend is aware that many Members are concerned that the variable element of the fee will be the thin end of wedge the thickness of which we do not yet see. Can he confirm again that if there were proposals to change that situation, primary legislation would be required?

Mr. Clarke: I can confirm explicitly that if there were a proposal in the next Parliament to make a change in the situation, primary legislation would be required.

Mr. Michael Connarty (Falkirk, East) (Lab): In front of other witnesses, the vice-chancellor of Essex university, who is writing on behalf of UK universities, said to me that he will charge £3,000 for every course, that he wants £5,000 and needs £5,000 now, and that he will be looking for further increases in the future. Is not the Secretary of State setting up a major conflict, with the universities demanding more funding which he has said he will not give them for at least two Parliaments?

Mr. Clarke: That is not the case. My expectation is that almost all universities will charge around £3,000 for at least one of their courses, and that almost all universities will have courses for which they do not charge £3,000. The variation will vary from university to university, as the hon. Gentleman would acknowledge, and that will be the state of affairs.

Mr. Quentin Davies (Grantham and Stamford) (Con): The right hon. Gentleman is coming towards the end of his speech. Is not the most striking aspect of that speech the fact that there has been no sense of apology whatever by the Government for having clearly deceived the British public at the last election about their intentions in this matter?

Mr. Clarke: The hon. Gentleman is well known as an intellectual among Conservative Members. I am therefore slightly surprised that he has not taken the opportunity of his intellect to think more carefully about the future of our universities than Opposition Front Benchers have done.

A further concern that has been raised throughout the process has been the question of the future of our professions.

Mrs. Anne Campbell (Cambridge) (Lab): I congratulate my right hon. Friend on the way in which he has conducted negotiations with Back Benchers over the past few weeks. Can he tell me what assessment he has made of the effect on students of the variable fee, and whether some students might be put off going to more expensive universities and taking more expensive courses because of the variability?

Mr. Clarke: My assessment is that that will not happen. The terms of reference of the commission to which I referred, and which I set out yesterday, include the impact of the new arrangements on students and prospective students—looking in particular at overall levels of application, participation in higher education, choice of institution and course, levels of debt and so on—precisely to test the fear of my hon. Friend and colleagues like her that there might be such an effect. I do not believe that there will be such an effect, but the concern that she expresses is legitimate, and it is right for us to make a serious analysis of it, as I have set out.

There is an additional question, however, in relation to recruitment to the professions. I set out in our White Paper last year the importance that the Government attach to continuing to attract high-quality recruits to the public sector and the professions. We said that Government would have to consider carefully how best to maintain our success in recruiting able students and graduates to public service. I know that that is a particular concern of my right hon. Friend the Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown), because I have discussed it with him. He is concerned that students who do not qualify for the full £3,000 support package should still be able to have, in his words, a gateway into the professions.

I am commissioning a report next year to examine gateways into the professions, which will look particularly at the position of students who do not qualify for the full £3,000 support package, taking into account the starting points for repayment and the taper. It will examine recruitment of graduates to the public services under the new student finance system.

The Government are already spending more than £700 million every year to support the recruitment and retention of teachers, doctors and dentists, nurses, midwives, social workers and other health professionals. Other employers in both the public and private sectors will no doubt want to consider schemes to ensure that they, too, can bring through the graduates they need. Obviously, the proposals of the report will be considered in the context of the next comprehensive spending review so that full account can be taken of the concerns that my right hon. Friend the Member for Newcastle upon Tyne, East and Wallsend has expressed throughout the course of this discussion.

I conclude by saying that this Bill genuinely poses a choice for every Member of this House. Members can vote for the Bill, which provides more resource for universities, an end to up-front fees, a student support package of £3,000 a year for the poorest students, an increase in the threshold at which one repays, and a 25-year cap on the loan being written off. Alternatively, they can decide to vote against it, but if they do so, they should be clear that they will be voting against more money for the universities, voting to keep up-front fees, voting for a system that discriminates against working class communities, voting against grants and voting for higher repayments afterwards. That is the choice facing the House. I commend the Bill to the House.

1.26 pm

Mr. Tim Yeo (South Suffolk) (Con): This is one of the most important debates that we will have during this Parliament, and I very much regret that neither the Prime Minister nor the Chancellor of the Exchequer intend to remain for it. In view of the disreputable way in which the Government's policy has emerged, it may be that they do not wish to listen to what the Opposition have to say.

The debate started in extraordinary circumstances. Not only was the publication of the Bill delayed for several weeks, but in the two and a half weeks since it was published, the goalposts have been moved again, most recently this very morning. Late last night, the Secretary of State made a written statement describing the commission that will review the impact of variable tuition fees. This morning, further concessions on the workings of the commission have been made following discussions—from which the Secretary of State was apparently excluded—between the Chancellor of the Exchequer and the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown).

In his statement, the Secretary of State said:

"Work to establish baseline data for the review will begin in the 2004–05 academic year."—[*Official Report*, 26 January 2004; Vol. 417, c. 6WS.]

If that is when the baseline data begin to be established, how on earth can the commission draw any conclusions about anything in one year's time, as opposed to the three years that the Secretary of State said last night would be needed for its work to be completed? Furthermore, the review is supposed to consider the impact of the new policy, but variable fees do not start until 2006, so what conclusions can the commission draw in 2005? If that is the concession that persuaded the right hon. Member for Newcastle upon Tyne, East and Wallsend to give up his opposition to the Bill, he is not the man he was as Minister for Agriculture, Fisheries and Food.

Claire Ward: Will the hon. Gentleman give way?

Mr. Yeo: Presently.

The issues that the Bill tries to address are profoundly important for the future of our universities, which have been underfunded by successive Governments for many years and, as a result, are at risk of losing talent and status. Restoring adequate funding in a fair and sustainable way is one of the most urgent challenges facing the Government.

Claire Ward *rose—*

James Purnell (Stalybridge and Hyde) (Lab) *rose—*

Mr. Yeo: I shall give way in a moment.

The Bill is crucial for students. It will have a deep impact on their lives, not only while they study, but for many years afterwards; and it will affect whether some young men and women who are qualified to go to university feel able to do so.

James Purnell *rose—*

Mr. Yeo: The hon. Gentleman should not be over-eager—I shall give way to him presently.

What matters about this debate and the vote that follows is not how it leaves the standing of the Prime Minister, the Secretary of State or the Labour Government. A more important issue is at stake—how we are to shape higher education and our investment in the human capital of the nation. Unfortunately, it has become clear in the past month that the Bill is deeply flawed. We are opposed to it because it attacks university independence, damages students, and fails to solve the long-term funding needs of universities. It does, however, confirm yet again to the British people that they cannot trust this Government.

James Purnell: Did the hon. Gentleman, like me, hear the hon. Member for Havant (Mr. Willetts) say on "Question Time" that under Tory plans fewer people would go to university? How many fewer would it be—100,000, 200,000, 300,000, or perhaps even 400,000?

Mr. Yeo: I did not have the pleasure of hearing my hon. Friend on "Question Time", but I am delighted to deal with the hon. Gentleman's query. Conservative Members are indeed concerned about the numbers of people going to university. That is why yesterday's written answer by the Minister for Lifelong Learning, Further and Higher Education is so relevant. He said, in relation to those pupils who are qualified to go to university by achieving two A-level passes, that one of the main reasons why they do not go is the expected costs involved. That is the evidence from the research that was commissioned by the Government, but, unfortunately they ignored it, because the Bill will raise the costs of going to university for those very pupils who

[Mr. Yeo]

are qualified to go, but are deterred by the costs. The result of the Bill will be to threaten the numbers who go to university in future.

Let us trace the history of the Government's approach to funding higher education. *[Interruption.]* I am not surprised that Labour Members do not want to hear this part. Let me remind them of what the Prime Minister said during the 1997 general election campaign:

"Labour has no plans to introduce tuition fees for higher education".

One year later, the Teaching and Higher Education Act 1998 introduced tuition fees for the first time. In 2001, the Labour general election manifesto said:

"We will not introduce top-up fees and have legislated to prevent them".

On 22 January 2003, the Government published their White Paper, which broke all those promises.

Claire Ward: Will the hon. Gentleman give way?

Mr. Yeo: I shall give way presently.

A couple of weeks ago, on 14 January, the Prime Minister spoke to the Institute of Public Policy Research about his new policy of top-up fees. He said:

"These changes are imperative for Britain's future".

He went on to say:

"They are in tune with Labour values"

and that they

"are a prime example of the modern path to social justice".

That is quite a shift from the election manifesto that promised that those same changes would never be made. I doubt whether the Prime Minister's words will be much help to Labour Members of Parliament when they are on the doorsteps seeking re-election and trying to explain to their voters why they went back on their word. It is no surprise that many people inside the Labour party resent being accused of betrayal when they refuse to break their election pledges.

Mr. James Plaskitt (Warwick and Leamington) (Lab): Can the hon. Gentleman tell us how many vice-chancellors support his party's stance?

Mr. Yeo: I congratulate the hon. Gentleman on reading out the Whips' hand-out.

Hon. Members: Answer.

Mr. Deputy Speaker (Sir Michael Lord): Order. The House listened with respect to the Secretary of State, and it should do the same for the spokesman for the Opposition.

Mr. Yeo: Of course, many vice-chancellors—

Claire Ward: Will the hon. Gentleman give way?

Mr. Yeo: I shall deal first with the intervention made by the hon. Lady's colleague.

Many vice-chancellors want the Bill to be given a Second Reading today, because they know that it will unlock the door to top-up fees not of £3,000 but of £6,000, £10,000 or £15,000. I shall quote one of the many vice-chancellors who have made this point. Richard Sykes of Imperial college has said:

"I think this is a good start but it can't stay at £3,000 if we really are going to have world class universities in this country".

The vice-chancellors want the Bill because they want fees—*[Interruption.]*

Mr. Deputy Speaker: Order. Hon. Members who are seeking to catch the eye of the hon. Gentleman who is speaking must not remain standing for any length of time if it is obvious that he is not going to give way. We cannot have Members standing up all over the Chamber.

Mr. Yeo: Let me remind the hon. Member for Warwick and Leamington (Mr. Plaskitt) that, for every vice-chancellor who supports the Bill, there are thousands of students at his or her university who oppose it. Thousands of members of staff in higher education also oppose it, including 111 in the Secretary of State's own constituency who wrote to the *Eastern Daily Press* last Friday to say so. I wish the hon. Gentleman luck on the doorstep when he explains to voters that his reason for breaking his promises to them was that he was so impressed by an advertisement placed in *The Guardian* by the vice-chancellors. I would prefer to be in the position of the Conservative candidate who will oppose him, who will be able to say that we listened to the thousands of students and staff, and that that is why we are keeping our promises.

Several hon. Members *rose—*

Mr. Yeo: I shall give way in a moment.

Before I examine the Higher Education Bill in more detail, I want to dispose of one of the Secretary of State's more bizarre assertions, namely that there is no plan B. The number of changes that he has made to his own policy in the two months since the Queen's Speech shows that, far from there being no plan B, the Government are already on about plan F. Last night, with the announcement of the independent review, they finally admitted that there were indeed alternatives to their own policy. They have finally conceded that the principle of variability is up for grabs. At least, that is what they have told their own rebels; we shall find out in due course whether they have said the same thing to the universities. I shall now give way to the hon. Member for Watford (Claire Ward).

Hon. Members: Hooray!

Claire Ward: I am very grateful to the hon. Gentleman for giving way. I know that he has a rather burdensome work load, being shadow Secretary of State for Health and Education. Has the extent of his portfolio meant that he has been unable to formulate an alternative policy on these issues? So far, I have not heard any alternative proposals. I have heard his opposition, but I have no idea what his policy is.

Mr. Yeo: Well, that was a pretty pathetic effort from someone who is on the Government's payroll. Let me

remind the hon. Lady that it is the Government's Higher Education Bill that we are debating today. I certainly look forward to debating with her and other hon. Members the Conservative policy on higher education in the Second Reading debate of the higher education Bill that the next Conservative Government will introduce early in the next Parliament. The big difference between that Bill and this one will be that— *[Interruption.]*

Mr. Deputy Speaker: Order. I hope that I shall not have to keep getting to my feet. There is a great deal of interest in this very important matter, not only in the Chamber but in the country outside, and hon. Members should be aware that the nation is watching not only the debate but their behaviour in the House of Commons this afternoon. I shall intervene if I have to, but I hope that I do not have to do so again.

Mr. Yeo: The big difference between this Bill and the one that will be introduced by the next Conservative Government is that ours will honour the pledges in our manifesto. That is in contrast to the Bill that we are debating today, which breaks the pledges in the Labour manifesto.

Simon Hughes: The hon. Gentleman is quite right to criticise the Labour party, as many others in the country have done, for saying at the general election that it would do one thing and now doing something that takes it in the opposite direction. On the specific issue of top-up fees, can he give the House a pledge today that, if elected at the next election, his party would neither support nor introduce standard top-up fees or variable top-up fees during the first Parliament when it is in government?

Mr. Yeo: Yes, I can.

I turn now to the detail of the Bill. It creates a new regulatory structure— *[Interruption.]* Do Labour Members want to hear about the Bill or not? It creates a new regulatory structure which removes, for the first time, the freedom of universities to decide which students they should admit. It imposes huge new burdens on the vast majority of students, which, in many cases, will affect their families too. Let us be clear: we still do not know how much, if any, of the money that students will pay in top-up fees will represent a net increase in funding for universities.

Several hon. Members *rose—*

Mr. Yeo: I shall give way in a moment.

If fees average £2,500 a year, about £1 billion will be paid to universities by students in top-up fees. Of that £1 billion, at least 10 per cent. will have to be paid out by the universities in bursaries to students from poorer families. The Secretary of State would like us to believe that that will leave about £900 million in the hands of the universities. However, the Bill and all the last-minute changes that the Government have announced to try to bolster their support will also impose costs, including £635 million a year to cover the cost of subsidising the new loans. Another £450 million a year will be required for student grants, along with £30 million a year to cover the cost of writing off loans that have not been repaid within 25 years. Those costs exceed £1.1 billion, although it is unclear whether the further announcements made in the Secretary of State's speech today have added still further to that total.

Several hon. Members *rose—*

Mr. Yeo: In a moment. I have not finished this point yet.

On 15 January, the Secretary of State told the House that those costs would be met from within the existing higher education budget. If he wants to tell us that that is not the case, and that extra money will be available, now is the moment for him to do so. The House, the universities and the nation will see his refusal to deny that point. If he sticks by what he told the House, universities will find the cash that they thought they had been promised as hard to lay hands on as weapons of mass destruction in the Iraqi desert.

Michael Driscoll, the chairman of the group of mainstream universities and vice-chancellor of Middlesex university, warned in *The Times Higher Educational Supplement* the day after the Bill was published:

> "The devil will be in the detail. The government duped us last time by taking the amount we gained in fees straight out of the teaching grant."

The Government did indeed dupe them last time. Last year, funding per student was less in real terms than it was in 1997–98, the year in which tuition fees were introduced. All the income from tuition fees has been clawed back by the Treasury. Whether universities receive a penny of extra money as a result of this Bill and all the other announcements still depends entirely on whether the Chancellor of the Exchequer agrees to increase the total spending limit of the Department for Education and Skills. That is something that he has conspicuously refused to say that he will do. If he were here now, we could ask him about that ourselves. His absence from the House, like his refusal to be a sponsor of the Bill, does not bode well for the universities. Of course, one reason why he may be so reluctant to cough up the cash is that he can see just what a disastrous deal that would be for the taxpayer if he did so.

Several hon. Members *rose—*

Mr. Yeo: I will give way in a moment. If enough extra money is given to the Department for Education and Skills to cover all the new costs that the policy will impose, for every £1 received by the universities the Chancellor would have to sting taxpayers for £1.20. Let me remind the House that all those calculations were done before account was taken of the extra £1 billion a year that the Institute for Fiscal Studies estimates will be required to fund the costs of meeting the Prime Minister's arbitrary target of sending half of young people to university.

Mr. Clive Soley (Ealing, Acton and Shepherd's Bush) (Lab): We really have to try, but I am grateful for small mercies. The hon. Gentleman is talking about the finances, so may I put a question to him? This is the answer that my party and this Parliament want to hear

[Mr. Clive Soley]

from the Conservative party. Do the Conservatives intend to cap the number of people who can go to university, regardless of what qualifications they have, or are they saying that they will pay all the money that he says is needed through the taxpayer? We need an answer. What is the cap? If there is no cap, where will the money come from?

Mr. Yeo: It is not our intention to cap the number of people going to university. As I have just pointed out at some length, Government policy—through the Bill and the associated announcements—does not contribute a single penny either to meeting the costs of increasing the number of students or even to addressing the shortfall that universities say they suffer from. In fact, it is under Labour that we have seen a fall in funding per student—

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. There is little point in Members standing to seek to intervene when the Member addressing the House is still responding to a previous intervention.

Mr. Yeo: I am not surprised that Labour Members are reluctant to hear these facts, because they expose the flaws at the very heart of Government policy. They expose more clearly than we have been able to achieve until this morning the extent to which the Government have misled universities. They have tried to persuade vice-chancellors that the Bill addresses their funding needs. It does not. They have tried to persuade students and their families that the Bill might finance an increase in the number of people going to university. It will not. It has a number of other flaws, which I shall explain. First, I give way to my hon. Friend the Member for Esher and Walton (Mr. Taylor).

Mr. Ian Taylor (Esher and Walton) (Con): My hon. Friend is right to probe the Government on what their legislation actually means, but can he offer some clarification? Given that he has made it clear that there is a genuine funding gap—vice-chancellors are very concerned about the finances of universities—and that the Conservative party apparently will not ask the students to make any contribution under its policy, are we therefore to conclude that all the burden of the underfunding that the Conservatives would have to remove will fall on the taxpayer?

Mr. Yeo: My hon. Friend will have to contain himself a little longer, because it is a curious constitutional doctrine that says that an Opposition cannot oppose a Bill as deeply flawed as this before they have laid out their alternative policy in every detail. He was with me in the House in 1988 when the Bill that introduced the poll tax was being considered. I do not remember the Labour Opposition explaining in every detail how they would finance local government when they fought against the poll tax.

Mr. McLoughlin: I am grateful to my hon. Friend for giving way because I want to go back to the point about the number of students at university. Will he take time to remind the House of, or pass comment on, the fact that in 1979 when the Labour Government left office, the position in this country was that one person in eight went to university? During the 18 years of Conservative government, that came down to one in three. We have a record to be proud of on university access.

Mr. Yeo: My hon. Friend is absolutely right. He has quoted statistics correctly, but I further point out to him that the fastest expansion in the number of students from social class groups III M, IV and V going to university occurred in that period.

Mr. Robert Jackson: My hon. Friend is arguing that if private funding is introduced alongside public funding, the public funding will always be clawed back, so that there will be no point in the exercise. That is an argument against any form of mixed funding. Mixed funding regimes operate successfully in many countries around the world. Why cannot they be made to work properly in this country? After all, most of us know that is the direction in which we will eventually have to go to fund our public services.

Mr. Yeo: The answer to my hon. Friend is simple: such regimes could be made to work if they were introduced by a Government who knew what they were doing and were honest with students, universities and taxpayers. This is not a question of argument with him, as I have quoted the facts. In the last five years—since the introduction of tuition fees—the Government have clawed back every penny of the extra income that universities thought they were going to receive. That is exactly what will happen again.

Several hon. Members *rose—*

Mr. Yeo: I will give way presently, but I must make some progress.

The principles of university independence and academic freedom are fundamental to Conservative Members, but they are threatened by the establishment of a regulator whose role is to manipulate university admissions policy. The Government claim that the regulator's job is to widen the mix of backgrounds from which students come. No one, least of all Conservative Members, will argue with that goal; as I have just explained, no party has done more than the Conservative party to widen access to universities.

We believe passionately in equality of opportunity, but we have a different vision from the Government of how to achieve it. The answer lies in raising the achievements and aspirations of pupils while they are still at school. It lies in firing the ambitions of teachers at schools that historically have not sent many pupils to university. That is where Government energy should be directed, but, as always, Ministers prefer to regulate.

Mr. Allen: Will the hon. Gentleman give way?

Mr. Yeo: Presently. The establishment of the new university regulator, referred to in the Bill as the Director of Fair Access to higher education, is central to Government policy. No university will be able to charge a penny in top-up fees without the regulator's say so. As

the Minister for Lifelong Learning, Further and Higher Education told the House on 15 January, in a comment that revealed which universities the Government are particularly gunning for:

"The simple fact is that none of the Russell Group universities will be able to charge anything above £1,125 . . . unless they satisfy the access regulator that they are doing everything they possibly can to encourage youngsters from non-traditional backgrounds . . . to come to their university."—[*Official Report*, 15 January 2004; Vol. 416, c. 955.]

Instead of selecting students on the basis of academic merit and potential, university admissions policies will have to reflect the prejudices of Ministers—another example of how this Government constantly interfere with and overrule the judgment of qualified professional people on how to do their jobs.

Mr. Allen: Will the hon. Gentleman give way?

Mr. Yeo: Presently.

Mr. Michael Fallon (Sevenoaks) (Con): Will my hon. Friend give way?

Mr. Yeo: Yes.

Mr. Fallon: For the benefit of the House, will my hon. Friend confirm that under clause 30 the director of fair access is not to be an independent person, but must follow the guidance issued by the Secretary of State? He will be a creature of Ministers.

Mr. Yeo: My hon. Friend anticipates the passage of my speech that I am just coming to. That is a very important point, because part 3 sets out how the burden of regulations from which universities already suffer will be increased. As the explanatory notes explain, universities cannot charge top-up fees until

"they have in force a plan . . . approved by the relevant authority."

In other words, that means the regulator. Governing bodies will have to show how they are attracting applications from prospective students who are members of groups that are under-represented in higher education, regardless of whether such applicants are qualified to study at their universities.

Unfortunately, getting the plan approved by the regulator is not the end of the story. Clause 35 gives the regulator the power to fine any university that he considers is not doing what he wants by ordering the Higher Education Funding Council to cut its grants. Universities will have no right of appeal. Given that the Secretary of State appoints the regulator and fixes his salary, that the regulator reports directly to the Secretary of State, not Parliament, and that the Secretary of State outlines the matters on which the regulator must report, it is clear that, as my hon. Friend the Member for Sevenoaks (Mr. Fallon) said, the regulator is a creature of the Secretary of State. The regulations that tell the regulator how to do his job will also be made by the Secretary of State, although he has refused to let Parliament see them in time for the debate.

The Bill gives Ministers the power to decide who goes to which university and to take money away from a university that does not do what it is told. Let nobody fantasise that the Bill opens a door to more independence for universities; it does precisely the opposite. It brings all universities under tighter political control than ever before. It will inflict damage on our universities, including those that aspire to be world class.

Mr. John Bercow (Buckingham) (Con): Given the importance of the United Kingdom research base, will my hon. Friend hazard a guess about why the first 10 clauses focus exclusively on arts and humanities, duties on public bodies and the powers of the Secretary of State but are silent about the wider pursuit of necessary commercial sponsorship?

Mr. Yeo: My hon. Friend makes an important point about support for science, especially scientific research. I hope that the Government will pay more attention to that; indeed, Committee proceedings may provide an opportunity to explore the answer to my hon. Friend's extremely penetrating question.

Mr. Allen: Does the hon. Gentleman realise that 65 per cent. of families in my constituency have disposable incomes of less than £15,000? That is one reason why we have the fewest people going to university of any constituency. The figures mean that people who get the necessary A-levels will receive a full grant of £2,700 plus a university bursary of £3,000. How can the hon. Gentleman talk at the Dispatch Box about access when he will lead his colleagues—but hopefully, none of mine—through the Lobby tonight to do away with a £3,000 grant that would allow those kids to go to university?

Mr. Yeo: It is interesting that the hon. Gentleman makes that point—I believe that he was a member of the Government when tuition fees were introduced. I presume that, at that time, the concerns of his poorer constituents were not at the forefront of his mind.

Let us consider the effect of the measure on students. In every walk of life from industry to science and from medicine to the media, graduates contribute to our national life. Britain's long-term competitiveness, our standing in the world and the quality of our public services depend on our educational system and our universities' ability to produced well-qualified and motivated graduates. Those men and women are already starting their working lives with average debts of £8,000 to £10,000 and the Bill trebles that burden of debt. It will inevitably affect the choices that students and their families make.

Only a Government who neither understand nor care about the anxieties of many young people and their families about debt could introduce such a Bill. Or perhaps Ministers have simply stopped listening. In May last year, a Joseph Rowntree Foundation report concluded:

"Young people from disadvantaged backgrounds are often deterred"—

I am sorry that the hon. Member for Nottingham, North (Mr. Allen) is not listening because it relates directly to his point. The report stated:

"Young people from disadvantaged backgrounds are often deterred from both entering full-time education in the first place and from continuing within higher education long enough to reach their full academic potential because of the economic hardships they suffer, in particular debt."

[Mr. Yeo]

Last year, a survey for the Higher Education Funding Council and Universities UK found that respondents from lower social groups were more likely than those from higher social groups to hold debt-averse views. However, the Bill will force the majority of students to borrow unprecedentedly large amounts of money.

Let us consider the case of a student whose parents' total income is only £33,500. Perhaps the father is a firefighter and the mother, a classroom assistant. If the student wants to go to a university in London that charges the full £3,000 fee, he or she will rack up debts of £27,000. If he or she achieves a starting salary of £20,000 and enjoys annual pay increases of 5 per cent., the loan will not be repaid for more than 20 years. The Government claim that such debts will not deter prospective students

Tim Loughton (East Worthing and Shoreham) (Con): Does my hon. Friend share my special concern about the effects on the national health service? The British Medical Association has calculated that doctors training in London could start their careers with £64,000 of debt. Doctors take six years to train and cannot take holiday and evening jobs to subsidise their training because of its nature. At a time when we are desperately short of doctors and have not achieved the numbers that the Government admit we need, how on earth will the measure do anything other than deter people from training as doctors?

Mr. Yeo: My hon. Friend is right. The Bill will almost certainly adversely affect the supply of students to study medicine. In Canada, where higher tuition fees were introduced, evidence shows that the number of medical students from low-income families has fallen.

Several hon. Members *rose–*

Mr. Yeo: I must make progress. In the document entitled "Higher Education Funding", the Government stated:

"International experience suggests that higher variable fees can be introduced without adversely affecting the participation of students from less well-off families."

Yet a survey for the Australian Education Department pointed out only last month that students from disadvantaged backgrounds make up a smaller proportion of all Australian students now than in 1991. In the United States, a congressional advisory committee pointed out that almost half of qualified school leavers from low-income households are prevented by financial barriers from taking four-year degree courses. Almost a quarter are prevented from going to university.

Nobody knows how many British school leavers the Bill will deter from going to university, but the Secretary of State admitted that the level of fees that universities charge has a direct impact. On 3 December, he said that more students could be attracted to study physics if the relevant university charged a zero fee. If he believes that a zero fee will encourage students to study, how many students will be discouraged by fees of £9,000 over three years?

Even the £3,000 cap is unlikely to stay for long; nobody in the university world believes that it will. Last week, Professor Michael Stirling, chairman of the Russell Group and vice-chancellor of Birmingham university told *The Daily Telegraph*:

"It's a step in the right direction, though no-one is pretending it's enough to cap top-up fees at £3,000."

Professor Nick Barr, an economist at the London School of Economics and one of the architects of the Government's policy said on 7 January:

"The cap that is proposed will have to rise."

It is no good the Secretary of State saying that the Government will enshrine the cap in primary legislation.

In 2001, voters were told that the Government had legislated to prevent top-up fees, but that did not stop them introducing them two years later. Every hon. Member who supports the Bill will open the door to top-up fees, not of £3,000 but £6,000 and £10,000. At that point, the gap between universities that can charge such fees and those that cannot will get bigger. When fees reach those levels, it cannot be disputed that cost will affect students' behaviour. The student at a London university whose parental income is £33,500 or more will face a debt of £36,000 when fees are £6,000 and £48,000 when they rise to £10,000. The Secretary of State hilariously told "Newsnight" that he would bet his mortgage that the £3,000 limit would be in place in 10 years. Does he really think that a single student will believe him, after he has broken every other promise he made on this subject?

The Secretary of State should count himself lucky to have a mortgage at all. Graduates who start their working lives with debts that take 20 years to pay off, and on which outgoings will rise to £240 a month, will find the size of any mortgage they can take out severely curtailed. At the very time when we should be encouraging a culture of saving, the Bill will saddle them with debt. It will erode the savings of those who are in or near retirement as they struggle to support the next generation.

There is a considerable stake in this evening's vote, but not much of it has anything to do with the dire warnings that the Government Whips have been issuing as they go about their arm-twisting on behalf of the Prime Minister. I urge Members of all parties, especially those on the Government Back Benches, to reflect very carefully on the consequences of their votes—the consequences for students, for their families, for universities and, indeed, for themselves. No one will remember the circumstances in which this vote took place when suffering the effects of the Bill.

Approving this Bill will force future generations of students heavily into debt just when they should be encouraged to save. Approving this Bill opens the door to the making of access to university dependent on ability to pay, not ability to learn. Approving this Bill increases the burden of regulation on all universities; and approving this Bill does not give universities a single penny of extra income.

Members of all parties fought the last general election on the basis of pledges that they would not introduce top-up fees. At the next general election, some Members will be able to look voters in the eye and say that they

honoured that pledge. I am proud to be one of them. I gave that pledge, I meant to give it, I wish to keep it, and I urge every other Member to join me in rejecting the Bill.

2.7 pm

Mr. Nicholas Brown (Newcastle upon Tyne, East and Wallsend) (Lab): It was kind of the hon. Member for South Suffolk (Mr. Yeo) to remind the House of the three happy years that we spent arguing about agriculture policy across the Dispatch Boxes. I recall that he went out of his way to be helpful to me then, and I hope that I shall be able to say something later in my speech that will be helpful to him.

I do not want to concentrate on the good things in the Bill, some of which we knew about from the beginning, because I think the Secretary of State has already made his case very well. I want to concentrate on my well-known objections to the Bill, and on how far the Government have moved to meet them. I had four objections: the increase in the level of debt for graduates; the difficulties with regard to the current proposals for meeting the universities' funding gap, as it is said to be; and the two issues of principle—the manifesto pledge and, most significant for me, the potential introduction of a marketplace in higher education.

I worry about debt. I am not talking about the debt and the financial burden that affects those from the very poorest backgrounds, for I think that the Government set out to do a lot for youngsters in that position. My fear is for the next poorest, particularly those who wish to make a career in the professions and public service and are therefore likely to incur above-average expenses while studying. I also worry about the amount of debt with which youngsters in their early twenties will be encumbered. That will apply especially to a young person who meets someone at university with whom he or she wants to set up home. Those young people will have to manage a joint debt at precisely the time when they might be thinking of taking out a mortgage.

The Government have gone a long way towards meeting that point, with the establishment of an independent commission to examine the impact on youngsters in the position I have described, the offer of an interim report, and the concession that in the spending review moneys will be set aside for the purpose of whatever recommendations are produced by the interim commission. I must tell my right hon. Friend that he is probably the only Secretary of State, now, to have that "nod and a wink" arrangement with the Treasury in regard to the spending review. If I helped him towards that, and if there is anything that I—along with my friends on the Back Benches—can do to underpin it, we stand ready. As is famously known in this place, the Secretary of State is not the only friend I have who might be influential in these matters.

Mr. Gordon Prentice (Pendle) (Lab): May I ask who will select the members of the independent commission?

Mr. Brown: I am happy for my hon. Friend to do that, but I suspect that the Government will appoint someone of national standing and independent character, so that the independent commission can consider the issues and we all have an opportunity to put our views to it—including the National Union of Students.

I think I can say something that will genuinely help the hon. Member for South Suffolk. I agree with him that inherent in the proposals as currently structured is a failure to meet what the funding gap is said to be. There is clearly an issue involving moneys for the universities. I do not think that the flawed market mechanism that the Government are introducing will deal with the gap without compromising fairness. It is essential to examine alternatives, and I agree with the hon. Member for Wantage (Mr. Jackson) that it is perfectly reasonable to consider mixed funding. There is no reason why that proposal should not be at least considered, for it is entirely rational. I also think it reasonable to consider alternatives proposed by the Opposition in general. [HON. MEMBERS: "What are they?"] Even given my reduced circumstances, it is not for me to say what the Opposition's proposals are. I respectfully suggest that it is for the Opposition to say what they are. Perhaps, having identified the funding gap, they could present their proposals for dealing with it. After all, a funding gap must be filled with money, and the money must come from somewhere.

Mr. Patrick Hall (Bedford) (Lab): Will my right hon. Friend give way?

Mr. Brown: If I remember the new rules correctly, only two goes are allowed—but I will give way.

Mr. Hall: Does my right hon. Friend accept that the £1 billion a year that it is estimated will be raised by variable fees will represent 68 per cent. of the revenue shortfall identified for English universities? Is that not a significant contribution?

Mr. Brown: It is a significant contribution, but much depends on who we listen to. There is indeed a shortfall, as everyone accepts. According to some, it is a significant shortfall. The shortfall will have to be dealt with, but I think it wrong that the market-based solution was sold to the universities as the only solution on offer. There are other ideas, good ideas, that are worth exploring—and now at least we have the opportunity to do that.

Let me make myself perfectly plain. I favour a graduate contribution based on earnings—the earnings of a youngster who has benefited from higher education—rather than on the financial position of that youngster's mum and dad. That is my view, and it is comparable with what is in the Labour party manifesto. I do not think there is anything wrong with continuing to argue for it, and there will be an opportunity for those of us who hold it to put it to the commission.

Of course I realise that that is a double-edged sword. As with any argument, it will be perfectly possible to lose this argument—don't I know it? But at least we have a chance to make the case again. Indeed, there are

[Mr. Brown]

elements of just such a scheme in the Government's current proposals. We are not as far apart as it may seem.

Lembit Öpik (Montgomeryshire) (LD): Will the right hon. Gentleman give way?

Mr. Brown: You will put me right on this, Mr. Deputy Speaker. Am I allowed to take a further intervention?

Mr. Deputy Speaker: Whether or not the right hon. Gentleman takes an intervention is entirely a matter for him.

Mr. Brown: I am relatively new to this. Despite all the things I have done in this place, the experience of being a Government Back Bencher is entirely new to me—although I think I am getting the hang of it. I can tell the hon. Member for Montgomeryshire (Lembit Öpik) that his intervention would take time from my speech, and that he will be able to make his own speech later. I cannot take any more interventions.

On the question of how we treat our manifesto pledges, there is the separate issue—although this point is, of course, addressed to the whole House, it particularly concerns my hon. Friends—of how we treat our party. The issues that we are discussing today should have been discussed in the Labour party policy forum. We would be in better shape—and so would the proposals—had we gone through that exercise first to test the ideas in front of our hon. Friends and colleagues whom we expect to support us before rallying behind the agreed proposals. Instead, the proposals were presented to us first, there was a demand that we should agree with them and we put up a fight to try to amend them so that they could be agreed. One of the concessions is to put the commission's work through the party's policy-making process, which will allow us in the Labour party an opportunity to argue our points of view.

The heart of my objection to the original proposals, which have now been circumscribed, is the remorseless march towards the market. I passionately believe that the "marketisation" of higher education is wrong—for me it is a matter of not only economics and funding but social justice and social cohesion. I shall treat the House to a quote from the "University College Record" by Lord Butler of Brockwell in October 2003:

> "We have also to think about the disincentive . . . But £5,000 or £7,000 or even more does not look intolerable when it is borne in mind that private secondary education may be costing parents £20,000 per year."

That argument is perfectly logical if it is taken in its own terms, but some of my constituents do not earn £20,000 a year, and we must stand up for them.

I want universities to soar, but if they are to do so our people must come with them. These proposals box in the cap and the move towards the market, and I take the Secretary of State at his word when he says that this is not a transitional move to a marketplace and that the proposals are as they stand.

2.17 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): We took the Secretary of State and the Prime Minister at their word when they said in their last manifesto that they would not introduce top-up fees—sadly, top-up fees are being introduced. I was looking forward to a principled debate, but we have had a shabby charade. Labour Member after Labour Member will line up tonight to go into the Aye Lobby to support a Thatcherite policy in direct opposition to what they said during the general election campaign, betraying the principles on which the Labour party is built.

It is no surprise that the British Market Research Bureau, which conducted the latest opinion poll on the issue, says that 70 per cent. of the public are against top-up fees. The general secretary of the Association of University Teachers, Sally Hunt, described top-up fees as

> "the most unpopular policy under this government".

The grand old Duke of York, the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown), led his troops to the hill, and we have seen him lead them back down again—what a shabby performance!

Dr. Nick Palmer (Broxtowe) (Lab): Will the hon. Gentleman give way?

Mr. Willis: No, I will not.

The Bill is bad for students, bad for families, bad for lecturers, bad for universities, bad for taxpayers and bad for the country. It is not bad for the Liberal Democrats, because at the next general election we will remind voters of the promises and what should have happened.

The sadness is that the debate about the future of higher education should be one of the most engaging that this House has ever had. It should be about how we tackle the current inequities between academic and vocational pathways into higher education. The Secretary of State did not mention the unacceptable fact that 45 per cent. of young people who obtain vocational qualifications at level 3 do not end up in university, yet 92 per cent. of those with two A-levels do. That inequity should be debated and tackled. We should debate how we could offer a climbing frame of opportunity to attain higher skills and higher education throughout life, rather than just for students with two A-levels.

Instead, the debate has become little more than a sordid trade-off, with the Secretary of State acting more like Del Boy in "Only Fools and Horses" as he tries to sell dodgy goods to his own Back Benchers. We all know that the Bill is not simply about higher education—the Prime Minister has been at pains to point that out. It is about changing the way in which this country pays for its public services. That is at the heart of it. The Bill is stage one of a process that will see responsibility for paying for child care, transport, and health and social care shift from general taxation to the individual. If hon. Members do not believe me, they should read the Institute for Public Policy Research report when it is published tomorrow. It describes Government policy and thinking on the issue.

Hon. Members should not be fooled into thinking that the Bill is only about higher education: it is not. Why else would we have seen in the past few days

Labour Whips running around Westminster threatening to hand out redundancy notices? They have cajoled and even offered dinner with Cabinet members to ensure that sufficient MPs break their promise to the people of Britain. In an act of sheer desperation, the Chairman of the Education and Skills Committee even resorted to sending out pictures of the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) in brown paper envelopes to recalcitrant MPs to frighten them into submission. How desperate is that?

Hugh Bayley: The hon. Gentleman made the point that students in further education have poorer opportunities than those in higher education. Those in further education face variable fees. Why does he not propose getting rid of variable fees in further education, and why does he propose to spend on universities all the Liberal Democrats' tax increase, rather than spending it on further education?

Mr. Willis: I shall come to the second point that the hon. Gentleman raises—I consider him as more than just a political neighbour—later in my speech, and I assure the hon. Member for Huddersfield (Mr. Sheerman) that I will not do so too late. On the first point, I agree, and our policy is to achieve that objective. It is unacceptable for students in further education to be burdened with differential fees at a time when the whole debate in this House is about higher education. I remind the hon. Member for City of York (Hugh Bayley) that the Bill is about higher education. The Secretary of State makes no proposals to tackle any of the issues that the hon. Gentleman feels so strongly about. As Labour Members seem so keen on reviews, I suggest that he ask Ministers to set up another review to consider those important issues.

James Purnell: Does the hon. Gentleman recall that the hon. Member for Yeovil (Mr. Laws)—his colleague—did not support the Child Trust Funds Bill because he thought that the priority for funding should be children under five, not children at 18? Given that the hon. Member for Harrogate and Knaresborough (Mr. Willis) could fund only one education pledge, why would it all go on those aged over 18?

Mr. Willis: I am delighted that the hon. Gentleman takes such an interest in our policy—and the consistency of it. My hon. Friend the Member for Yeovil (Mr. Laws) is right. The Government intend to spend up to £350 million giving people such as my hon. Friend baby bonds when they have children, but we would prefer that money to be spent on early-years education. It is a tough choice, but mature political parties have to make tough choices.

I have no doubt that the Secretary of State and the Minister for Lifelong Learning, Further and Higher Education are sincere in their desire to put forward their proposals. I congratulate them both sincerely on their willingness to debate those proposals and to be challenged on them. However, when the Bill is lost tonight, I urge the Secretary of State not to throw his toys out of the pram and say that there is no plan B or C. Plenty of other ideas and devices are available.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab) *rose—*

Mr. Willis: I should like to make some progress, because many hon. Members want to speak.

As for the Bill, I have to tell the Secretary of State that it contains elements that are worthy of retention. We applaud the moving of higher education and student support for students in Wales to the Welsh Assembly. That is absolutely right. We support the establishment of an arts and humanities council that will raise the profile of both in higher education. Indeed, that is in stark contrast to the comments that the Secretary of State made earlier about the classics and ancient literature having no great place in higher education.

The proposal for an independent adjudication system is welcome, but I hope that the Secretary of State will seek to widen that so that we have an education ombudsman dealing not only with higher education students, but with further and higher education students and staffing in those two sectors as well. That is overdue, and I hope that the Secretary of State will support it.

Mr. Betts *rose—*

Mr. Willis: How can I resist?

Mr. Betts: I thank the hon. Gentleman for giving way. I should like to be clear as to where the Liberal Democrats stand when they talk about tough choices. When the hon. Gentleman's party has paid for its extra long-term care for the elderly, its extra for pensioners, its extra for the police, its extra for schools and now extra for further education, how will it fund this higher education policy? Can he be explicit about that, so that we all understand where the Liberal Democrats are coming from?

Mr. Willis: Unlike the hon. Gentleman when he was running Sheffield council, when nobody knew where money was coming from or going to, my right hon. Friend the Member for Ross, Skye and Inverness, West (Mr. Kennedy), the leader of my party, has made absolutely clear what our priorities are for a 50p rate. He has made it clear in the House and in a letter to the Prime Minister. If the hon. Gentleman would like a copy of that letter, I shall make sure that he receives one, because I would not like him to be left out.

Although there are good elements in the Bill, they are not sufficient reasons to support it on Second Reading. Despite the so-called concessions, it fails to meet the primary objectives set by the Government in 2001: to bridge the funding gap in our universities, to widen access and to remove the fear of debt for future students.

We accept the need to resolve the funding crisis in our universities after two decades of chronic under-funding. The question is: will the introduction of a market, supported by variable fees and a cap, resolve the funding gap?

Mrs. Alice Mahon (Halifax) (Lab): I am following the hon. Gentleman's argument very carefully, and I think he will find that I agree with it. Twenty-three years ago, I went as a mature student to Bradford university with a full grant and with tuition fees paid. My eldest son went to Oxford. Today, however, I would not face this kind of debt, and my eldest son would certainly have been looking for a cheaper university.

Mr. Willis: The right hon. Lady—the hon. Lady; she should be a right hon. Lady—is absolutely correct. I

[Mr. Willis]

recently attended, as did the Secretary of State, the student of the year awards, which the Assessment and Qualifications Alliance presented at the Queen Elizabeth II conference centre. Much to my surprise, I met there a girl I had taught nearly 30 years ago in my first A-level group. She came from a very poor home in Chapeltown, Leeds. Her son was one of the students who received an award. She came down to London specifically to tell me that she would never have got to university without the support that she received. Certainly, her son would not have received the award without that support. We should never forget that.

Simon Hughes: Like many of my colleagues, I have a sheaf of letters and e-mails from students, many of them medical and dental students. They already have debts of £20,000, £25,000 or £30,000 under the present regime. What is my hon. Friend's information as to the likely average debt if the proposals go through? Is it morally acceptable to send people off into life after education with that amount of debt round their necks?

Mr. Willis: The evidence that the British Medical Association presented this week of medical students with debts of £50,000 to £60,000 gives a flavour of what we shall see in the United Kingdom.

A better example is to take a student who is basically on a £3,000 fee course for three years. Barclays bank estimates that by 2010 that debt will have risen to £33,700. That is a staggering amount for any student to go into the world with. If we are talking about students having to set up pensions—

The Minister for Lifelong Learning, Further and Higher Education (Alan Johnson): Those figures are wrong.

Mr. Willis: The right hon. Gentleman should take that up with Barclays bank, which prepared those figures and which is a fairly reputable institution.

Several hon. Members *rose—*

Mr. Willis: I am moving on.

The issue that I want to tackle is that of whether the market, supported by variable fees with a cap, will resolve the funding gap in our universities.

Mr. Allen *rose—*

Mr. Willis: I want to develop the point, and then if the hon. Gentleman still wishes to intervene he may.

The answer is patently "No". It will be 2009 before the universities receive the £1.1 billion promised from the package. That is the truth—2009. By then, the gap will have increased to a point at which increases in fees will be needed. If the universities are saying that they need £1 billion to £2 billion now, in five years' time what will that gap be? It will certainly not have been bridged by the uprated tuition fees, the top-up fees.The House has to understand that no Government will ever return to plugging that gap purely from taxpayers' money.

Mr. Allen: Will the hon. Gentleman give way?

Mr. Willis: Please let me finish the point.

When Members vote tonight, they must forget all the promises that the Secretary of State has made. The reality is that by 2009 it will not be possible to go back to a system of state funding our universities with flat-rate fees. That is the truth of what we are talking about.

The right hon. Gentleman's latest concession—to put the matter in the Bill in order to have an inquiry in 2009—is an act of desperation. When before has a Secretary of State had to put something into a Bill just to persuade his own Back Benchers that he is not lying? That is the situation that we have got into.

Although I am vehemently opposed to both the flat rate and variable fees, I recognise that the only way in which a market in higher education based on variable fee income can work is to allow that market to determine the fee level. That is the truth, and it is the point that the hon. Member for Wantage (Mr. Jackson) made honestly and fairly. It is the only logical outcome of the policy proposed today. That is why we as a party—every one of our Members, 54 of us—will be going into the Lobby against the Bill tonight on that issue of principle.

Labour MPs who support the Bill tonight must realise that the cap is not sustainable after 2009 because of the injection of funds that would be needed, and we must also realise that by 2014, the year in which the Secretary of State promised Mr. Paxman—and bet his house on it—that the cap on university fees would be no higher than it is now, the higher education system would be in utter and total chaos without the supporting funds.

The prospect of annual fees in excess of £15,000, as proposed by Richard Sykes of Imperial college, is not fanciful. It is not fiction; it is the reality of what we will actually see, because it is the reality in America. How can any Labour Back Bencher be seduced into thinking that such a policy would assist in broadening access for underrepresented groups, and how could it possibly prevent the establishment of a two-tier university system, where students choose both course and university on the basis of cost? The Prime Minister, of course, claims that that will not be the case.

Lynne Jones: We already have a de facto two-tier system. Universities UK's own research shows that young people from disadvantaged backgrounds are disproportionately represented at the modern universities and not represented at the prestigious universities. Is not the problem that the measures proposed today will exacerbate that already bad situation?

Mr. Willis: The hon. Lady is absolutely right, but there are two sides to that coin. Our recent research looking at major cities—Newcastle, Manchester, Liverpool, Leeds and Nottingham—has shown that, on average, roughly 45 per cent. of students studying in higher education go locally for their education, and that that percentage is increasing very quickly indeed. In Newcastle, nearly 70 per cent. of students leaving the Bluecoat school, which is a very high quality, high achieving school, study locally.

Mr. Allen *rose—*

Peter Bradley (The Wrekin) (Lab) *rose—*

Mr. Willis: Please let me finish my answer to the previous intervention.

The other side of that coin—it is a very serious issue—is that we must drive up the quality of what is offered locally, to match whatever there is across the country. We must be able to tell young people, "You have a genuine choice between going local and going away", and it should not be a choice made on the basis of price. That is the point—if the new universities are in the 25 per cent. that do not charge top-up fees and all the rest do, we will create a two-tier system by default, purely on the basis of price. That is something that I do not want.

Mr. Allen: I had almost forgotten what I was going to say—but it was not "I will see the hon. Gentleman in the Lobby tonight". Would the hon. Gentleman consider the question of the market? He seems to be implying that there is not a market already and that there is no variability already. That strikes at the heart of many of the concerns that colleagues on this side of the House have too. There is a market, but it is rigged. It works against the interests of working-class kids who actually get the right A-levels. Will the hon. Gentleman address the question of how, by using social policy, we make a deeply imperfect market a better one for all those who are qualified to go to university?

Mr. Willis: I have a lot of respect for the hon. Gentleman and the way he fights for his constituency, but I do not think that it is possible to tackle inequality simply by creating other inequalities. We must tackle inequality, and I agree wholeheartedly with the Secretary of State and the Under-Secretary with responsibility for skills and vocational education that we must tackle it much lower down. We have to ensure that from 14 onwards there is an aspiration for all our young people to go into higher education through a vocational or academic route or a mixture of those, and that is the big issue that we must tackle. However, I do not want young people to find suddenly, when they go up those routes and get their level 3 qualifications, that there is a financial barrier that prevents them from taking the next route. That is the issue that I am interested in, and that is why I shall vote against the Bill tonight.

As I was saying before those useful interventions, the Prime Minister, I think rather disingenuously, has said that there is no evidence from abroad—from Australia, Canada and the United States—that countries that have introduced contribution costs limit access. That is absolute nonsense. It is impossible to find any research—other than research written in Australia by the man who introduced the fees in the first place, whom the Secretary of State quotes in his evidence—to show that that has not happened. In Australia fee levels have risen by 25 per cent. since 1996, when variable fees were introduced. In America, with its Ivy league, which is reputed to have the Cambridge-style bursary system, only 4.7 per cent. of students from the lowest socio-economic groups go to Harvard and the figure is roughly the same for the other Ivy league universities. In the United States, money counts and money buys you into the best universities. That may be the Secretary of State's vision, but it is not my mine, and it is certainly not the vision I spent my life in education defending and promoting.

I realise that the Secretary of State has tried to mitigate the worst effects of the system, but the Office for Fair Access is a classic fudge. If any Back Benchers have bought that, naivety is not the word to describe them. What will OFFA actually do? The hon. Member for South Suffolk (Mr. Yeo) was right to say that it is a bureaucratic irrelevance and a sop to its critics, and that it will burden universities with meaningless plans. At the end of the day, it has absolutely no powers. It has no powers over admissions, which is surely the key if we are to tackle issues of inequality. It has no powers over what goes into the plans—the Secretary of State has all the powers there—and it has no powers to impose penalties. So what is this guy getting £100,000 for? I would like that job—*[Interruption.]* He must have two children with fees to pay.

One measure that we welcome is the move away from up-front fees, though it was the present Government who imposed them. Few Members present in the House at the time will have forgotten the promise given by the right hon. Member for Sheffield, Brightside (Mr. Blunkett), now the Home Secretary. He said in 1997 that

"the entire objective in taking our difficult decisions has been to put higher education on a firm footing for two decades."—[*Official Report*, 23 July 1997; Vol. 298, c. 958.]

That is why tuition fees were introduced in the first place. My hon. Friend the Member for Bath (Mr. Foster) and I said at the time that that was the thin end of the wedge, which is exactly what it has been. The policy is going ahead by stealth, whether we like it or not. It was designed somewhere in the bowels of the No. 10 policy unit.

Has anyone objectively analysed the new arrangement from the position of a student from a poor background, or even one from a modest income background? For poorer students, there will be a new grant of up to £3,000, but the benefit will come only if the student attends the cheapest course at the cheapest university. That would make the student £1,500 better off. If students go to a good university on a £3,000 course, they will receive £3,000 up front and be left with a fee of £3,000 to pay. Will hon. Members explain how a student is better off on that account, because I simply do not understand it? If, by contrast, students go to a university that charges the £1,200 fee, they will have £1,500 of disposable income to spend. They will not get the bursary, but they will not have to pay the full fee.

Geraint Davies (Croydon, Central) (Lab): Does the hon. Gentleman agree that the introduction of a time limit on repayment means that low-paid graduates—someone on £17,000, for example—would, over 25 years, have to pay £4,500, which is 9 per cent. of the money earned over £15,000? Graduates would have to pay that £4,500 irrespective of the level of fees—whether they were £9,000, £18,000 or £20,000—so payment is linked to earnings rather than fee levels. Furthermore, in the British Medical Association example, where a student faces paying £63,000, he would, if earning £30,000, only have to pay half the fees. It is misleading the House to imply that they have to pay all the fees, because what they have to pay is linked to what they earn, which is progressive.

Mr. Willis: I was hoping that the hon. Gentleman was going to explain something. All he has done is confuse the House even more, so I leave hon. Members to reach their own conclusions.

[Mr. Willis]

It is no use the Secretary of State and the Prime Minister talking about debt as an investment for families for whom debt is a daily nightmare. The Secretary of State should look no further than the research for the Department for Education and Skills that was conducted by Professor Callendar of South Bank university. She said:

"Debt aversion has the greatest impact on the participation of the very group the government most wants to attract into"

higher education. She concluded by saying:

"Top up fees of £3,000 will put even more poor students off university".

That is the Government's own research.

Debt, and the fear of debt, will affect not only applications to universities, but the courses that students will choose and their future life plans. A recent MORI-Unite poll shows that two out of five students who are currently in higher education would have chosen a different university or course if fees of £3,000 were charged. That is the view of real students in real universities.

The principle that students access the universities and courses of their choice on merit must be the only criterion for access to higher education—it is the Robbins principle of access to higher education. The Bill will break that principle, which has been the hallmark of Britain's higher education system for the past 40 years, and Labour Back Benchers will troop into the Aye Lobby tonight to support that.

The Government say that there is no plan B, but they are wrong.

Mr. Soley: Will the hon. Gentleman give way?

Mr. Willis: I am getting on to plan B.

We have a plan B. It is fully costed and meets the Government's objective of putting more money into universities. It would broaden and deepen participation and ensure that graduates who gain a lot financially from their degrees pay back more towards the cost of higher education. What is more, our figures have been analysed by the Higher Education Policy Institute, and its director agrees with them. Our proposals are not difficult to understand. We would abolish fees, abandon any plans for top-up fees, and reintroduce proper maintenance grants of up to £2,000 a year for students from the least-well-off backgrounds. Crucially, we would invest an additional £1 billion—matching the Government's money—in our universities from 2005, not from 2009 when the full impact of the top-up fees policy will happen. There would be more money with less bureaucracy for universities and less debt for students. There would be a saving to the Treasury of at least £450 million for each £1 billion put in to service the debt.

We would pay for our proposals with a concept that has been sadly missing from new Labour ever since it came to power in 1997: fair progressive taxation. We would not use general taxation to find more money for higher education, as the Prime Minister tries to pretend, because we would have a higher tax band for incomes of more than £100,000 a year. Let me remind Labour Back Benchers that our proposal would impose an extra tax burden on the wealthiest 1 per cent. of the population. However, those on the Labour Front Bench oppose the idea that the wealthiest 1 per cent. should pay a bit more tax. In reply to the hon. Member for Watford (Claire Ward), who is no longer in the Chamber, 82 per cent. of those people are graduates who, like the Prime Minister and the Secretary of State, were given a free higher education when they were students and the country was less affluent.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): During the hon. Gentleman's earlier comments, he made great play of the fact that Labour's plans for tuition fees would not meet the escalating costs that might develop over the next five or 10 years. Will he assure me that the current proposal of the Liberal Democrats for a 50 per cent. taxation rate on incomes greater than £100,000 a year would fully fund the scary figures that he projected without prejudicing any of their myriad other spending commitments?

Mr. Willis: I was with the hon. Gentleman until his last comment. He should go to bed with a book rather than a Millbank handout—it does not affect one's health in the same way.

The first part of the hon. Gentleman's question is very genuine, and it is something that all political parties have to answer. My argument is that the Secretary of State certainly does not agree with all that the universities ask for—nor do we as a party—and I am pretty sure that those on the Conservative Front Bench would not agree either. Much of the expansion in resources that they want is for capital projects; some of it is for research, some for teaching. We would have to disaggregate that. The Secretary of State has reached the conclusion that £1 billion is about the right sum to raise from differential fees to put into the universities. We broadly agree with his assessment. The difference between us is that the universities need that money now. Under our proposals, they will get that money in 2005; they do not have to wait until 2006, 2007, 2008 or 2009—four or five years later. By that time, we will have put £5.5 billion extra into the universities to plug that gap.

The Prime Minister argues, in true right-wing style, that a 50p rate would drive high earners out of the country and that all the evidence supports that. Well, it does not. The Prime Minister cannot find a single piece of evidence from a reputable economist—other than one in the United States in 1974—who can, in fact, support that view. Richard Adams, writing in *The Guardian* last Friday, said:

"The wealthiest potential payers probably live in tax havens like Sark and would not be affected".

There is not a serious economic commentator who claims that a 50p rate would have a major impact on tax avoidance. Rather than worrying about losing our richest people, we should be worrying about losing our best graduates. We should be worried about who will do a PhD under the new proposals. Who, when saddled with debts of £20,000 to £30,000, will take on a low-paid research post? Those are the issues with which we should be concerned.

I tell the Secretary of State that we will vote against the proposals tonight not because we are against the thrust of what the Government want to do or against

their broad analysis, but because they are wrong in principle. The Liberal Democrats said so at the last election. We keep our manifesto promises; they break them.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I remind the House that there is an eight-minute limit on Back-Bench speeches.

2.52 pm

Jim Dowd (Lewisham, West) (Lab): Thank you, Mr. Deputy Speaker. I recognise that far more hon. Members want to speak than we have time to fit in, so I will not take any interventions and will just make a couple of points.

First, I congratulate my right hon. Friends the Secretary of State for Education and Skills and the Minister for Lifelong Learning, Further and Higher Education on the way in which they have engaged in this process, which involves what is undeniably one of the most difficult and contentious issues with which we have had to deal since the Government came to power on that glorious day in 1997. I sincerely hope that that process of engagement, of listening, of concession—call it what you like—has not reached a conclusion; that, as we gain a Second Reading for the Bill this evening and as it progresses through its other stages in Parliament, we are able to improve it; and that my right hon. Friends recognise that it can still accommodate improvement.

One of the differences that we have been grappling with this afternoon is that we are talking about equity and opportunity. It strikes me, coming from a very working-class part of inner London, that the gravest inequity is between the higher education sector, which seems to exercise people disproportionately, and the further education sector, largely because the FE sector is almost overwhelmingly working class and does not have the HE sector's clout or influence. I speak as a member of the majority of people in this country who did not have the benefit and advantage of a university education. However, in the House, I am in a singular minority. Even though I have not done the precise calculations, I suggest that the number of hon. Members who have been through higher education is about the reverse of the national figure of 80 per cent. who have not, so I shall consider what the proposals mean for people in my part of south-east London. I am not sure what the Tories propose, but it seems that they want to retain elitism, have no cap and find all the money from public funds in the fullness of time. If student numbers fall, it is patently obvious that it will not be middle-class kids who go without: it will be the working-class kids who we are trying to get into university who will miss out yet again, and higher education will remain the divisive and elitist institution that it has been for far too long.

The famous Liberal Democrat proposal of a 50 per cent. tax rate on salaries of more than £100,000 is a replacement for their magic penny in the last Parliament, which was supposed to fund everything; it is a marvellous commodity because they can spend it time and time again. Even as the hon. Member for Harrogate and Knaresborough (Mr. Willis) was speaking, he added another pledge. He blithely said that, as he wanted equality between higher and further education, he would abolish all FE fees. Does the hon. Gentleman have any idea how much that would cost? Would that be paid for by the Liberal Democrats' magic 50 per cent. tax rate? He nods. I heard him on the radio this morning trying to argue that his party's special tax device was not general taxation.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): But that was this morning.

Jim Dowd: Indeed. It just seems so long ago.

Of course it would be general taxation. If the economic illiteracy displayed this morning is any reflection of the rest of the Liberal Democrats' plans, it is small wonder that nobody believes them and that they will never be in a position to implement their policies.

If there are additional priorities for public money, I entirely agree with my right hon. Friend the Secretary of State—as I am sure do most of my right hon. and hon. Friends—that money should go into the early-years, primary and secondary school sectors, where the building blocks of education and progress are created.

The big issue in my part of the world—which I am sure is shared in urban and working-class communities elsewhere—is not young people being fearful of debt or its consequences in later life but getting working-class kids even to think that they can get into university. A couple of weeks ago I was privileged to visit Forest Hill school in my constituency to see the Aim Higher roadshow, which opens the eyes of kids in south-east London by saying, "If you want to do this, you do not have to be intimidated and think it is something that only kids better off than you can do."

If all the Government were doing today was introducing top-up or variable fees, even I would have great difficulty giving that my support. I congratulate my right hon. Friend the Secretary of State because the Bill goes way beyond that by realigning the whole system of student support across the country. I shall support that balancing act this evening because it will change the prospects for many thousands of young people in my constituency by giving them an opportunity that they have previously been denied.

I particularly welcome the abolition of up-front fees, which are a bar to students from families on lower incomes, and the reintroduction of maintenance grants. I also welcome my right hon. Friend's acknowledgement today that fee remission will be bundled up to provide an even bigger incentive. The 25-year cap will mean that debt will not be for life, with repayments reflecting earnings over that time.

The Liberal Democrats say that 82 per cent. of people who earn more than £100,000 a year went to university, so it is fair that they should pay. What about the other 18 per cent. who did not go to university? And if 82 per cent. of high salary earners went through higher education, that shows what a good investment it is, with incomes considerably uprated as a consequence.

Mention of debt aversion really irritates me. It is old fashioned, patronising and condescending: the assumption seems to be, "Working class people don't really know how to handle money. That's why they've got so little." They know how to handle money all right. And they know a bargain when they see one. Higher

[Jim Dowd]

education is a bargain. I fully support this package in the round, and hope that every one of my colleagues on the Labour Benches will do the same.

2.59 pm

Mr. William Hague (Richmond, Yorks) (Con): I am grateful for the chance to take part in this debate, in which the Education Secretary made a number of detailed points and my hon. Friend the Member for South Suffolk (Mr. Yeo) made some powerful points of detail.

Throughout today and before it, it has been fascinating to watch negotiations and concessions unfold; and I have no doubt that that has been as fascinating for the Education Secretary as it has for the rest of us. It is not unusual for a Minister to make concessions when he has said he will not make concessions—that is part of the normal negotiating process of politics; it is quite unusual for a Minister to make concessions he did not wish to make; and it is wholly extraordinary for a Minister to make concessions that he was not aware he was making. That is what appears to have happened in the negotiations—the joviality of the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown) rather confirms that that has happened—between him and the Chancellor. Whether those concessions amount to anything is a matter for debate, but one thing is not really a matter of dispute, and it is the central point on the basis of which I am opposed to the legislation. We all said—the entire House of Commons said—that we would not introduce such legislation. It is not just something the governing party said it would not do; it is not just something the Labour party said it would not do; extraordinarily and most unusually, the manifestos of the three main political parties said that they would not introduce such a measure—*[Interruption.]* And, indeed, other political parties such as Plaid Cymru. With the agreement of my colleagues, I wrote in the Conservative manifesto:

"we will not introduce top-up fees".

The Liberal Democrats made an even grander claim, as parties do when they are more distant from office. "All fees will be abolished," they said grandly. The Labour party said:

"We will not introduce 'top-up' fees and have legislated to prevent them."

What an extraordinarily categoric and emphatic thing to say. It is most unusual for the same promise to be made by all parties. Normally, manifestos contain contrasting promises for the electorate to choose from. But this was the same from every political party, and by my calculation it means that 635 or more of the 659 Members of Parliament stood on a platform of not introducing top-up fees.

Mr. McLoughlin: When the Secretary of State was asked about that, he said that things had changed since the election. Can my right hon. Friend think what those things are?

Mr. Hague: That was one of the weaker parts of the Secretary of State's speech. When asked, he said that the pace of economic growth was unexpected—something that did not amuse the Chancellor, who was sitting three places away from him at the time. The Secretary of State appeared to have no faith in the Chancellor, whereas the right hon. Member for Newcastle upon Tyne, East and Wallsend only has faith in the Chancellor and, extraordinarily, the two have come together in support of the legislation. What happened in the intervening period—the two and a half years of economic growth that the Chancellor predicted—to take the Secretary of State so much by surprise that he had to break a manifesto commitment was not adequately explained in his opening speech.

It is not just the Government who are breaking faith with the electorate—the body politic is breaching their faith. We all go to schools and universities and say, "Politics matters, and your vote matters." We are all ashamed in the House, or we jolly well should be, that only 59 per cent. of people voted in the general election. We tell people that their participation counts, but what are we supposed to say if we pass legislation that the entire House of Commons said it would not pass—if within two and a half years of the election it is passed through the House of Commons in direct defiance of all those pledges? I went to a primary school the other week to talk to the children about Westminster and what MPs do. An 11-year-old put up their hand and said, "But Mr. Hague how do we know, if you are going there for five years, that you are going to do what you said you would?" I said, "We all try." In fact, in that rare spirit of cross-party generosity that comes across us all when we talk to people who do not have a vote for another seven years, I even said, "Mr. Blair tries. We all try. Sometimes it doesn't work, aspirations are unfulfilled, targets aren't met, but we try to keep the promises that we made to the people." What will we say in future?

Mr. Allen *rose—*

Mr. Hague: Will the hon. Member for Nottingham, North (Mr. Allen) be able to say that the Labour party kept its election commitment?

Mr. Allen: I shall say it in my speech, if I am lucky enough to catch the Deputy Speaker's eye. Does the right hon. Gentleman know what the Conservative policy is on the issue? If so, would he tell all the parties present and all those who are watching his entertaining speech at home?

Mr. Hague: The hon. Gentleman knows that the great virtue of being an ex-leader of a party is that one does not have to explain the policies for the future. I am responsible for the past, not for the future. My hon. Friends will explain their policy before the general election, and it will then be the job of every Member of Parliament elected to support that future Conservative Government and every Member of Parliament elected to any party to hold them to account when they are in office to keep whatever commitment they make at that general election. That should be the job of all Members of Parliament in the House.

That is why, even though the Prime Minister has looked them in the eye and asked, "Are you going to be loyal?", it would be better for the health of our democracy if Labour Members were loyal to the voters, kept faith with the country and were true to their word

than if they were loyal to a transient Prime Minister. I have always said that people regard the Prime Minister first with fascination, then with admiration, then with disillusionment, and then with contempt. We are well down that process now. As the waves of contempt close over him in the future, we will still want a healthy democracy. We will still want people to believe that their vote counts, and that what Members of the House of Commons say they will do is what they will do in practice.

Let us not try to claim in the House that none of us has ever made a U-turn or changed a policy. Usually when any party changes a policy, it is because circumstances have changed in some way—there has been a war, there has been a recession, or some new information has come to light. There is nothing that we know now about the state of our universities that we did not know two and a half years ago. There is a serious problem in our universities with academic salaries. There are many serious problems in our universities, but we knew all that at the time of the last general election and we all knew it when we wrote our manifestos.

We did not write those manifestos casually. We are not talking about something that was slipped in by some junior official who went to the printers while the leaders of the parties were not looking. Our commitment went into the manifesto because in each party we had a meeting about it. I was leader of the party when we wrote it into our manifesto, and we had a meeting about it. We asked, "Is everyone responsible for this policy sure that this is right—that this is what we are happy to do if we win the election?" We knew that was an unlikely event, but we still took it seriously. Presumably the same thing took place in the party of Government, which did expect to win the election.

That was a premeditated promise, a categoric commitment, and it is a shameless and ruthless breach of that commitment that the Government are engaged in today. That is why it is a bad day for our democracy if the Bill goes through. It may be a bad day for higher education, or it may be a good one. I do not think it is, but even if it were, it is an overriding argument that when the entire House of Commons has pledged itself to a particular policy, it should do its utmost to keep faith with the country, rather than breach faith with the country.

I know it might be advantageous in a narrow party sense—I am talking about my party—for the Bill to be passed by a small majority tonight, or to be passed by any majority. Then the great agony of negotiating, deciding and voting on it on Report and so on will begin. The right hon. Member for Newcastle upon Tyne, East and Wallsend will continue to make his trips to the Treasury and will become an even more central and powerful figure in the Labour party, and what an awful process that will be for so many of his colleagues. All these things will go on, and Labour Members will parade around at the next election as though they had a placard round their neck that read, "These people do not keep their word." In many ways we are happy for them to parade around with that placard, but it is not good for our democracy or our democratic values.

There are many other objections to the Bill. Although it is presented as a way of escaping further increases in taxation, it is tantamount to an increase in taxation, and a particularly harsh, arbitrary and unfair increase in taxation, because it will particularly hit people on middle incomes who have bright children. The man who said to me a few weeks ago—*[Interruption.]* I will not give way again because I only have 28 seconds left. As for the man who said to me the other day, "I've saved a bit, I'm not going to get any help, I've got three bright children, and I want them all to go to university," what will the Government say to him? Are they sure that the third child is not going to be discriminated against because they are the third child wishing to go to university? It is a bad policy that is bad for democracy in this country and it should be rejected.

3.10 pm

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I follow an entertaining speech, but the former leader of the Conservative party is trying to reinvent the British constitution. I always understood that the parliamentary constitution of this country meant that a manifesto commitment lasted for one Parliament and did not bind the next Parliament. We can agree to disagree on that.

I want to speak briefly on what the challenges of this Bill mean for higher education and for the future of our country. The House should bear two things in mind, one of which is that this country will not survive as a competitive nation unless it uses all the skills of all its people and releases the potential of every child and adult in this country to the fullest extent.

Simon Hughes: Will the hon. Gentleman give way?

Mr. Sheerman: No.

As Chairman of the Education and Skills Committee, which has conducted four inquiries into higher education in the very recent past, I can speak with some authority, as some of the leading experts in the country have given evidence to us. There is no doubt that if we examine our education system, we will all recognise one clear underperformance: the underachievement of many people who come from poorer backgrounds, and the inability of our education system, over 150 years of public education, to deliver the full potential, in terms of educational opportunity, of all our children, however clever they may be. If we examine the graph showing bright working-class children and average middle-class children at two and a half years of age, we find that by the age of six they have crossed over in terms of academic performance. Such a failure is a disgrace to all of us.

I do not agree with everything in this Bill, but I believe that we should support it. I do agree, however, that in 1997, for the first time in the history of this country, a Prime Minister ran—this is a manifesto commitment—on "Education, education, education," as our Government's priority. That was what they were going to deliver, and they renewed that commitment in the following election. That is what mattered. I do not remember a stirring commitment from any Conservative Member.

I remind the House that since 1997 the Government have poured money into those areas in which policy evidence suggests that it is most effective: early years, sure start and the preparation of young children; free

[Mr. Sheerman]

nursery education for four-year-olds and now three-year-olds; an 80 per cent. increase for school buildings; a 60 per cent. increase for junior schools; and a 35 per cent. increase throughout secondary education. We never had such spending previously in the history of this country. That is something of which I, as a Labour Member of Parliament, am proud to put before an electorate. In addition, the provision of education maintenance allowance at 16 is keeping young people from working-class backgrounds in education from 16 to 18—the time at which they can drop out.

That is what we have achieved, and I put this Bill in that context of great achievement. I remember that cheap jibe from the Leader of the Opposition recently—that he was a grammar school boy talking to a public school boy. No one is responsible for the school to which he or she is sent, but we have every responsibility for the school to which we send our children. That is our responsibility as individuals. I have always used and supported, as have most of my Labour colleagues, state schools—we have not preached about the public sector and sent our children to the private sector.

In terms of the context of the Bill, I want to comment on why it is important to invest in higher education and find diverse resources to invest. The Government are wrong if they do not believe that there will be a greater call on the taxpayer over the coming years to invest in a higher education system that really competes with the best in the world. However much money we get from this new form of variable fee, which I support, it will not be enough to make our university sector the most competitive in the world, so more taxpayers' money will be required.

Some of my hon. Friends talk complacently about a two-tier system. Do they realise how many opportunities a child who is sent to the private sector, or to a selective school or grammar school, has in terms of getting to the best universities compared with the ordinary child who goes through the comprehensive system? The system is still rigged in favour of the privileged. The Bill will make a remarkable step towards opening up our universities to all the talents. I am an unashamed elitist, but I want the kind of elitism that is based on a person's potential and grades, not on whom they know, how well connected they are, and whether they are given the best opportunity to get the best A-levels and to peak at 18. I want every child of talent to be able to walk through the doors of every first-class institution in this country.

Mr. Allen: Does my hon. Friend agree that restoring a grant, particularly at the level of £3,000, will be seen as one of this Government's greatest achievements in education? He said that no more money is available for this package, but has he considered the zero rate of interest that will be charged on the loan to pay the fees? That is a Government-preferred rate that could save several hundred million pounds, which could go into making the grant even higher—it might end up going from a standing start to more than £3,000 for people on the lowest incomes.

Mr. Sheerman: My hon. Friend tempts me on to interesting territory. As he knows, the Select Committee on Education and Skills recommended that the zero interest subsidy for middle class families—amounting to £1.2 billion—could have been taken away and used for other purposes, but the Government did not accept that, for reasons that I understand.

Overall, my hon. Friend is right. The package before the House will build on our other reforms to open up educational opportunities in the educational system. As politicians, we should always admit it when we are wrong. I was wrong—and my Select Committee agreed with me—when I came out against the Office for Fair Access. On reflection over the months, I decided that I, personally, was wrong about that. OFA will be part of the process of prising open the system and providing the necessary leverage to ensure that the most talented people can get into any institution into which their talent drives them. In other words, it will do something that universities are loth to do. That is not a criticism. Universities started to talk about top-up fees because they had had 18 years of the Conservatives screwing them into the ground, with more students, fewer resources, appalling pay for lecturers, and no opportunity to do anything about it. In frustration, many said, "We've got to have top-up fees—we need £10,000 or £15,000 to make this a world-class competitive higher education sector."

That is the background. Now, the Bill is introducing the fees policy. It is a good Bill which opens up educational opportunity and delivers in a way that was never possible in the past. Our future economic prosperity depends on investment in higher education. The good life for all our constituents depends on how much we pile into that, and on retaining in our country people with higher education. I recommend the Bill; I am unashamedly in favour of it.

3.20 pm

Mrs. Gillian Shephard (South-West Norfolk) (Con): I draw the attention of the House to the fact that for the past three years I have been a member of the governing council of the university of Oxford, which is an unpaid position.

A year ago, the Government published their White Paper on higher education, which identified a number of problems in the higher education sector. They were primarily that the sector needs to expand—up to a participation rate of 50 per cent.—that it needs more funds, and that participation should widen across socio-economic groups. The House is entitled to ask whether the Bill will solve those problems and, if it will not, to reject it. In the brief time that I have for my speech, I hope to address those questions and to raise one or two others.

The Government's White Paper presents some interesting contrasts with its predecessor: the Dearing inquiry that was proposed to the House in February 1996. In 1996, the number of young people in higher education, after a very rapid expansion, was approaching one in three; at present, about 43 per cent. of people aged between 18 and 30 are involved. In 1996, the UK was spending more on higher education than any country in the western industrialised world. A third of all first degrees were in science, mathematics and engineering. Last year, a third of all first-time graduates had studied business and administration, creative arts and design or social studies.

Like its successor, the Dearing inquiry was concerned with the growth of knowledge, technological advance, international competition, the need for professional flexibility and for updating and upskilling. It, too, had to consider the implications of increasing student numbers; the number of first-time graduates had more than doubled between 1979 and 1996. Unlike its successor, however, the Dearing committee was not asked to assume that a growth in numbers was desirable for its own sake; rather, the inquiry was asked to make recommendations on

"how the shape, structure, size and funding of higher education, including support for students, should develop to meet the needs of the UK over the next 20 years."—[*Official Report*, 19 February 1996; Vol. 272, c. 22.]

By contrast, the Government's White Paper sets a 50 per cent. target for participation in higher education. The basis for that target is, in essence, a political aspiration—that is okay—based on what the Government believe is economically and sociologically desirable. Their justification for that figure is vague; it does not seem to be linked to the requirements of the jobs market. Indeed, the Association of Graduate Recruiters has reported that the majority of its member companies, which include KPMG, Unilever, JP Morgan and, notably, the national health service, finds that the UK already produces too many graduates.

Mr. Robert Jackson: During my right hon. Friend's visits to Oxford, has she encountered the Higher Education Policy Institute, which has produced papers showing that a reasonable projection is that student numbers will rise to 50 per cent. by the end of this decade? That is a projection, not a target, and it flows from the fact that all Governments—like our own party—are committed to the idea that all qualified young people who wish to enter higher education will be able do so.

Mrs. Shephard: That happens to have been my position. I am perfectly well aware of the existence of the institute and indeed have been in touch with it.

My point is that the Government have a perfect right to aspire to a 50 per cent. participation rate in higher education, but they do not have the right to convey the impression that there is an objective justification for such a target, nor to assume that without such justification they will necessarily carry the day with those who have to foot the bill or, in other ways, accept the consequences. The Government must also accept that since that 50 per cent. expansion is part of the higher education funding crisis—in their terms—they must be able to justify it and persuade others of the rightness of their arguments.

Jonathan Shaw (Chatham and Aylesford) (Lab): In the light of the comments of the hon. Member for Wantage (Mr. Jackson), will the right hon. Lady tell the queue of parents whose children have two or more A-levels that they will not have a university place?

Mrs. Shephard: My point is that admission to university should be based on merit and capability, not on targets set by the Government according to what is politically desirable. That point is shared by many academics, including Professor Alan Smithers of Liverpool university, who has said:

"Higher education has been expanded as a superior form of youth training to keep down unemployment. There are a lot of courses which don't lead to a good understanding of the world or equip students for a job."

Those are his words, not mine.

Alan Howarth (Newport, East) (Lab): Will the right hon. Lady give way?

Mrs. Shephard: No, I shall not give way again.

What will the Bill do to address the second problem—that of underfunding—bearing in mind that the Government are in part the author of their own misfortunes? Will its proposals improve the funding position of the universities? Professor Michael Sterling, the chairman of the Russell Group, thinks not. In *The Times* on 8 January this year, he said:

"We have all got ourselves into a mode of belief that what is in the Bill will solve the problem. Everybody knows that it won't, including Charles Clarke."

It is true that he made those remarks on 8 January, and that 26 or 27 concessions have been made since then, but the principle is still a good one.

The cost of the proposals in the Bill will be more than £1 billion, as the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown) has confirmed. That cost will have to be met from the higher education budget, because top-up fees will raise less than £1 billion, once the cost of bursaries has been taken into account, not to mention the cost of any further concessions. There could be another one tonight: who can say? The reference by the right hon. Member for Newcastle upon Tyne, East and Wallsend to the nods and winks from the Treasury was most revealing. Perhaps we shall see more concessions based on such nods and winks. What a pity that the representatives of the Treasury are not in the House this afternoon.

The third problem that the White Paper identifies is the low participation rate in higher education among the three lowest socio-economic groups. On this, the Government have to confront their own broken promises. They broke the promise made in the 1997 general election campaign that tuition fees would not be introduced, when they revealed in their response to the Dearing report that they planned to introduced such fees and that, for good measure, they would abolish maintenance grants. In 2001, they promised not to introduce top-up fees, yet the Bill introduces them.

At the same time, graduate student debt is increasing dramatically. A recent MORI poll published in *The Daily Telegraph* last week found that student debt had risen by 74 per cent. over the past four years, with the average graduate debt standing at £8,000. Quite what kind of blow the Government believe the Bill will strike for higher participation from the three lowest socio-economic groups is not clear, but whatever their belief, it is not shared by university teachers and students. As the president of the National Union of Students has said:

"We must question why the Government refuse to recognise the deterrent that debt is for students from the poorest backgrounds."

The Bill cannot achieve what the Government said in their White Paper needed to be done. That alone should be enough to persuade any right-minded person to vote against it, but there are other, more fundamental

[Mrs. Shephard]

objections. Not least is the fact that the Government, having trumpeted their intention to give universities and colleges more independence, are introducing a Bill that will, unprecedentedly, impose financial penalties on institutions that fail to introduce approved admission criteria. This extraordinary control-freakery in pursuit of a social, rather than an academic, agenda has never been seen in this country before. It is to be expected, however, from a Government who have shown time and again, today and during the wider debate, that they regard universities, in part, as instruments of social policy, while ignoring their real role, which is to create and disseminate new knowledge and to preserve and transmit to future generations a body of knowledge inherited from the work of earlier generations.

I accept that universities should, and almost always do, make every effort to disseminate what they can offer to students, provide outreach programmes and preparation courses, and sell their wares across the country. However, if they are to remain the guardians of academic excellence and freedom, they must be allowed to admit on merit alone.

James Purnell: Will the right hon. Lady give way?

Mrs. Shephard: No. The Government are the authors of their own misfortunes. The electorate are repelled by their cynical ditching of their election pledges—not once, but twice. The electorate can see that these proposals will help neither students nor higher education and that they will deter, not encourage, young people from less well off homes to enter higher education. They will also strike a fundamental blow at the independence of universities.

Finally, the Government's inability, despite a majority of 164, to handle their own affairs will not be lost on the voters. The Bill should be opposed.

3.30 pm

Alan Howarth (Newport, East) (Lab): In the early 1990s, as higher education Minister, I thought hard about how to retrieve the universities from what was already a gathering financial crisis. I concluded that we should move towards top-up fees. I was indeed edging in that direction when my Secretary of State, the right hon. and learned Member for Rushcliffe (Mr. Clarke), genially kicked top-up fees right out of play. It is true that they were not practical politics then. The new student maintenance loans were still controversial and the Inland Revenue refused to have anything to do with administering repayments by graduates. Now, more than a decade later, I very much welcome the Bill, as well as the package of student support and funding for the universities, introduced by my right hon. Friend the Secretary of State.

The Government's policy is fair to students. Up-front fees will go and students from low-income households will be vastly better supported by grant, fee remission and bursary. Loans for maintenance will be increased to match average student expenditure on essentials. That means that no one will be unable to afford to go to university.

The loans will carry no real rate of interest. Critics who worry about debt aversion and graduates being locked into additional debt should acknowledge that the Government are not plunging students into mortgage-type debt, credit card debt or loan shark debt. There is nothing for students to be scared of in these changes. While graduates are earning less than £15,000 or not earning at all, no repayments will be required. On earnings of £20,000, graduates will repay annually only half what they presently repay. Outstanding debts will be written off after 25 years. It is a very good deal indeed.

Mr. Tim Boswell (Daventry) (Con): The right hon. Gentleman, who shared responsibilities with me at the time he refers to, has mentioned a repayment threshold of £15,000. Would he care to speculate as to what the starting point would be under the mortgage-type loans, which he traduces but which he and I administered under the Conservative Government? Would it not already be more than £20,000?

Alan Howarth: We can certainly say that raising the threshold is a substantial improvement and that the important thing to do is to work towards creating better conditions—more propitious conditions—for people to go to university.

The Government are being fair to students in holding down the maximum annual repayable fee to £3,000. If in due course it is proposed that the maximum fee should be raised in real terms, we will all need to think very carefully indeed in considering graduates' income and expenditure patterns. People need to save more for their pensions while shouldering prodigious mortgage costs, bringing up children and, possibly, caring for elderly relatives. They will have to repay university fees as well as student loans. I hope, for the sake of universities, that the £3,000 maximum fee is eventually increased somewhat, but it must be affordable for graduates.

Mr. Allen: Will my right hon. Friend make it clear in terms of repayment of fees that no student and no parent, rich or poor, will pay anything? Graduates will repay the fees, and do so at the rate of £5.25 a week when they are on £18,000 a year and at only £25 a week when they are on £30,000 a year. As my hon. Friend the Member for Lewisham, West (Jim Dowd) said, on an interest-free loan, everybody can realise what a great deal that is.

Alan Howarth: I am greatly looking forward to my hon. Friend's speech.

Variable fees are fairer to students than flat-rate fees. This infamous marketisation will mean, within the strict limit that the Government are imposing, a dynamic of accountability that will help to ensure the responsiveness of university departments to their students. It would plainly be unfair if the Department for Education and Skills, like so many "Gosplanners", were to impose a single tariff for every university course whatever its academic level, quality, cost, popularity and value in the marketplace. I welcome the new powers for the Welsh Assembly, but I urge my Assembly Member colleagues to reconsider their position on variable fees.

I am pleased that my right hon. Friend intends to move towards abolishing the means-testing of student loans. That, too, will be fair to students because it will confer on them financial independence from their

parents and therefore treat them as young adults, like their peers who left school and went more or less straight into paid employment.

The policy is fair to taxpayers as well as students. Everyone gains from excellent universities, which are the trustees of our civilisation and inherit, transmit and develop our culture. They ensure that we continue to have a worthwhile life of the mind. Whitehall, in its obsessive materialism and instrumentalism, often ignores that. Whitehall validly recognises, however, that, without more university education, we will be less prosperous. Universities are therefore a public good and the Government are right to plan to increase expenditure on higher education and envisage that five sixths of funding for universities should derive from general taxation. The income from top-up fees will be only one sixteenth of the amount that the taxpayer will provide. That contrast has not been sufficiently noted.

Equally, it is right that taxpayers should not be required to pay for all the increase in funding for universities. Graduates enjoy a large personal benefit culturally and materially from their higher education. Eighty-two per cent. of taxpayers have not been to university. I cannot ask my constituents in disadvantaged wards of Newport, East to foot the bill for all the private and personal gain of university students.

Mr. Rendel: Will the right hon. Gentleman give way?

Alan Howarth: No. Any extra revenue from taxation available for education should go towards improving education from infancy onwards. Precisely because we want more people from disadvantaged backgrounds to go to university, our priority for public expenditure must be pre-university education so that we raise aspirations.

My right hon. Friend's policies are fair, too, to the universities. The Government are providing significant financial relief. Top-up fees may bring in £1 billion; a £3,000 fee is a 30 per cent. increase in funding per student; and £1 billion represents 10 per cent. of planned public expenditure on the universities—a significant proportional increase.

The financial plight of the universities as it is, even after the Government's important improvements in funding since 1997, remains dire. Libraries and laboratories are miserably and stupidly underfunded, buildings are dilapidating, staff-student ratios have drastically deteriorated, the findings of the latest research assessment exercise were not honoured and, most unjustly and foolishly of all, academic salaries have become a pittance.

The extra £1 billion from top-up fees comes, of course, on top of the Government's commitment to increase public spending on higher education by 6 per cent. a year in real terms over the next three years, rising to £10 billion in 2005–06. Although that increase falls short of the £10 billion over three years for which Universities UK has—reasonably enough—bid, it will make a big difference. And it is only fair. Universities trebled student numbers in 20 years while maintaining standards in teaching; in 20 years, too, funding per student fell by 40 per cent.; research ratings improved while funding failed to keep pace; academic salaries all but stood still while average earnings in the United Kingdom rose by almost half. No group of workers has increased its productivity more or been so poorly rewarded. Against that record, some of my right hon. Friends should be wary of castigating the universities for poor management.

Top-up fees also have the virtue that they bring a small enhancement of independence to universities. My right hon. Friend the Secretary of State should aim further to increase their independence. The White Paper spoke of the desirability of new endowments. While the Conservatives can dream their dreams, the Government should at least lay the foundation for the long-term creation of endowments. We cannot revert to the vision of that brief moment in the history of the universities—the 25 years between the Robbins report of 1963 and the Education Reform Act 1988—of a fully state-funded system, underwriting students to live and study away from home. We know, too, however, that even as the state has withdrawn from that commitment, it has multiplied its intrusions into the affairs of universities, with a change to the legal status of tenure, the Secretary of State's ever more detailed and prescriptive letters of guidance to the Further Education Funding Council and bureaucratic Pelion piled on Ossa.

Now the Bill creates an Office for Fair Access. Its purpose is unexceptionable; the state has legitimate claims to make, but I find the notion of a regulator for universities disquieting. I hope that my right hon. Friend ensures that OFFA operates with the lightest touch and, that as the Government increase the financial independence of universities, they will become less dirigiste, trust the universities more and allow them scope as free centres of knowledge, thought and teaching.

3.39 pm

Mr. Michael Jack (Fylde) (Con): I find it somewhat odd to speak in a debate in which the Government of the day include two former presidents of the National Union of Students who, when they stood on those conference platforms and made their speeches defending the interests of students, would not have dared for one moment to advance proposals such as those that have found their way into this Bill. It seems in a way that they have sold out for a mess of pottage, which I find deeply distasteful and disappointing.

In their White Paper "The Future of Higher Education", the Government rightly say

> "Our economy is becoming even more knowledge-based and we are increasingly making our living through selling high-value services . . . A comprehensive review of the academic literature suggests there is compelling evidence that education increases productivity."

I agree with those two sentences.

Mr. Allen: On a point of order, Mr. Deputy Speaker. Is it not a convention that when a Member names or implies the name of another, the Member in question is allowed to respond to an accusation made in that way?

Mr. Deputy Speaker (Sir Alan Haselhurst): I am grateful to the hon. Gentleman for speaking on the basis of his long experience of procedural matters, but I have not as yet observed a breach of the convention to which

[Mr. Deputy Speaker]

he refers. The right hon. Member for Fylde (Mr. Jack) was engaged in a quotation. The convention is certainly correct, but it is up to him whether to observe it in due course.

Mr. Jack: I am grateful to you, Mr. Deputy Speaker.

In answer to a parliamentary question that I asked about the rate of return to the United Kingdom in respect of investment in higher education, the Minister for Children, the right hon. Member for Barking (Margaret Hodge) said that the social rate of return on higher education for men and women entering at 18 was between 9 and 11 per cent. That is a superb rate of return.

The White Paper points out that the more that is put in, the more the nation gains. That is why investing in its brightest and best is the right thing for the nation to do, and why it is wrong to do as the Bill does and put barriers in the way of access to higher education for talented young people.

Mrs. Lorna Fitzsimons (Rochdale) (Lab): After being named, I had given up hope.

As one of, in fact, six former presidents of the NUS present in the Chamber, all of whom support the Government's proposals, I can safely say that I am on record as supporting a graduate tax when I was president.

Mr. Jack: The two former presidents to whom I was referring are the Foreign Secretary and the Secretary of State for Education and Skills, who, unlike the hon. Lady, were of my vintage.

Let me say a little more about the rate of return to the nation. The House of Commons Library has calculated for me that graduates who, by definition, are earning more are paying more in taxes. There is already a tax differential of some £2000 a year between what a graduate pays in tax and what a non-graduate pays. On that basis, the nation is earning a very good rate of return on its investment in graduates.

I believe that, as a point of principle, it is right for the nation to invest in its brightest and best for all our good. The young lady who tackled the Prime Minister on "Newsnight" asked whether the dustman would not be glad that she, a doctor-to-be, had used her skills and talents to provide the cure that he needed without being deterred from entering the profession—like many graduates who wish to become medical students—by talk of £60,000 of debt.

Jim Sheridan (West Renfrewshire) (Lab): Some of the lowest earners in the country—certainly in my constituency—are paying taxes so that people can be educated in public services, only for them to take their skills abroad. The taxpayer gains no benefit from his investment in education.

Mr. Jack: One would hope that anyone financed by public funds would give something back to the United Kingdom. I take the hon. Gentleman's point, but an economy that is driven increasingly by cerebral activity must invest in its brightest and best. I do not think that variable fees are the best way of proceeding with that agenda.

If the Government were not worried that the increased cost of higher education would put people off, why have they set a level of £15,000 below which they will fund and above which they will not? If the cliff edge is £15,000, a family with an income of £20,000 would face a difficult situation. We have discussed large debts, and in my judgment they will put people off. The magazine "Public Finance" surveyed finance directors of major companies and found that 85 per cent. of them believe that the increased cost of higher education will put people off, which is the reverse of the objective of Government policy.

I am the father of two young men who graduated last year, one as an economist from Loughborough university, the other, after six years of study, as a doctor. I calculate that with top-up fees it would have cost the doctor approximately £50,000 and the graduate economist approximately £25,000. Whatever anybody says, such debt or cost levels are bound to affect people's university choices.

The vice-chancellor of the university of Central Lancashire explained his worries to me about the effect that the advent of variable fees will have on the choices that people make about education, and he definitely anticipates the introduction of a two-tier system. I would not like a bright potential doctor from a low-income background to examine the debt repayments that they would face and decide that they would not necessarily go into medicine and would look for a cheaper alternative. That is not the best way to harvest the human skills in this country.

Alternative sources of funding have not been discussed so far in this debate. The House of Commons Library analysis of the resources of higher education institutions produced some interesting information. In 2000–01, for example, the Oxbridge group of universities achieved 10.6 per cent. of their income from endowments and investments while the totality of universities achieved only 2.2 per cent. from such sources. The same data shows that while the Oxbridge group of universities achieved 33.4 per cent. of its income from research and development through research grants and contracts, the totality of universities achieved the low figure of 16.4 per cent. from such sources. If one considers the income from research and development and endowments as well as the possibility of former university students paying money back to their colleges, it is clear that there are alternative ways to bring in substantial sums of money to assist the universities and make them less dependent on an effectively limited sum of money from general taxation.

We must think carefully about the different ways in which higher education can be gained. The Open university is a remarkable institution. I tabled a parliamentary question that illustrated that under the current arrangements the cost to a graduate of the Open university is £4,400. I know that all young people want to go away and establish their independence—it is a wonderful experience and I am privileged enough to have had a university education. However, in the times in which we live we may have to examine other methods. We should carefully examine expanding both the Open

university and vocational degrees, which the Government are currently developing, and consider ways to increase access to higher education via extended learning. We should look at reducing the costs of higher education for some people to try to get us off the treadmill that the only way to acquire a university degree is by the conventional route into our current institutions of higher education.

There are inconsistencies. The son of a family friend graduated two years ago from Leeds university with a geography degree. He examined the world of work and decided that by going to his local college of further education and retraining for a plumbing qualification at effectively no extra cost to him he can enhance his salary from what he could have earned as a graduate.

Such inconsistencies point back to an issue that has already been raised by right hon. and hon. Members in this debate: the real key to educational opportunity in the United Kingdom lies in improving the output of our secondary education sector. That is how more doors can be opened to the brightest and best in our society to go forward to higher education. We need innovative and lower cost ways of obtaining that education, but above all we must maintain a high level of public investment in our higher education—our universities—to maximise for Britain the potential in humankind. Investing in people is a national responsibility: it should be something to which we are all proud to contribute, for the collective benefit of the country.

3.50 pm

Mrs. Anne Campbell (Cambridge) (Lab): I speak as a longstanding opponent of variable top-up fees. Indeed, I put my opposition on record as early as 1997. However, we now have a different proposition from the one that came from the universities in 1997, before the election in that year. The proposals are for capped fees and include considerable help for poorer students. I shall come back to that point because although the changes do not satisfy my concerns completely, the present proposals are much better than the original ones, which would have allowed the universities to raise unlimited sums from fees.

The money has to come from somewhere. That recognition is sadly lacking on the other side of the Chamber. Reducing student numbers or trying to constrain how many people can go to university cannot possibly be the answer. To tell a young person with two good A-levels that they cannot go to university because the Government cannot fund enough places would be cruel and unnecessary. It would also lead to poorer economic performance in the long term. The Liberal Democrat proposals to fund higher education completely from taxation are dishonest. If we considered the totality of taxation raised, we would find many other areas that were more important to social equality than higher education.

Dr. John Pugh (Southport) (LD): The hon. Lady uses the word "dishonest". Is she not simply saying that we have different priorities? The fact that we have different priorities from you does not make our proposal dishonest. Will she elaborate on what she means by dishonest?

Mr. Deputy Speaker: Order. The hon. Gentleman must use the correct parliamentary language.

Mrs. Campbell: I shall elaborate on what I meant when I described the Liberal Democrats' proposals as dishonest. They pretend that everything can be funded by a small increase in taxation. It is easy to talk about 1p on the general tax rate, or increasing top-rate tax to 50 per cent., but they do not say how that would fund all the different promises that they have made or how much those promises would cost.

Lembit Öpik: Will the hon. Lady give way?

Mrs. Campbell: No, I shall not give way again. I have answered the point.

Because of my opposition to variable fees, but also because I recognise the good aspects of the Bill, I decided to ask my constituents what they thought and I conducted a survey by several different means. The *Cambridge Evening News* helpfully published one of my consultation survey forms. I also distributed paper copies to schools and asked them to ensure that pupils from year 11 upwards answered my questions. I had an online consultation on my website, and the Cambridge university students union conducted a very similar one on its website.

I found that I received very different answers from different segments of the population. From the *Cambridge Evening News*, from the hard copies and from my website, which had around 650 responses, the results were as follows: 36 per cent. would prefer to retain the status quo; 29 per cent. thought that I should support the Government; and 36 per cent. were undecided. I also received some very good comments as a result of those surveys, and I shall return to those later.

The Cambridge university students union survey received 835 responses, showing very different results: 73 per cent. were in favour of the status quo, compared with 18 per cent. who wanted me to support the Government; and 9 per cent. were undecided.

Lembit Öpik *rose*—

Dr. Palmer *rose*—

Mrs. Campbell: I give way to my hon. Friend.

Dr. Palmer: I am very grateful to my hon. Friend, not just for giving way but for giving me permission to conduct the same survey on the Broxtowe website. I confirm that her results were not a flash in the pan. In Broxtowe, more than three times as many favoured the Government's proposal as favoured the status quo.

Mrs. Campbell: I am conscious that the students union ran a big campaign to try to get people to pressure me into voting against the Government on this matter. The students concerns must be taken notice of. In the past 24 hours, I have gone back to both students union presidents, Ross Tuckley at Anglia polytechnic

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university and Ben Brinded at Cambridge university, to discuss with them in more detail exactly what their objections are. They both told me that their principal objections concern variability—the variable fees—and fall into roughly three categories.

The first is the cap, and fears about raising the cap. I appreciate the promises that have been made and the fact that there are constraints in the Bill. I know that it will take a vote on the Floor of both Houses to raise the cap, and that my right hon. Friend the Secretary of State has made an undertaking, which is very much appreciated, that the cap will not be raised until the election after next. However, as one student put it to me, we would be letting the genie out of the bottle. Whether the cap goes up in 10 years' time or 12 years' time, or whenever it is, that will still lead to a far greater degree of variability between courses than exists at present.

I understand that a possible amendment has been discussed with my right hon. Friend, who is not inclined to accept it at the moment. I would certainly support an amendment in Committee or on Report to limit the raising of the cap to inflation increases. I hope that we shall be able to discuss this matter during the Bill's passage.

The second objection is that variability will lead to a two-tier university system, with cheaper courses leading to an inevitable decline in quality at some universities. My right hon. Friend has written to me about this. I received the letter just a few hours ago, and I am grateful to him for it. He tells me that the Higher Education Funding Council is conducting a review of the way in which it allocates funding for university teaching. That could lead to the possibility of a greater Government subsidy for universities that might be disadvantaged because they cannot attract the same fee. I hope that that is so, because it would be a very positive move.

The third objection is that students will choose their university according to cost, rather than opting for the one that best matches their attitudes and abilities. I am delighted that an independent commission will examine the effects of the new funding regime. It is important that that be done as soon as there is any evidence that there is a basis for this objection. It is a real concern.

My difficulty is that, although I have considerable concerns about variability, I do not want to lose those aspects of the Bill that end up-front fees, reintroduce grants, and produce a higher rate of loans—so that students do not have to take out commercial bank loans—and easier debt repayment.

One of the reasons why I intend to abstain instead of voting with the Opposition tonight is because of two e-mails that I have received from constituents as part of the survey. Both are from Cambridge university students. One, who is the first in his family to enter higher education, having attended a comprehensive school in the north-west of England, says:

"I believe the Government's proposals are the only viable way forward for the future of university funding. After discussing these matters with my family, we all came to the conclusion that I would have been in a much better position had I gone to university under the system as outlined in the Government's proposals."

Another student, who is quite active in the students union, says:

"I work voluntarily at a youth"

club on one of my council estates in Cambridge,

"and meet many kids who will probably never go to university, but this is not because of fees, this is because of their nursery education, their primary education, their poor nutrition, their lack of after-school clubs. I grew up on a council estate and under the Tory party my family were so poor that there were times when the only meal I got was"—

Mr. Deputy Speaker: Order.

4.1 pm

Mr. Simon Thomas (Ceredigion) (PC): I want to explain why I and my colleagues will vote against the Bill tonight, and why we will do so on the basis of the Bill as we see it and read it, not on the basis of hidden promises—letters being sent to Back Benchers on all sorts of deals that are being stitched up here, there and everywhere. We need to debate the Bill and the effect that it will have on the current higher education sector. I hope that the Bill does not pass into Committee, but if it does, we shall be able to see how it may be improved.

The problem of funding higher education is shared across England and Wales. The leadership of Welsh universities, however, holds a different view of the Bill from that of Universities UK. Two thirds of Welsh vice-chancellors have said that they oppose the Bill—so some vice-chancellors do oppose it. In the past couple of weeks, I have had the benefit of being part of a Royal Society exchange programme with a scientist at the university of Wales in Aberystwyth, and I have learned through discussions with him and his colleagues just how deep is the crisis in our research institutions—in funding and so on.

Pete Wishart (North Tayside) (SNP): My hon. Friend is probably aware, too, that almost all the academic community in Scotland opposes the Government's plans for tuition fees. Is it not therefore extraordinary that Scottish Members are prepared to go through the Lobby as voting fodder for the Government tonight, instead of backing the Scottish interest and ensuring that it is protected?

Mr. Thomas: I agree with my hon. Friend. It is clear that the Bill affects Scotland as much as it does Wales, England and Northern Ireland. Given that students move from all parts of the United Kingdom to other parts of the United Kingdom to pursue their higher education, we must address how best to tackle the issues for all students, whichever funding mechanism arrives in those countries.

Lembit Öpik: Will the hon. Gentleman give way?

Mr. Thomas: In a minute.

Yesterday, I met Aberystwyth students on their protest against the Bill, and today I met Lampeter students who were here to lobby me. I have also met members of the Association of University Teachers in the universities in my constituency, so I have come to realise the extent of the salary difficulties currently confronting so many higher education staff.

However, the debate is not just about the funding gap that exists in higher education; it is also about the aspiration gap that holds many young, bright people back and prevents them from entering higher education. We already know that poorer students are 45 per cent. deeper in debt than their richer counterparts. Let me put it like this: if someone whose parents earn £20,000 a year goes into higher education, under the present arrangement they will come out with debts of about £10,000, but if someone whose parents earn £30,000 a year goes into higher education, they will come out with debts of about £7,000. An incredible gap already exists, which puts off poorer students.

I do not accept the idea that it is somehow patronising to think that students from poorer backgrounds are put off by debt aversion. That problem is there in all the facts, all the statistics, and all the work commissioned by the Department itself. It is clear in Claire Callendar's work and in the Rees report commissioned for Wales. Debt, or the fear of debt, is the single most influential factor in putting off students from poorer backgrounds from entering higher education. Indeed, it is cited as the No. 1 factor by three quarters of the respondents to any survey that has been undertaken, in England and in Wales. The Rees report made that point very strongly in the Welsh context.

We must assess whether the Bill deals with the two main obstacles: the funding gap for higher education, and the aspiration gap for many of our brightest and best. For a start, the Bill barely supplies 10, 11 or 12 per cent. of the funding gap—£1 billion out of £8 billion, £9 billion or £10 billion, depending on how we look at it. The Bill is flawed even in respect of what it is trying to achieve, irrespective of whether we agree with the principles. It means that we must still turn to general taxation to meet the rest of the funding gap, which poses the question why, if general taxation is good for £7 billion, it cannot be used for £1 billion. But there we are; the Government have set their hearts against that.

The Bill also poses the question of a return to polytechnics or to two-tier universities in which some are only teaching institutions and the cream do the research. The Bill can only exacerbate the debts already suffered by many students.

Lembit Öpik: I agree with the hon. Gentleman about the crisis that the Bill will cause in Wales if it is passed. On the return to the binary divide, does he agree that it is wholly contradictory for former NUS presidents who fought hard to abolish the binary divide now to support a Bill that will reintroduce it? If there is any lack of honesty, surely it is pretending that somehow the Bill is equitable, when all the evidence suggests that it is not—certainly not for Welsh students.

Mr. Thomas: I tend to agree with the hon. Gentleman, but the real disgrace is stating clearly in the manifesto that something will not be done—indeed, that it will be outlawed—and then doing it. That is even more disgraceful than the changing position of NUS presidents. We all know what sort of positions NUS presidents have adopted over the years to get where they are.

In those two respects, the Bill is bad enough, but there is a final principle that I strongly oppose. It would be enough to drive me through the No Lobby tonight even if it were not for the rest of the Bill and the dog's breakfast that it will introduce into higher education. I mean the introduction of market forces and variability into our higher education system. I cannot believe that Labour Members, having watched 18 years of what market forces did to the communities that they represented when they were in opposition, are so slow witted that they cannot deduce what market forces will do to higher education. The cap will not keep tuition fees down; it will not work.

Have market forces ever been capped in respect of anything that has been privatised in this country? Have market forces ever addressed the real needs of poorer people? It has never happened. We heard from the right hon. Member for Newport, East (Alan Howarth) where the idea came from—straight from the Conservatives into No. 10 think-tanks. I will oppose that in principle.

Mr. Parmjit Dhanda (Gloucester) (Lab) *rose—*

Mr. Thomas: I regret that I shall not give way again, because I do not have much time left and I have already given way twice.

Capping variable fees is rather like trying to be a little bit pregnant: it will grow out of all proportion and all sizes. The Secretary of State, will not be able to stake his mortgage by controlling variable fees. The principle has been yielded and the principle will out.

It is wholly honourable to say that one wants fully to embrace variable tuition fees in higher education. I disagree with it fundamentally, but it is honourable for people to say that that is what they want. What is a disgrace, however, is trying to hide behind reviews, commissions and all sorts of sticking plasters—they are not yet in the Bill, but we are told that they will be introduced in Committee—and pretend that the principle of variability and market forces running through our higher education institutions is somehow not there. It is as if the Cheshire cat was there and now only the grin is left—but the grin is a nasty snarl and grimace in what it means for higher education.

I now want to discuss the fact that the Bill devolves power to Wales. One might expect any Plaid Cymru Member to vote for any form of devolution, but the principle that market forces will exist throughout our higher education system is more important to me than devolution. I do not accept that the Bill is the only opportunity that we will have to devolve powers on higher education to Wales. The Richards commission will report at the end of March, so that is the appropriate time to consider the panoply of powers for the Welsh Assembly and, hopefully, to make it a proper Parliament for Wales. Let us consider what the Bill means in the Welsh context.

Mr. Jon Owen Jones (Cardiff, Central) (Lab/Co-op): Will the hon. Gentleman give way?

Mr. Thomas: I regret not, although I hope that the hon. Gentleman gets an opportunity to speak. He will know that 45 per cent. of Welsh students study in England and that more than half the students studying in Wales are from England. In that context, the Bill makes no sense whatever. The devolution of power to

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the National Assembly is a bit of a nonsense and a sop, because if the Assembly does not have powers on taxation or full legislative powers, it will not be able to address the matter. I would not oppose the measure if it were all that was in the Bill, but given that the Bill will introduce variability and market forces, my hon. Friends and I will oppose it. Moreover, the Secretary of State for Wales, Jane Davidson, the Minister for Education and Lifelong Learning in Wales and, now, the right hon. Member for Newport, East have accepted that top-up tuition fees will inevitably come to Wales at some stage.

I shall tell the House what Plaid Cymru as a party believes in. We strongly believe that the taxation system is the best way of addressing national needs, and higher education is a crucial national need. What is more, it is even more acceptable to fund higher education through taxation when the Government want 50 per cent. of young people to go to university than it was when 25 per cent., 33 per cent. or even 8 per cent. of young people went. The taxation system can, and should, be used to pay for the tuition of students in Wales, England, Northern Ireland and, indeed, Scotland, because that is the best and fairest system.

I conclude with a story from ancient history about the Greek colony of Locri. According to Gibbon, a

"Lochrian who proposed any new law stood with a cord around his neck and if the law was rejected the innovator was instantly strangled".

I am not saying for a moment that the Secretary of State for Education and Skills should be strangled, but the Bill should be killed off at birth. It is the wrong Bill for the wrong time, and it will not help the education sector of this country.

4.12 pm

Mrs. Lorna Fitzsimons (Rochdale) (Lab): It is interesting to be a member of a rare species in the House of Commons—an ex-president of the National Union of Students. It is even more interesting that Opposition Members claim to know what I used to stand for. It is amusing sport because all six ex-presidents stand firmly in the Government's camp on the proposals—*[Interruption.]* I used to spar with the hon. Member for Montgomeryshire (Lembit Öpik) during student politics, and I shall take joy in reminiscing in order to show how absolute overt political opportunism is driving the Opposition parties. I remember negotiating with them when I was president of the NUS, and I have been lobbying people—primarily those on the Conservative Benches—on higher education since 1986.

I was the first person in my family to go on to higher education. I am from a constituency with, historically, appalling representation in higher education. I am dyslexic and I have only two O-levels. When I went on to higher education at a college of art, the Conservative party tried to shut it. When I became president of the NUS, it tried to shut that, too. It failed on both counts, which suggests to me that it will fail again tonight. It will fail due to simple reasons of principle on which all six ex-presidents stand together and are clear.

We all support the idea that more students should access higher education. When I was accepted by Loughborough college of art and design, four equally qualified young people were not. They had exactly the same qualifications as me, so our admission was decided by the luck of the draw. That system squandered the nation's talents. It will not surprise many people outside the House to find that naked snobbery is at play in this place because the only people who would benefit from Conservative Members' blatant opportunism would be those who have always been in this country's elite and have always held the majority of power through knowing the benefits of higher education.

Lembit Öpik: Will the hon. Lady give way?

Mrs. Fitzsimons: No, the hon. Gentleman sought to tell us about the policy of getting rid of the binary divide. Most people outside will not have a clue that the binary divide was the notional divide between the old universities and red brick universities and polytechnics. I was the president of the NUS who happened to think that I was the luckiest girl alive when the binary divide went and we naively thought that there would be a level playing field in higher education. What a silly girl I was! The reality was that there were research universities, universities of research and teaching and teaching universities, and that the quality was stratified because the funding system was stratified and because of the disproportionate benefit of getting research funding into universities. That has given years and decades of privilege in British higher education, so somehow to claim all of a sudden that we are creating a two-tier system is totally and utterly to negate the evidence. I am one at least who is honest enough, having fought and won a campaign, to admit that we were deluded in what the outcome would be. That brings me to the manifesto.

Lembit Öpik: Will the hon. Lady give way?

Mrs. Fitzsimons: I will not; I will continue.

One of the things that I certainly wanted, and still want, from a Government—sadly, we did not get it in the 18 years of the Conservative party being in power—is a Government who are big enough to say, "Sorry, we made a mistake." The most dangerous thing in politics is someone who knows that they made a mistake, regardless of the rights and wrongs, and is not courageous and big enough to admit to it. I, for one, think that the future of our country's higher education system and constituents' opportunities are big enough for us and the Prime Minister to say, "We made a mistake", because that makes for a healthy democracy.

Lembit Öpik: Let me stress that I enjoy sparring with hon. Lady—I may hate the sin, but I still love the sinner. My concern is that she now admits that the manifesto was erroneous. Is she also saying that she and every Labour NUS president that I knew who opposed this kind of funding proposal for students also made a mistake? Is she saying that she made a mistake when she was president of the NUS, and, if so, why should anyone trust the student Labour movement again?

Mrs. Fitzsimons: Because our top priority was the reintroduction of maintenance grants, which is what the Bill will do. The Conservative Government presided over a massacre of the student grant. They introduced the Student Loans Company, which was so costly in its

administration that it was cheaper to give students the money. I do not support any offering from the Conservative party that says that it has any of the interests at heart of any NUS president. I have spoken to 12 of my predecessors, who all support what the Government are doing because they are bringing back for the first time in living memory a decent grant that will help people who are disproportionately disbenefited by the fact that they are not now represented in higher education. Even when we had a full grant, no more than 20 per cent. of the participants in higher education came from the lower socio-economic backgrounds. So this is not all about money.

Mr. Boswell: I am grateful to the hon. Lady for giving way. I detect a certain degree of rewriting history, given our exchanges when I was a Minister and she came to see me. Will she tell the House whether the real value of the maintenance grant that is now on offer will be greater than the real value of the maintenance grant that was on offer under Conservative Governments some 10 or 12 years ago?

Mrs. Fitzsimons: Absolutely and utterly, and I had the debts when I left university to prove it—£4,500. The bottom line in those days was that we had to have three jobs to make ends meet. I come from a background where both of my parents were unemployed for long periods in their lives, and to claim that there was any panacea or great thing in the past is to rewrite history, as the hon. Gentleman suggests. The reality is that I am proud of this package because it recognises the historic disbenefits to the working classes in terms of representation in higher education.

Lynne Jones: Will my hon. Friend give way?

Mrs. Fitzsimons: No, I will not; I have given way enough.

The proposals will also get rid of the historic discrepancy between part-time students, FE students, mature students and overseas students, whereby they have always experienced variable fees. We will now ensure that there is a level playing field. For once and for all, we realise that those in the protected group of three-year undergraduates are not the only people in higher education and that those courses are not the only vehicle for studying in higher education. Ensuring a progression from the early years right the way through is the only way that we can capitalise on people's true potential.

Half a person's brain capacity is developed by the age of six, yet more money is spent on educating undergraduates. That is absolutely and utterly untenable. Having lobbied Parliament on higher education since 1986, I cannot remember such a heated debate about the historical lack of funding for the under-sixes. We need to examine our consciences because vested interests are at play much of the time. I admit that we used the fact that many university towns were marginal seats to win campaigns, but that does not make good policy. I would defend the Bill anywhere because it benefits the vast majority of the constituencies that we represent and it is about honest politics.

As to the binary divide and two-tier system, when I was on the national executive of the National Union of Students polytechnics had to compete for 10 per cent. of the funding council's formula. We thought that meant doom—that the poorest in terms of quality and money would go through the floor and the rich would get better and better. That did not happen. There has been variability in the funding formula—such as the top-up given to Oxbridge and the 10 per cent. for the old polytechnics—from time immemorial, but it has not distorted the market.

The UK has one of the most highly scrutinised higher education systems in the world, although it can go still further in terms of quality. At the time of the debates on Robbins, only 6 per cent. of the population entered higher education. Opponents of the proposed expansion to 8 per cent. said that degrees would not be worth the paper they were written on. I urge caution by those of my hon. Friends who seek to argue that because more people are achieving degrees, they are not worth as much. Media studies have become a euphemism for something that is not a genuine degree course, but the correlation between such courses and employment is sometimes greater than with courses that some people would eulogise as being purely academic. That was the case when I was lucky enough to be an undergraduate. In those days, the Conservative party was trying to close our colleges on the pretext that fine art or textile graduates could not obtain employment. We proved that they did.

This Bill marks a huge, historic move in the advancement and representation of people who have not had the benefit of higher education.

4.23 pm

Mr. Robert Jackson (Wantage) (Con): I intend to vote with the Government tonight. As I agree with the arguments made by the Secretary of State, I will not repeat them. Instead, I will say a few words about the two main arguments adopted by my hon. Friend the Member for South Suffolk (Mr. Yeo). I use the word "adopted" advisedly.

My view of the so-called access regulator is that it is an unnecessary development but may be desirable. I rather share the view of the right hon. Member for Newport, East (Alan Howarth), who hinted at improvements to be made in Committee and in the other place. An access regulator is unnecessary because anyone who is familiar with our universities knows that there is no question of their exercising class discrimination in their admissions policy—either consciously or unconsciously. However, a regulator may be desirable because, as the Chairman of the Education and Skills Select Committee pointed out, there is certainly a problem of relatively low demand for university places among young people from underprivileged backgrounds. I believe the reason is the poverty of academic ambitions and attainments in all too many state schools. The regulator may turn out to have a positive role as a useful source of pressure on such schools to raise their game.

The view of my hon. Friend the Member for South Suffolk, on the other hand, is that the access regulator represents a serious breach of the fundamental principle

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that universities should be completely free to determine their own admissions policies. I agree that there should be no political interference in university admissions.

Mr. Fallon: Surely the distinction is that regulators introduced by statute or Parliament are independent of the Department or Secretary of State who establishes them. The regulator established by the Bill "must" follow the guidance of the Secretary of State.

Mr. Jackson: My hon. Friend has made a good point, which I hope will be pursued in Committee.

I would like to return to the point of principle raised by my hon. Friend the Member for South Suffolk. I agree that there should be no political interference in university admissions, but he has deliberately exaggerated—and I suspect that my hon. Friend the Member for Sevenoaks (Mr. Fallon) has too—the threat posed by the regulator to make a debating point against the Bill.

If my hon. Friend the Member for South Suffolk was genuinely concerned about university independence, he would show a better understanding of the implications of abolishing fees, forbidding universities to charge them and leaving universities wholly dependent on the state for funding. I wonder whether he and other colleagues have ever thought seriously about why Conservatives favour lower taxes. We do so not for the indulgence of greed, nor because lower taxes promote faster economic growth. Why, after all, is economic growth desirable? We favour lower taxes because there is a fundamental connection between financial independence and moral and political independence. Tories believe that individuals and civil institutions alike flourish best in conditions of economic and moral freedom. In opposing this important and valuable legislation, Opposition Front Benchers are failing to make that essential connection, which goes to the heart of the Conservative tradition. I do not believe that a concern for university independence and freedoms that fails to make that connection is genuine.

My hon. Friend the Member for South Suffolk also argued that the universities would be financially better off without the new fees. He takes advantage of the fact that, if the Bill is passed, its first year of operation will inevitably fall outside the Government's financial planning horizon. We therefore cannot know—the Government cannot tell us, except perhaps in nods and winks—what the total sum provided by the Government for higher education in that year will be, although there have been welcome assurances that they will continue to stand by the universities.

There is an obvious sense in which my hon. Friend is right. If money is spent on A it cannot also be spent on B. If we spend money on financial support for students from poor families, we cannot also spend it on funding universities.

Clare Short (Birmingham, Ladywood) (Lab): I follow the hon. Gentleman's argument, but does he think that proposals for a graduate tax would prevent the up-front debt that puts people off going to university? Individual students would, however, make a lifelong commitment to pay something extra for the privileges that they will get. Is that not a better solution?

Mr. Jackson: No it is not, because a graduate tax would be paid to the Treasury and would be part of the general funding that goes to the Government. It would not provide the financial independence, leverage and margin for manoeuvre that is necessary to secure the universities' independence.

To return to my hon. Friend's argument, it is true that if we spend money on A we cannot also spend it on B. That, however, begs a question. To take an example from another field, if we spend money on the Navy we cannot spend it on the Air Force. However, we need both a Navy and an Air Force. By the same token, we need funding both for universities and for students. My hon. Friend the Member for South Suffolk shed a substantial number of crocodile tears on account of the possible deterrent effect of higher fees on students from poor families. At the same time, he denounced, both explicitly and implicitly, the measures that the Government propose to introduce to address the problem. Would he therefore not take any measures to support poorer students? Would he withdraw the maintenance grant? Would he cancel the interest rate subsidy on student loans? Students and their parents ought to be told. Is he serious about these issues, or is he once again just making a debating point to oppose this important legislation?

My right hon. Friend the Member for Fylde (Mr. Jack) spoke about an endowment policy. I am glad that has made an appearance. It was the Conservative party's commitment in its last election manifesto, referred to by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague). Endowment is a fine thing, but are my colleagues, my right hon. Friend the Member for Fylde included, aware that an endowment fund constructed on the model of the Wellcome Foundation, the foremost education charity in the country, would require capital of some £30 billion simply to match the additional income generated by the fees introduced by the Government?

Where will money on that scale come from? Nobody knows. I certainly do not think my right hon. Friend the Member for Richmond, Yorks knows. Let me tell my colleagues something—donors will not give serious money to what they see as state institutions. Why should I give money to compensate for the abolition of fees, which most of those who benefit from a university education are perfectly able to pay?

Funding universities is not rocket science. Looking around the world, it is obvious that there are only two ways to go. I leave aside the idea of an endowment fund, which is more of a fantasy than a policy. One option is that the taxpayer pays the lot and fails to pay enough. That is the European system, which has resulted in the decline of what were once the finest universities in the world, in Berlin, Paris and Heidelberg. Where are they now? This is the path that we, too, have been treading over the past three decades, with the same dismal consequences staring us all in the face.

The other option is mixed funding, whereby taxpayer funding is topped up by student fees. That is the basis of the immensely successful American university system. It

has been introduced successfully in Australia and is being debated and developed in many other countries. This is the option that the Government are proposing and which the Opposition will be voting against tonight.

I will go into the Lobby with the Government with my head held high. The time will soon come when the electorate will ask whether the Conservative party is once again a serious party of Government. I must tell my right hon. and hon. Friends on the Opposition Front Bench that when that time comes, I believe that the way they have chosen to handle this issue will be remembered and will be held against them.

4.32 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): The Bill gives us a once in a generation opportunity to deal significantly with the future of higher education. If we are to sustain widening access to higher education, it is important that we underpin it with firm foundations and firm principles that make that access work. As the hon. Member for Wantage (Mr. Jackson) pointed out, 50 per cent. of young people going into higher education by 2010 is not an arbitrary target plucked out of thin air. It represents roughly the number of young people who will in principle have achieved the educational qualifications to apply to take a course of study by that date.

In the 1990s, the number of people who were qualified to take a course of higher education rose dramatically, and the numbers in higher education rose dramatically, as commentators of the time described it, "as if by accident". That was essentially a response to market incentives to expand, but with no long-term underwriting of those results. As we heard, funding per head of students fell by 36 per cent. during that period.

We heard today from the Opposition that they propose not to have a top-up fee and not to cap the number of students going into higher education. I am not sure what they do propose. All hon. Members in the Chamber are equally puzzled. The only explanation that I can come up with from what we have heard today is that the proposal from the Opposition might return us to the 1990s, with market incentives for institutions to expand: money goes per student, but we do not have the fundamental foundation that is needed to ensure that money for teaching expands, and that the universities have the money in their forward resource accounting to make sure that they can take the numbers that they require and ensure that they are taught and that the degrees are worth it after those students have gone through the university system.

What should this opportunity consist of? It should make a reality of the rhetoric of access. It should ensure that the teaching of a wide access regime in higher education is buttressed by proper funding. If we are to require some of that funding to come from fees, it should ensure that the effect of the fees does not cancel out the gain of access.

Access to higher education, of course, should mean access to all courses in all universities, for all those who are able to take advantage of them, not access to some universities for the members of elite families who traditionally send their children into higher education, and not access to newer universities and new degrees only for those who are making up the 50 per cent. figure. It seems to me that market variability in fees is inimical to those principles. It may mean that if colleges can charge what they like and access has been secured, a new burden in the shape of price, not qualification, arises for the student wishing to undertake the course for which they are qualified. It seems to me that the proposals for this Bill before Christmas did not make clear how that problem was to be overcome.

That issue is much clearer now, however, because of the £3,000 up-front grant for students going into higher education—money in pocket. The hon. Member for Harrogate and Knaresborough (Mr. Willis) did not explain why there is a fundamental difference between fee remission and money up front. Money up front is money in one's pocket to go to university—to marshal one's resources to get to university and to overcome the problem that many students from poorer backgrounds face, of being unable to contemplate how to get to university let alone how to get through it. That is a fundamental change.

Mr. McLoughlin: Suppose that two people do the same job and earn the same money. It is possible that one of them will have to pay back the fee while the other will not have to pay anything back. If the proposal is supposed to be based on what the student earns later, will the hon. Gentleman explain the fairness in that?

Dr. Whitehead: The hon. Gentleman has misunderstood fundamentally what is entailed in moving from fee remission to up-front grants, whereby the poorer student pays the fee and has a grant to undertake activities at university when they go there. The fee repayment is therefore identical for all students, and people will pay the same, as far as fees are concerned, when they are sitting next to each other in the workplace. The difference will be that the student who has gained access as a result of having money up front will be able to navigate their way into and through university and to gain their life chances as a result of that up-front money.

Mr. James Clappison (Hertsmere) (Con): Is it not the Government's case that that money is meant to represent the £3,000 towards the fees, and that part of those fees is being paid already? Is it not unfair to the person who is in the same position later in life that the repayment is based on past income?

Dr. Whitehead: With great respect, I am afraid that the hon. Gentleman is also wrong. Under the new proposals confirmed today, all students would pay the same fee later in life, the difference being that a number of students would have a grant to navigate their way through university—quite a different process.

We heard from the Liberal Democrats that they would fund all this from taxation. I heard from the hon. Member for Harrogate and Knaresborough the interesting proposition that for every £1 billion that is put in under the Liberal Democrat proposals, we will save £450 million. As £450 million, under the Government's current proposals, is the resource accounting budget difference between what we put into universities at the front and what we hope to collect—the money that we lose—it is a wonderful concept that by not collecting the money at all we save £450 million. If that is the basis of the Liberal Democrats' calculations, we do not set much store by them.

[Dr. Whitehead]

The other key point that concerned me when the Bill was first published is whether its provisions would rapidly degenerate into a truly market-variable regime, with the effects on access that I described. My understanding of the original pledge on top-up fees was not that fees would never rise, but that we should prevent a free-for-all whereby universities would charge what they thought the market could bear. The £3,000 cap on fees appears to do just that. The Bill does not propose a market in variable fees—if a market in variable fees means that fees go up as well as down—but, in essence, a fixed fee with discounts.

The crux of the debate is this: are the Government about to cut loose and unleash market variables? People may well have been concerned about that before Christmas, but they must surely change their minds given that there will now be a review of the system after three years and a vote on the Floors of both Houses in the next Parliament on any proposals to lift the cap. It is not possible, as some hon. Members suggest, to slip a raising of the cap through under the negative procedure during an afternoon sitting involving a dozen Members.

These changes should reassure all but the most determinedly distrustful of critics. We have to make a choice on whether we throw away this opportunity to move decisively towards an era in higher education where, although we have not solved the entire problem of funding, we have moved a long way towards ensuring that the teaching of students, the pay of lecturers, the circumstances in which students are taught, and conditions and salaries in universities are catered for through a real increase in provision per student over the years ahead. Moreover, we have achieved a breakthrough in terms of maintenance for students from poorer backgrounds, thereby improving their ability to navigate the system.

Do we throw away those gains because of our belief that the Government might resile from what they have said about the way in which the fee will work in future years? This is not an equation that anybody with the interests of higher education at heart can easily balance without concluding that it is right and important to give the Bill a Second Reading, examine it closely in Committee and ensure that it provides the gains that we have heard about, which are important for the future of access to higher education.

4.43 pm

Paul Holmes (Chesterfield) (LD): When I made my maiden speech in this Chamber on 21 June 2001, standing on this spot, one of my subjects was my opposition to tuition fees, which I explained by reference to a couple of examples based on my experience.

I was the first member of my family, a family living on a large council estate, ever to go to university. In 1975, with an unemployed father and a mother who was a part-time home help, I could not have considered going to university under the existing tuition fees system. Before being elected in 2001, I worked as a head of sixth form. The hon. Member for Lewisham, West (Jim Dowd) said that he is irritated by the patronising and old-fashioned view that debt deters students from lower-income families from going into higher education. I do not know what job the hon. Gentleman did before he was elected, but I was a teacher for 22 years.

Jim Dowd: I am happy to tell the hon. Gentleman that I was an electronics engineer.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) (Lab/Co-op): And a good one, as well.

Paul Holmes: Well, for 22 years, I was a teacher—a head of sixth form in the 12 years prior to my election. So I do not believe that my views are old-fashioned, out-of-date or patronising. As a head of sixth form, I taught and advised year 10, 11, 12 and 13 students, trying to persuade the bright working-class kids, first, to stay on to do A-levels or advanced GNVQs, then to consider going on to higher education.

From the point at which the Conservative Government started to reduce the value of the grant, when grants and loans were 50:50, and from 1997, when the Labour Government introduced tuition fees, I saw increasing difficulty, year by year by year, in getting children from that background to consider staying on and going into higher education.

In my maiden speech, I did not talk about variable fees. There had just been a general election and the Government who won it had given a cast-iron guarantee in their manifesto that they would ensure that variable fees were never introduced. There was no small print saying "just for the next year or two"; it was a cast-iron guarantee. For the past two and a half years, I have been a member of the Select Committee on Education and Skills. We have published two reports—in 2002 and 2003—on higher education, funding and related issues. During our hearings and while we were drawing up those reports, I repeatedly made the points from my maiden speech to which I have just referred, but I was told by some of the Labour Members on the Committee that it was anecdotal evidence and could not be taken into account. They said that there was no hard evidence of debt aversion among students from non-traditionally academic families and low-income families.

That puzzled me, as the Select Committee had taken evidence from Scotland—the Cubie report—which referred to that problem and led the Scottish Parliament to abolish tuition fees and reintroduce grants. We took evidence from the Rees report from Wales which convinced the Welsh Assembly—where, as in the Scottish Parliament, there is a Labour majority—to reintroduce grants and to state that, if it had the power, which London has not given it, it would have abolished tuition fees.

Last year, even more recently, we took evidence from Professor Claire Callendar, about whom we have already heard in the debate. In work commissioned by the Government, she said that there was crystal-clear evidence of debt aversion and fear of debt in relation to the loans that the Government have introduced. We have seen a lot of hard evidence, yet the Government continue to say that there is no proof.

The Government are saying, although they do not use these words, "We accept that we made an abysmal mess of the system in 1997. We introduced tuition fees. We

scrapped grants, even though the Dearing report said specifically that they should not be scrapped. We made an abysmal mess and we are going to undo it by removing the up-front element of the fees and restoring grants". The Government expect to be praised for undoing the complete mess that they created six years ago. On top of that, being new Labour, they plan to create a new mess by introducing variable fees.

Variable fees will inevitably increase debt. When the Secretary of State introduced that proposal, he said that the average student attending a university charging fees of £3,000 a year would leave with a debt of about £24,000. We heard earlier that Barclays bank estimates that the debt would be £30,000. Whether the debt is £24,000 or £30,000, it is a huge deterrent to the people identified as fearful of debt in the Cubie, Rees and Callendar reports.

Variable fees will deter low-income students. Even more important, as many Members have said, variable fees will mean that students who go to university will not make choices based on their academic ability—as they should—but on their ability to pay. They will attend the cheaper universities.

Will variable fees be the thin end of the wedge? Of course they will. When the proposals were announced, the chairman of the Russell group said that they were too little, too late. The vice-chancellor of Brunel university said that universities needed to make increases of more than £3,000. The vice-chancellor of Imperial college said that the college needed to charge £20,000 for medical students and £10,000 a year for other students. Scores of vice-chancellors have made similar comments. There will be vast pressure to increase the fees beyond £3,000.

The Secretary of State tells us not to worry because there will be an independent review three years down the line. In the Select Committee on 14 January, I asked the Secretary of State whether he was saying that there was no alternative to the proposals, and no way, other than through variable fees, of funding higher education to the level needed. In effect, he was telling us to take it or leave it—there was no pick-and-mix approach and if we voted the wrong way the whole Bill would fall. I asked why, if there was no alternative at present, there would be an alternative three years down the line if the independent commission said that the system was a disaster and we should get rid of it. The Secretary of State answered: "I do not believe the review will come to that view".

An independent commission will look into something to which there is no alternative, and the Secretary of State has already decided that it will not come to an adverse decision about the experiment on which the Government are embarking. So what is the point of an independent commission?

We are told to look overseas for examples. Last week, the Education and Skills Committee went to California—not for the beach and the sunshine, as it is winter. We spent a long time in meetings with academics, business men and people from Californian schools. They agreed unanimously that one reason why California, which has a smaller population than Britain, was the fifth largest economy in the world was the massive investment that has been put into higher education since world war two and, especially, since the 1960s. The Conservative party should note that the Californian business men, far from saying that they needed a small, elitist higher education system, were saying that, even though about 60 per cent. of people go into higher education, they wanted more to do so. That is because their economy, one of the most successful in the world, needs more highly educated people, not fewer, as has been suggested by one party.

We were given evidence of variable fees across America. California has the lowest fees in the USA. We were also shown comparative graphs illustrating the numbers of students from low-income families going to university in the different states. We can predict what those graphs showed—although the Secretary of State appears not to agree—which was that, in the states with the highest fees, the lowest number of students from low-income families went to university. Similarly, the states with the lowest fees, such as California, attracted the highest number of such students.

Jonathan Shaw: Was this not also about investment elsewhere in the educational system, including nursery schools, primary schools and secondary schools? Simply to talk about the fees in California and elsewhere is inaccurate. We have to examine the whole picture to understand what determines entry into higher education there.

Paul Holmes: The hon. Gentleman is quite right. He was with us on that trip; he sat in the same meetings and heard the same evidence. He is right to say that the academics, educationists, universities and businesses were all emphasising the massive investment in education across the board, all the way through from early years. They were not suggesting robbing higher education to put money elsewhere; they were saying that they needed money at every level. They did not distinguish, as this Government are now seeking to do, between higher education as something that students should pay for and the other levels of education as something that the taxpayer should pay for.

The hon. Gentleman was in the same room as us when we heard evidence that if, for example, the fees that the "Governator" of California is now proposing were introduced, 100,000 people would immediately drop out of the community colleges—the equivalent of further education—as a result. We heard similar evidence about higher education.

Australia is another overseas example that we should consider, because the Government are copying its fee system. We have already heard that, since variable fees were introduced there, the number of students from low-income families going to university has fallen. What we did not hear earlier is that the state contribution to higher education in Australia has fallen from 90 per cent. in 1996 to 50 per cent. now. In other words, when fees are introduced, students get into debt but the universities are no better off. The students are certainly no better off.

Tonight I shall vote for part of the Labour party manifesto: the part that says that there should be no variable fees or top-up fees at all. I hope that enough Labour Members will come with me to vote not only for their manifesto but for the Liberal Democrat principle that education should be paid for from progressive taxation, not by placing a debt burden on students.

4.53 pm

Dr. Ian Gibson (Norwich, North) (Lab): One of the pleasures of speaking at this time of the evening is that there is no need to be repetitive, because I have heard enough to be able to find new angles, and I am keen to do that. I declare an interest, in that I have spent quite a bit of my life in universities, both in this country and in the United States. I find the people who work here a better class of people in general than the academics I had to mix with, although the backstabbing is just as vehement in both fields. That prepared me very well for working here.

Jonathan Shaw: That is why you are standing sideways.

Dr. Gibson: That is absolutely right.

I feel privileged to be taking part in this debate because this is a very important issue, as Members on both sides of the House have pointed out. It is important that we take this on and do something about higher education, and realise its great value to the economy and for the education not only of young people but of mature students, who represent an ever-increasing force and who contribute greatly to this country. We encourage that with lifelong learning.

I pay tribute to all my colleagues who have been active over the last 10 months in pressurising, sticking together, putting forward arguments on this issue and moving us to where we are today. We are a long way down the line from where we started, and I think that we should congratulate ourselves on having achieved that in a comradely spirit.

Tonight, a lot of people will be taking a position and voting accordingly because they are worried about variable fees. Most of the people I have talked to find variable fees the least attractive of all the issues that have come up in relation to this policy. I want to say something about that, because it has not been exposed to proper debate. Although I do not have time to do that fully, I shall try to do something about it.

Of course we know that there are variable fees in other aspects of the higher education system, but we must ask this question: by extending them to another sector of higher education, will we increase marketisation, market forces and so on to the point where we start to lose the purpose of what education and higher education are all about? That is true with creeping marketisation in any industry or in any aspect of human activity. People can go too far, and if they do not watch out they can end up selling out the purpose. The financial markets take over; they direct the policies. Many people see that, and it was the subject of a debate at No. 11 last week in which many other people of great eminence—economists from across the country—were arguing that one has to be careful about taking a step too far.

People were also worried that this policy was not part of our radical election manifesto—they are sincere about that. For many, it does not sit with traditional Labour values and principles, and I am sure that people still feel that. I want to encourage them to carry on feeling it, in the sense that these are the values that we were brought up with. There is no reason at all to sacrifice them in the debate. We must carry on and fight [illegible]

What really upset me was that we were told the policy is non-negotiable. I thought that everything in life is negotiable. I have been taught all my life that people should argue and negotiate. In doing that, people come to some solution or compromise.

Members may think that there is a strong or incontrovertible argument for establishing the variability principle, but I have been hard pressed over the months to find out what it is. We might have hoped that Ministers would spell out the likely consequences of establishing this extension of the financial market in higher education, but it beats me what they are. Of course, I can ask the Minister tonight to try to convert people, but I doubt whether that will happen after all this time.

Clare Short: The 10 months have gone by, all the arguments have taken place and the concessions have been made. Does my hon. Friend think that it is notable that the Government will not concede on variability, which is the core concern among Labour Members? That suggests that there is a determination to get variability in, come what may.

Mr. Deputy Speaker: Order. Before the hon. Gentleman resumes, may I gently remind him that he should be addressing the Chair?

Dr. Gibson: I am watching my back, Mr. Deputy Speaker. Thank you very much for that. Yes. On the problem of variability, that word has come to mean something magical. People use it and float it about, but what it means in the structure and financing of universities, as well as the setting up of courses and so on, has never really been defined. People have argued that we might be able to use a zero fee to develop courses that are unpopular or that cover shortage areas such as science and engineering. To me, that is absolute madness. Where is the evidence that subject choice can be manipulated by tinkering with fees? Why should students be dissuaded from following their interests and aptitudes by financial penalties?

The exact costs of teaching in universities are unknown. Believe me—I have sat through millions of meetings where people have tried to calculate how much of our money was spent on a course. They added in the cost of technicians and all the other things, as well as students jumping about from course to course, but they never came up with any magic formula. All I can say is that that figure is much more than £3,000.

Science and engineering, for example, are extremely expensive to teach. They need special laboratories and equipment. Compare them with under-fives education: magnetic resonance scanners are not used in primary schools, although perhaps they should be. That is a big expense in higher education, so I am not amazed that the figures are different.

Lower fees will not reflect the real cost, and what we will get in the university structure is cross-subject subsidisation, so all those academics will waste hour after hour arguing about why science gets all the money and all the equipment while those poor arts people, who can charge great sums for creative writing courses, see nothing for that.

Geraint Davies: Does my hon. Friend accept that somebody who faces high variable fees and becomes a

low-income graduate earner will not have to pay them, whereas someone who becomes a high-income graduate earner will have to pay back the money? Surely that is a fair way for universities to tax higher earners and cross-subsidise back into research.

Dr. Gibson: I thank my hon. Friend for his comment. If I had enough trust in university management and believed that the sort of thing that he outlined would happen, I would agree with him. However, it will not necessarily happen; there is no guarantee that the money will be moved in that direction.

Mr. Allen: I congratulate my hon. Friend on the way in which he has campaigned. Nobody doubts his sincerity and we respect his views. People, for example my hon. Friend the Member for The Wrekin (Peter Bradley), can be stereotyped as both rebels and loyalists. Will my hon. Friend the Member for Norwich, North (Dr. Gibson) acknowledge that he has gained tremendously through the campaign? He has probably got 80 per cent. of what he and his colleagues—in whose number I include myself—were after. Will he therefore consider taking the battle into Committee rather than going into the opposite Lobby from his colleagues tonight?

Dr. Gibson: Perhaps my hon. Friend will ask me that question when I have finished. I give him a 2.1 for his attempt, but it is not yet first class.

The Royal Society examined the crisis in science education. Sir Alistair MacFarlane, chair of its education committee, warned that the introduction of variable top-up fees could especially put off students enrolling on some undergraduate courses in science, engineering and technology. There is therefore deep anxiety about the use of top-up fees.

The chair of the Russell group wants to charge maximum rates to attract better staff from other universities by paying higher salaries. It sounds as if national pay bargaining will go through the window. The transfer market is based solely on research: people are recruited to get higher research assessment ratings in different universities. The best researchers do not necessarily make the best teachers, and the best teachers are not always the best researchers. It is lucky if both qualities coincide. I believe that the money will go to research but not teaching—that is a problem when we are considering providing support for undergraduates. One has to know the structures of universities and how they operate. I therefore do not believe that students will get much extra value.

An eminent vice-chancellor said that variability was good because it happens in the United States of America—but so do the death penalty and equal curriculum time for creationist teaching. My goodness, let us adopt it all! There are genuine problems. It has been said that difficulties have been experienced in Australia with variability and delivering for people from lower socio-economic groups. I do not know how one compares courses in different departments and universities. Every one appears valuable to me.

The problems that have been flagged up suggest that we should not accept the Bill, but vote against it.

5.3 pm

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): We recognise that the proposals will not apply immediately in Northern Ireland. Nevertheless, the Bill will have a significant effect on higher education in our region. The Democratic Unionists do not disagree with the basic argument that because individual graduates obviously benefit from a university education, they should contribute to the cost of their courses. However, society and the national economy derive a discernible benefit from producing quality graduates and the country must therefore invest in university education.

There is a problem in Northern Ireland. Our two universities—Queen's university in Belfast and the university of Ulster—recognise that there is a significant funding gap for higher education, and Northern Ireland falls well behind the rest of the United Kingdom in university funding. We feel that that should be addressed.

No matter what the Government say about the reintroduction of the maintenance grant for students from lower-income families and the end of up-front fees, the fact is that the spectre of higher university charges will deter a sizeable number of prospective students, regardless of when and how the fees must be paid. The imposition of additional fees amounting to up to £3,000 a year represents an increase of nearly £2,000 on current levels for Northern Ireland students. I cannot imagine that a 200 per cent. price hike would increase uptake of any product.

Fees are not, of course, the whole problem. Living costs are just as much of a deterrent, whatever the level at which they are set. It is a source of shame that according to a university of Ulster study, only 1.8 per cent. of the male student population in Northern Ireland come from a Protestant working-class background. The Government need to address that as well.

Those students emanate from precisely the sort of area that is poisoned by paramilitary influence, and they are exactly the kind of people whom we want to encourage to go to university. I fear that top-up tuition fees may only serve to alienate further people from deprived communities in many parts of Northern Ireland, and will deter them from seeking a university education.

Northern Ireland's two universities are over-achievers when it comes to expanding access. Queen's university Belfast is the best university in the United Kingdom in terms of attracting students from working-class backgrounds, with the university of Ulster close behind in fourth place. I do not want a system that could cause both those universities to lose their hard-earned status as universities open to all.

The DUP has a number of proposals that it believes can deal with some of the issues I have raised. We think that the Government are wrong to set arbitrary targets such as the one involving 50 per cent. of school leavers entering higher education. We agree with the rationale of the policy—indeed, more people from working-class and lower-middle-class backgrounds should be given access to university and to advantages long denied to them—but the Government are driven by artificial targets that distract them from the crux of the issue, which is the need to deal with the university funding crisis in a meaningful way.

[Mr. Jeffrey M. Donaldson]

We think that business, for example, should be encouraged to contribute to university funding more meaningfully. Business benefits from the creation of excellent graduates. Digby Jones of the CBI has said:

"It's only right that people who have benefited from higher education should pay back a bit more"

He was talking about graduates, but we feel that just as companies engaged in qualifying research and development are given a 150 per cent. tax exemption for R and D expenditure, a 150 to 200 per cent. exemption should be given to businesses that make donations directly to universities. We need to give them an incentive to contribute more to our universities, because they benefit from them. If we are to tax students because they benefit from the universities, businesses should be encouraged to make their contribution too.

Children from lower-middle-class homes clearly suffer the most debt when studying, because their families cannot afford to pay any extra money and they are forced to take loans to fund their education.

Mr. Harry Barnes (North-East Derbyshire) (Lab): What is the general attitude in Northern Ireland? In 1989, when the original Education (Student Loans) Bill was introduced, a speech from the hon. Member for North Antrim (Rev. Ian Paisley) suggested that there was opposition across the board, from Sinn Fein to the DUP and other groups. Everyone was singing from the same hymn sheet. Is that still the case?

Mr. Donaldson: I can confirm to the hon. Gentleman that all the main political parties in Northern Ireland oppose the Government proposals, as do students and their families. There is deep opposition right across civil society in Northern Ireland. We want our education system to be supported properly, but the Government proposals are not the best way forward.

One of our proposals would introduce a tax break for middle-income families who find it difficult to fund their children's education. The Government should consider introducing a tax credit directly to benefit lower and middle-income households at the most important time—when the student is actually at university.

The Government proposals are deeply flawed. They will have a significant impact on our universities in Northern Ireland and will increase the funding gap between universities in Northern Ireland and those in the rest of the United Kingdom. They will make it more difficult for students from Northern Ireland, especially those from lower and middle-income family backgrounds, to gain places at universities on the mainland, which will mean fewer students from lower-income backgrounds gaining access to university education, which we must prevent from happening. In Northern Ireland, we want to encourage, not discourage, those people to gain access to university education. We must provide incentives, not disincentives, to encourage people to access further and higher education.

The vice-chancellor of Queen's university Belfast, Professor Sir George Bain, says:

"Both universities in Northern Ireland are already under-funded compared to their counterparts in Great Britain. A further funding gap will be disastrous for Northern Ireland. This is the critical issue for the region in light of the impending Westminster vote. Northern Ireland must not be allowed to fall further behind."

The vice-chancellor and president of the university of Ulster, Professor Gerry McKenna, says that the Government proposals

"would dismantle a UK-wide system of higher education, something that has been a great strength and a global brand leader. It was also introduce a two-tier, market-driven system of higher education, would perpetuate social exclusion and would play England against Scotland, Wales and Northern Ireland".

The Government must consider that seriously.

In conclusion, the proposals are flawed. They will certainly have a negative impact upon students in Northern Ireland, especially those from lower and middle-income family backgrounds. For those reasons, we will vote against the Government proposals.

5.12 pm

James Purnell (Stalybridge and Hyde) (Lab): I am sorry that the hon. Member for Wantage (Mr. Jackson) is not present, because I owe him an apology. About 15 years ago, I participated in a demonstration when I was a scruffy student at Oxford university at which someone threw an egg at him.

Mr. Willis: Shame on you.

James Purnell: I take collective, but not individual responsibility, for the incident, and I want to apologise after all these years.

I also want to apologise because at the time I thought that his proposals were not motivated by a desire to increase access to university. Anyone who listened to his speech today could see that his intentions were extremely well motivated. I only wish that Conservative Front Benchers had had the courage to carry through what he started in the 1980s. The Conservative Government undertook the task of increasing access, and when parties that we do not agree with the rest of the time do something that is correct, we should have the courage to say so. In turn, I wish that the Tories had had the courage to say today that they agree with the Government—agreement was clearly written across the faces of many Conservative Members when the hon. Member for Wantage was speaking.

Unfortunately, after making a start on increasing access, the Conservative Government decided to cap numbers entering higher education, and the right hon. Members for South-West Norfolk (Mrs. Shephard) and for Kensington and Chelsea (Mr. Portillo) decided to cut off the money that was necessary to increase access. The cap stayed at around one third of pupils until this Government took power.

I am extremely proud of the fact that we have increased access and of the fact that access has risen to 42 per cent. I would be even prouder if we got it up to 50 per cent.

I want to nail one dishonesty that has been put about in the debate—that this is not about meritocracy. If anyone says that this is about social engineering rather than meritocracy, he or she cannot have looked at research by the Sutton Trust and others showing that of two children of equal academic ability, with equal results at A-level, one from a working class family and

one from a middle class family, the working class child is less likely to go to university. What is fair about that? What is meritocratic about that? Giving children the grants that they need to go to university is the only thing that can make that meritocracy real.

We on this side of the Chamber should never agree that we are not being meritocratic. We are doing what is fair. It is not social engineering; it is giving people the right to go to university when they get the A-levels required.

Mr. Jon Owen Jones: If it is true—and I accept that it may well be—that giving grants is a great help for working class people to get into university, why was that not part of the Bill initially?

James Purnell: Grants were part of the Bill. Thanks to the work that has been done by people on this side of the House, the Bill is even better than when it was launched; and it was better than the White Paper then. This is much better than the original proposal. The hon. Member for Harrogate and Knaresborough (Mr. Willis) said that it had come from the bowels of Downing street. I know that he thinks that the proposal is a load of excrement, but I find that an over-harsh description. The proposal is significantly better than before the last manifesto. One thing that my colleagues have achieved is to ensure that the lesson has been learnt. The Government clearly recognise that proposals must be consulted upon and have to go through the party. We never want to get into this mess again.

Mr. Barnes: As the Bill has been significantly improved, is it possible that it could be still further significantly improved? I propose a debt holiday after graduation to last during a difficult time for all graduates, when they are starting families and obtaining mortgages. If we could knock off payment for a number of years, that would be a distinct advantage over the present proposal.

James Purnell: I am sure that my right hon. Friend the Minister was listening carefully to what my hon. Friend said. It is not for me to say whether it will be possible.

If we vote the Bill down tonight, what am I supposed to say to the children in my constituency who are obtaining better results? I think of Ashley high school, where the results leapt by 17 per cent. this summer, and of Hyde technology school, where 70 per cent. are achieving five good GCSEs—for the Bangladeshi community the figure is over 70 per cent., which is hugely better than the national average. The results have gone through the roof in the last two years. What am I supposed to say if we decide to put a cap back on university numbers?

I shall have to say to those pupils "Yes, the results have got better. Yes, those schools have got better. But you will not be able to go to university. Ten years ago you would have been able to get there with these A-level results, but now you won't." That would not be fair to my constituents. The only people that it would help are those who come from leafy suburbs, who go to schools that are already over-funded and are represented on the Opposition side of the House.

I should like to look quickly at the worries of hon. Members on the Government side of the House about the Bill. I know that some are worried that it will increase inequality. I think that it will reduce inequality, by helping more people to go to higher education.

First, will people be frightened of debt? Of course, if the debt attracted mortgage interest rates or credit card interest rates, that would be a consideration. If people had to pay it back whatever their income, that would be a consideration. If, as a Liberal Democrat Member said, our system was like the American system, that would be a consideration. But in America, people are taking on debts of $40,000 every year; the annual fee is $40,000. It is no wonder that no one from a poor background goes to Harvard. That fee is what we are legislating against today.

Dr. Pugh: The hon. Gentleman mentioned the Bangladeshi community. He is now talking about the Americans. The Bangladeshis are very different from the Americans. They are very debt-averse. Does not the hon. Gentleman recognise that there are cultural differences?

James Purnell: My point is that the difference between a $40,000 annual fee and a £3,000 annual fee makes the systems completely different. When a loan is income-contingent, when it has to be repaid only after one earns £15,000, that is reasonable. If Porsches were on sale in my constituency on an income-contingent basis, so that one did not have to repay anything if one earned less than £15,000, there would be an awful lot of Porsches in Stalybridge and Hyde.

Secondly, should we oppose variable fees in principle? If the fee could vary upwards and it was unlimited, and there was nothing that we could do to prevent higher education institutions from increasing it to £20,000, £30,000 or £40,000 a year, as they do in America, of course we should oppose variable fees, but the Bill would cap fees at £3,000. Should we therefore say that everyone should pay £3,000? If we vote down variability, who suffers? The only people who suffer are those who would otherwise have paid £500, £1,000 or £2,000. If the Bill falls and the Government want to increase the fee, they can do so, but then everyone would pay £3,000. The people who are helped by variability are the very people who come from poorer backgrounds who may be able to get on to a course that costs less. That helps equality; it does not increase inequality.

Mr. Patrick Hall: Will my hon. Friend give way?

James Purnell: I have already taken three interventions.

Thirdly, does the Bill marketise the system? The point of the Bill is to make the market work better. We already have a market in higher education, as we must accept, but at the moment it is grossly unfair. People have to pay a fee up front. When I was going around my constituency during the 2001 election campaign I met a mother in Newton who was desperate for her kids to go to university. She said that she was having great difficulty in finding the necessary £1,100. The Bill will mean that she will never have to find a similar sum for her younger children. It means that those children will

[James Purnell]

pay the bill only when they are earning enough money to be able to do so. In my constituency, about 50 per cent. of people earn less than £18,000 a year. Therefore, broadly, in my constituency, only ex-students who are in the top half of earners will have to pay anything back, and at about £18,000 year it will be about £5 a week. I think that that is affordable and fair.

I was wrong about the motivation of the hon. Member for Wantage in the 1980s; I do recognise that he was trying to increase access. However, I think that the Conservatives made one mistake, and that was getting rid of grants. I got a grant. I got to go to Oxford, the first person in my family ever to do so, because I had a grant, and I am immensely proud that the Bill will bring back grants so that people from poorer backgrounds can go to university. I urge my colleagues to vote with the Government tonight. If we do not get the Bill, we shall lose the grants; we shall have to campaign on up-front fees at the next election and we shall lose the increased access to higher education. The people who will suffer will be those in our constituencies; those who will benefit will be the people on the Opposition Benches, who do not want their children to have greater competition for university places. As the results in schools in our areas improve, we must give those children the chance to enter higher education, and that is what the Bill delivers tonight.

5.22 pm

Mr. John Maples (Stratford-on-Avon) (Con): One of the abiding memories of today's debate will be the vision of Government Back Benchers queueing up to disavow not just their manifesto and their principles but the rebellion that they were apparently threatening until a few hours ago. It seems that the Secretary of State's powers of persuasion are as formidable as he is in person. I do not know whether he is aware of the fact that last Sunday was the day on which the Church celebrates the conversion of St. Paul, but he certainly seems to have learned some lessons from it and performed a similar feat.

We are on common ground over the fact that universities are short of money and that the fall in unit funding has had a dramatic effect. I should like to illustrate one of those effects. The other day, one of our, dare I say it, two greatest universities privately commissioned a study to see where it ranked in the world order of universities, and it concluded that it was about 14th. That may surprise us—it surprised me—but what is even more surprising is that every one of the 13 universities that ranked above it was in the United States. There must be a lesson to be drawn from that. Part of it is that the funding, certainly in Ivy League universities, is probably about three times per pupil what it is in a United Kingdom university, but we should be careful before we disavow the American model.

If we think that universities need more money, where is it going to come from? Well, people may say that it can come from the Government. For the taxpayer to pay for 50 per cent. of the population to go to university is probably not a realistic objective. I say that with some reluctance because, like many others who have spoken, I went to university on a full maintenance grant, with all my tuition paid for, and I like to think that that education has benefited not only me, but the people that I have worked for and with, both inside and outside the House. The idea of public benefit certainly applies to people who become doctors or judges, for example, because we all benefit from them. I view that as a strong argument for public funding, though not perhaps strong enough to say that everyone who goes to university should have all their costs paid.

Parents are another source of income and the Government's proposals will milk them further. Only a small percentage of parents earn enough to be able to dispose of large or significant sums of money in that way. Only 10 per cent. of the working population of this country earns more than £40,000 a year, and only about 20 per cent. earn more than £30,000—the cut-off for support under the Government's arrangements. The ability of parents to cough up much more is pretty limited, so we are left looking at students.

It is sometimes argued that graduates earn more money, but that means they pay more tax and if they earn £400,000 more over a lifetime, they will pay somewhere between £100,000 and £150,000 in extra tax anyway, making it a pretty good investment from the state's point of view. However, if we are looking to students to pay a greater contribution to their education, they can pay up front, pay a graduate tax or pay in arrears. The Government introduced up-front fees and I believe that there are serious objections to them. Personally, I do not like the idea of a graduate tax, because it removes a link or any choice on the student's part between how much they pay and where they go.

One aspect of the Government's proposals that I like is the introduction of some variety into educational provision. It may be that studying law at Cambridge will take three years at £3,000 a year, but some other university may be able to do it in two years. Buckingham university does degrees in two years and there is no reason why a typical undergraduate degree could not be done in two years. Something would be lost, but the student would end up owing much less money. The idea of making students pay a specific fee in arrears is probably the right way to proceed.

What I dislike about the Government's proposals is that, having done that, they further involve the means-testing of parents in financing the student's education. That seems to me to be fundamentally wrong. Why should a relatively poor parent of a child who became a partner in Goldman Sachs have subsidised the education of a child from a wealthy home who became a teacher? Even more appositely, why should parents on £31,000 a year have subsidised the education of a child of parents on £29,000 a year? One of my two objections to the Government's proposals is that if we are to have fees in arrears, they should be left entirely to the student and the parents' means should have nothing to do with it.

Peter Bradley: The hon. Gentleman must have read a different Bill, or certainly heard a statement that was different from that made today. The point of the Bill is to make repayments of tuition fees entirely income-

contingent. It is the graduate who pays them. They have no connection or association with the income of parents before the school leaver attends university.

Mr. Maples: I chose my words carefully. I said that the parent over the limit would have subsidised the education of the child of parents below the limit. I understand the hon. Gentleman's point, but he should acknowledge that there is also a means test of parents, which affects who pays for which child's education. Under a fees-in-arrears system, I do not believe that that should be so.

However good the idea of students paying fees in arrears, it has been almost totally undermined by the Government's concessions in order to stave off—they hope—the rebellion. As I understand it, the concessions will amount to a greater cost to the Treasury than the benefits that the universities will gain from them. The Government have undermined their own proposals in those two respects.

My second fundamental objection to the Bill is about the access regulator. It is an awful proposal, which smacks of the worst sort of social engineering. Are universities to select people by postcode, as happens for hospital waiting lists? Are people to be selected according to the type of school they attended or their social class? I fully accept that the people who go to our best universities should be those who will benefit most, which means that it should be those who are going to get the best degrees.

It may be—some vice-chancellors have argued it—that A-levels are not a good predictor of what sort of degree students achieve, in which case we need a better predictor. The United States uses SATs, a system in operation for 50 years, which brings considerable benefits. We could invite the universities to set a different sort of A-level examination that would be a better predictor. However, making crude adjustment to A-level results on the basis of the school or the postcode or parents' income will not help us to get the best people into university. What we need is an objective and transparent system of deciding which 18-year-olds go to university and which do not. It must be transparent, objective and it must be seen to be fair. I accept that that system might well not be A-levels as they presently exist, but it should certainly not be A-levels that are adjusted by some political appointee looking at postcodes.

David Taylor: The hon. Gentleman says—I am paraphrasing—that he cannot conceive of an acceptable or workable system that would steer students to specific universities on the basis of postcode, income or education. However, surely we have that system at the moment, especially for those who attend Russell group universities. Are we not just trying to balance that up?

Mr. Maples: I accept that A-levels might not be the best criterion to decide who should go to a Russell group university. However, using A-levels that were adjusted by an arbitrary political criterion would be even worse. If A-levels are unsatisfactory, let us have an alternative system, but let it be objective and transparent so that people who apply to universities understand what they must do, what hurdles they must pass and whom they must beat to get in. They should not be told that their exam results and hard work will be arbitrarily adjusted because their parents happen to be middle class or to live in a wealthy suburb of Birmingham, but that seems to be the Government's intention. I am bothered that the regulator will be politically motivated because he will report to, and take instructions from, the Secretary of State.

I shall try to wrap my two or three points into a quick conclusion. Universities need more money. Although I hope that I can be persuaded that that could be funded by public funds, I suspect that I will reluctantly be persuaded that a greater contribution from students will be needed. However, they should pay in arrears and there should be no cross-subsidies between wealthier and poorer parents—or less poor and more poor parents, which is what the scheme will amount to if the cut-off is set at £30,000 a year. The system should be based entirely on what a graduate earns at the end of the day, and there should be no access regulator because that will create a problem.

I understand that the Government's proposals will result in universities collectively receiving just under £1 billion more—I think that the figure is about £910 million—and that the cost to the Treasury of all the grants, loans, subsidies and write-offs will be about £1.1 billion. It seems to me that there is an alternative to the Government's proposal. The Secretary of State could have saved himself from an awful lot of trouble, from today's debate, and from having to make half his colleagues ideologically stand on their heads in the Chamber by simply giving £1 billion directly to the universities, not having the fees and saving himself and the Treasury £200 million in the process.

5.32 pm

Clare Short (Birmingham, Ladywood) (Lab): As has been said in the Chamber before today, asking Labour Members to vote against the manifesto on which each of us was elected to the House is a serious matter. It is a breach of trust with the electorate and a breach of a solemn promise. It is also politically foolish. People are more and more cynical about politics and politicians, and these events will increase that cynicism and undermine the public's confidence in our party and its promises in a serious and troubling manner.

We must ask what is the reason for such a serious breach of our promise. Why must we rush through the Bill even though it will not take effect until after the next election? We are told that we need more resources for higher education—that is agreed across the House—so that we may reach the Government's target of 50 per cent. of young people going to university. However, facts outlining the progress that we have made during recent years and the increased resources that the Government have made available for higher education show that the case for rushing, in a manner that will breach our manifesto commitment, completely falls.

The figures show that during the years of the Tory Government there was considerable progress on the number of young people going to university. The proportion went up from 12 per cent. of the age group in 1979 to 34 per cent. in 1997. Last year, after continuing progress under our Government, the figure reached 43 per cent. There is no need to panic about the 50 per cent. target because we are making good progress toward that objective.

[Clare Short]

We are told that universities are desperately short of money. It is true that they need more money and that they suffered badly during the Tory years, as did most of our public services. Between 1989 and 1997, the universities suffered a drop in funding of 36 per cent. per student. So that enormous expansion in participation was paid for by the universities, and they did not get enough investment to reward that very important expansion. But the downward trend was reversed in 2001, and the Government have committed more money to higher education.

Spending on higher education will rise from a total of £7.5 billion in 2002–03 to almost £10 billion in 2005–06—a real-terms increase of 6 per cent. a year. So it seems to me that, yes, we have got an issue to solve, because of course we want every young person in our country who wants to go to university, and is capable of doing so, to be able to do so. I am sure that we will go beyond the 50 per cent. target in time, as our country develops and there is more and more access to quality education. But we have not got a short-term crisis, and all this proposal, which is such a serious breach of our manifesto commitment, will bring in is less than £1 billion, which will not solve the long-term funding needs of the higher education sector.

This seems to be really questionable and incompetent policy making, and we have to ask where it has come from. I am afraid, as I said in my speech when I resigned from the Government, that we have seen in our second term a pattern of very surprising proposals. I do not know whether they come from the bowels of No. 10, or some of the advisers that circulate around No. 10, but they are not consulted on or publicly discussed, and they are then driven through the House with appeals to the loyalty of Labour Members to vote against things that they know to be right. We have seen that over and again, and it leads to bad policy making. If we are to have a more presidential style of government, we must have a more independent Parliament that can say, yes, we are loyal to our Government and our party, but we will vote them down when they are wrong. Surely that is the right way to proceed if we are not consulted.

Jonathan Shaw: Of course my right hon. Friend voted for up-front fees and cuts in single-parent benefits. Tonight, will she support the Bill, which will introduce grants at the end of the year for poorer students?

Clare Short: That is not a very sensible intervention. Obviously, I will say before the end of my speech what I will do tonight. I will make that point in my own time if my hon. Friend will allow me.

I believe that the only logic in the Bill is that of the Russell group—a move to a market in higher education—but what has happened is that, because Labour Members have been brave and the rebellion has been strong, concession after concession has been made. Those concessions are welcome and good, but they are an attempt to try to squeak through a deeply flawed Bill, whose logic will drive us forward, as soon as it can be attained, to variable top-up fees and a market in higher education that will have lots of destructive effects. Young people will have more and more debt. All hon. Members must have had many letters and e-mails with anguished stories of families currently burdened by debt and who are troubled by their debts.

Mr. McLoughlin: Will the right hon. Lady give way?

Clare Short: Let me get on a little further.

The logic of that change will be that young people will start to decide which subjects to study, where to study and, even more significantly, to decide their career and profession on the basis of debt, money and cost. Surely we do not want to live in that kind of country. Surely we want access to higher education to include people who want to do mediaeval history, poetry or philosophy. Yes, we all know that investment in higher education is of benefit to the economy, but it is also of value in itself. Surely we do not want people's decisions in their lives to be distorted by those differential costs in higher education—most certainly, I do not. I fear that that change will downgrade the commitment of young people to choose a vocation and public service in their lives because, as they are saddled with debt, they will start to look for the jobs that give a high salary, rather than the jobs that represent a dedication to public service. We will diminish those values in our society to our great cost.

All honour to the leaders of the rebellion for prising out of the Government all sorts of beneficial commitments. It is good that young people should not have to pay up-front fees. It is good that there are to be maintenance grants—though the cut-off point will be a big problem for many families. Some desirable elements, which could have been put in another package, have been introduced to persuade certain Labour Members to vote against the party manifesto on which we stood and against the principles of a good system of higher education funding. A free vote would not carry this Bill in the parliamentary Labour party.

The right course would be a review of how to get more money into higher education, then include in our next manifesto a commitment to introduce a new system. I am highly attracted to the idea of a graduate tax, which could easily be paid over to the Higher Education Funding Council. It could be set down in legislation that the Treasury could not vary the amount, and so on. Thorough discussion, more detail and costings are needed to find the answer—and we should try to achieve national consensus because this matter will affect generations of young people to come.

Mr. Connarty: Is it not indicative that the principal of the university of Essex told me that universities want £5,000, but £3,000 is all that they are allowed? They see the funding gap as being much greater. Is there not a conflict in the Bill between a market in which people want more for their courses and a Government who will not give that to them?

Clare Short: I agree absolutely. The Russell group logic is the logic in the Bill. The concessions have now pushed the other way, but that logic will still break through over time—which would be destructive to the quality of higher education. The elite universities are not

the best at everything. Undergraduates should not have to fund all the research. We should have leading-edge, world-class universities to undertake good research, but we must find a way of distributing funding according to ability—not create a market based on snobbery and elitism.

I appeal to all right hon. and hon. Members to vote down this deeply flawed Bill, then urgently discuss how to achieve better long-term funding of higher education. Each party should fight the next general election on manifesto commitments about the right way of doing things. That would be the honourable way through. The measure being proposed today is deeply dishonourable and will increase cynicism about politics and damage the reputation of our party.

5.42 pm

Mr. Ian Taylor (Esher and Walton) (Con): I particularly noted two speeches in this interesting debate. One was by the hon. Member for Norwich, North (Dr. Gibson)—whom I respect and with whom I served on the Science and Technology Select Committee in the last Parliament—who advocated arguments against the Bill. The other was by my hon. Friend the Member for Wantage (Mr. Jackson), with whom I find myself very much at one, who indicated that the Bill was moving in the right direction.

The best oratory in the debate came from my right hon. Friend the Member for Richmond, Yorks (Mr. Hague). He made a powerful speech but was particularly unwise to base it on the fact that Conservative Members should observe what was in their last election manifesto. There are fewer of us on this side of the House because we did observe our last manifesto. *[Laughter.]*

I have no problem in saying that because the facts have changed, I have begun to rethink my approach to this policy. Universities are in a crisis that is getting worse and we must do something about it. As the last science and technology Minister in the previous Conservative Government, I wrestled with a lot of problems but did not manage to persuade my Chancellor of the Exchequer to put as much money into research and development within universities as the current Chancellor has done. I give the Government credit for that.

Research is a vital area. More money should be put into research infrastructure—not just into research. Academics are seriously underfunded and many of our best academics are again beginning to look abroad for their future. Given that situation, everybody should rise above party politics to some extent and start thinking about what can be done to plug the gaps in the university system. Nobody who goes to university will benefit from such a situation. If standards are declining because of the pressures on universities, students will suffer, whatever their background.

Access is a problem, and we should do our best to widen it. However, we should not talk about it as if the universities themselves are not seeking talent. In many cases, if they identify the talent they do not have enough resources for bursaries to encourage it.

Lynne Jones: Is the hon. Gentleman not concerned about the future of science departments after the Minister for Lifelong Learning, Further and Higher Education told the Education and Skills Committee that it is

> "a near racing certainty that chemistry and physics, where they have high infrastructure costs but they need the volume, will charge nothing, or next to nothing, to attract students"?

Is not the viability of those departments at risk?

Mr. Taylor: I am not sure that the hon. Lady is right. I have a letter from the University of Surrey, which says that it will make sure that scholarships on academic merit will be given in particular to students studying subjects such as science, engineering and technology. The freedom gained by the small move towards connecting students with the university costs will help to ensure that there is an attempt to draw students into subjects that the universities regard as extremely important.

Government Members have not fully articulated the fact that it is not the universities' fault that in many cases academic standards are not satisfactory. Only a quarter of our school pupils get two decent A-levels. Our debate needs to focus on the whole school spectrum, from primary schools to sixth forms. A qualification equivalent to an A-level, such as a baccalaureate, may need to be introduced, as something has to be done to raise standards. The previous rector of Imperial college said that such was the problem that even its best applicants were not achieving a satisfactory standard in mathematics, and increasingly the first year of its mathematics course taught things that student should have done at A-level. We therefore need to widen the debate, and should not try to pretend that everything will be wonderful if an access regulator is introduced. We need to work much harder if we are to understand what has to be done to broaden access to university.

We need to make sure that the universities themselves work harder. Some of them are excellent, and provide a benchmark for others. Many, however, are not good enough. An interesting letter in *The Times* from Stephen Day, a constituent of mine, points out that it is often difficult to get universities to raise funds privately to boost their resources. However, there is no question but that there is a role for endowments. As my hon. Friend the Member for Wantage pointed out, it is almost unimaginable that, from a standing start, a university endowment will make a difference. Yale's endowment can sustain an income of £330 million or £30,000 per student, while Imperial college London's sustainable income from endowment is £2.4 million or £240 per student. The idea sometimes voiced by Conservative Members that everything will be all right if we endow a few universities is moonshine.

Endowments are part of the solution, but they are not the whole solution. Industry sponsorship, other ways of working together and proposals in the Lambert report are important means of getting money into universities. Alumni may start to contribute if they think that they can connect with and influence their university, and if they believe that there are benefits from putting money from a successful career back into the university. It cannot be argued that students themselves should not contribute. Disturbingly, in that belief I find that I am closer to the Government Front Bench than my own. It

[Mr. Taylor]

is inconceivable that at the next election, far from what my hon. Friend the Member for South Suffolk (Mr. Yeo) said, students will not have any costs at all. It is important that we connect the student with the university. If the proposal is that students should pay one sixth of the running costs of their tuition, that seems reasonable. One could argue that it should be slightly more or slightly less, but the principle of connection and co-payment is important.

There should be no up-front fees. That is something that I have always worried about. Views change. The Bill establishes that there will not be up-front fees and there will be payment subsequently only by those earning over £15,000 a year. In effect, there is no interest on those loans: interest will be only at the rate of inflation. Those are signal achievements.

Given that the right hon. Member for Birmingham, Ladywood (Clare Short) knows that those are achievements and that if the Bill were to fail, there would be nothing in its place, however intellectually interesting that might be, I am astonished that she is recommending that her colleagues vote against the concessions that she and her colleagues have pressured the Government into giving. I do not understand that principle.

Clare Short: It is possible to put together a different long-term funding package for higher education that includes some of the desirable elements. The Government are saying, "You have to take this thing you don't want, and we'll give you a couple of things you do want." That is no way to make policy. It is incoherent and breaches promises made to the electorate.

Mr. Taylor: The right hon. Lady was in government long enough to know that government is largely incoherent. It is not just the Labour Government. I was a member of a Government myself. The point is that there has been dramatic change. I do not like some of the changes, but that is irrelevant. The package should not be lost, because there is nothing else to put in its place.

Let me tell the right hon. Lady that if the Bill fell, the universities would be in a vacuum. Some of them would go independent and others would concentrate on attracting overseas students where there are variable fees. That would diminish the number of places at our best universities for domestic students. By voting against the Bill, the right hon. Lady will be acting against the interests of the very people she is attempting to protect.

The Government should sort out their arguments and argue with their own Back Benchers. I shall abstain tonight because I refuse to go through the Lobby with those like the right hon. Lady, with whose attitude I totally disagree. Her approach is negative, wrong and unconstructive. I am sad that too many of my colleagues will follow Members like the right hon. Lady through the Division Lobby. There must be change, and the Bill represents a bit of progress. We need to build on it and get a sensible system for our higher education. If we do not, the whole country will suffer, not just the students to whom we are trying to give greater access to our university system.

5.52 pm

Mr. Frank Cook (Stockton, North) (Lab): It is always a pleasure, though a rare experience, to follow the hon. Member for Esher and Walton (Mr. Taylor). His comments are always measured and clearly analytical. I do not agree with everything he said, but his speech was informative and provocative, and I thank him through you, Madam Deputy Speaker.

Eight minutes is not long to cover the range of aspects that we need to consider tonight. Perhaps I ought to start by saying that I have maintained a position of opposition right from the outset, and I am rather happy that I did. I pay tribute to my hon. Friend the Member for Norwich, North (Dr. Gibson) for leading the group that so effectively opposed the measures over such a long period. It is only through that determination that we have managed to wring from the Government a number of concessions, which have been more than welcome. We have been assisted in that by the somewhat cynical and unprincipled opportunism of the main Opposition party and perhaps some of the others. Nevertheless, they have done us a favour in that regard. We must be careful not to allow them to exploit it too far tonight.

I shall not rehearse the whole range of my concerns about the Bill. A principal worry is the fact that I have two universities associated with my constituency to consider. One is the Queen's campus of Durham university at Stockton, and the other is the university of Teesside. The vice-chancellor of Durham university is very much in favour of the Bill, as a member of the Russell group—the Ivy league. His students, however, are very much opposed to it, save for two. I received dozens of faxes, e-mails and letters, but two from Durham stand out. One says:

"Dear Mr Cook, Please vote against the top up fees. I can't say that I feel passionately against the proposals, however, it would be good to see Tony Blair taken down a peg. Maybe he won't be so arrogant in the future."

I wonder how prevalent that specific attitude might be. The other one from Durham says:

"I am a student but nowadays people want everything but they don't want to pay for it. I am at Durham and trust me 90 per cent. of the students who will e-mail you urging you to vote no are spoilt rich kids like myself who can afford to pay way more to subsidise those who cannot. Stick to your guns and vote yes"—

actually, I never said that I was going to do so—

"if you are still undecided come down to the car park at the halls of residence and take a look."

We are in a difficult situation, are we not?

That was Durham. As for the university of Teesside, the vice-chancellor, Graham Henderson, and his predecessor, Derek Fraser, were adamantly opposed to the Bill. Indeed, when I had an argument with the Under-Secretary, he said that he would persuade Graham Henderson to change his attitude. I told the Under-Secretary that he did not have to go that far—all he had to do to guarantee my vote this evening was to promise me an aircraft carrier to build on the River Tees—*[Laughter.]* I am expecting to receive it shortly.

The university of Teesside did alter its stance, however, and it gave a full catalogue of the concessions that it needed, which we have rehearsed tonight. That has borne heavily on me. Bearing in mind that this is a

Second Reading, which would only commit the Bill to a Committee in which we can study it line by line, as we ought to do with every piece of legislation, I am more disposed to vote for the legislation, on condition that we get further concessions, which may be in the offing—we have had them as late as today. At least that gives us a chance.

For anyone to use this exercise as a means of venting some spleen or seeking retribution against the Prime Minister would be totally wrong. If one wants to do that—I suppose that it can be a legitimate tactic in some people's minds—the time to do it is on Third Reading or on Report. It is not proper to abuse the parliamentary system by doing it tonight.

We have heard suggestions today that this is a matter of the Prime Minister's survival. We should consider these matters in a more mature and rational atmosphere, but that is the tactic that has been used. I can go along with that, but I must say this to those on the Treasury Bench: they have played that card today, but they can only play it once. On Third Reading, they will not be able to play it again.

Debt aversion was a major consideration, as I thought that it must be terrifying for students to be so threatened by debt. En passant, I discussed the matter with a professional gentleman, an immigrant from Burma, who said, "This would be a very good idea, because it is almost guaranteed if the students are good enough to get into university. They only have to pay for it afterwards." I thought about that, then I realised that here I am, a bit longer in the tooth than I was when I first came into this House, having lived in debt for 50 years, with the probability that I shall go to my death in debt. When I worked at the brewery, an old man asked me why I was terrified of the bank manager. I said, "Because I've got an overdraft." He said, "So you owe him money?" I said yes. He said, "Don't you worry about that—let him worry about it."

6 pm

Mr. Jonathan Sayeed (Mid-Bedfordshire) (Con): We all acknowledge that historically universities have been underfunded by successive Governments and we recognise that the tuition fees paid by British students do not cover a university's costs. Indeed, I would suggest that the true discrepancy between what a student pays and the cost of that student to the university is disguised by the fact that so many academic salaries are so extraordinarily poor as to be a disgrace to successive Governments. Nor is there any dissent from the view that a better educated society is a richer society; we all want more people from all backgrounds to be in higher and further education provided that they can benefit from it.

Indeed, so widespread is the acceptance both of the problem that faces us and the agreement that action needs to be taken that I find it extraordinary that this Government, who have a majority of 164, have failed to bring forward a Bill that has widespread support throughout the House. There are several reasons why it has lacked support. It lacks logic, and I shall go on to explain why. It will fail adequately to fund universities even after—or particularly after—all the concessions that have been made in the past 24 hours. It will continue to exclude many who would otherwise benefit from continued education. It is inflexible, centralist, and will act as a disincentive to many to go to university. It owes more to the Prime Minister's own brand of fuzzy logic and the Chancellor's inclination for control by diktat.

I mentioned flawed logic, and I shall give some evidence for that. Student A and student B go to the same school, leave school with the same A-levels, and go to the same university, where they take the same course, get the same degree, and go into the same job and earn the same salary. But because student—now graduate—A's mother and father had a combined income of £34,000, while graduate B's parents had an income of £20,000, graduate A's debt will be far greater than that of graduate B.

Alan Johnson: That has now been repeated three times. Let me make it absolutely clear—we are rolling up fee remission with grant and paying it all up front as grant. That means that there is no longer any fee remission, so student A and student B would pay exactly the same.

Mr. Sayeed: I am sorry, but either both I and a vast number of the Minister's colleagues have read the Bill wrong, or he does not understand his own Bill. The fact is simple: a student at university whose parents earn more than £34,000 will not receive the same grants or benefits as a student whose parents earn less than £20,000 and will, consequently, incur a greater debt. When graduate A and graduate B are in employment, earning the same salary, graduate A will have a larger debt than graduate B. The debt will not be based on his ability to pay, which is exactly the same as graduate B's. The debt will be greater because he has inherited not wealth but an obligation, simply because his parents had a bigger income than the parents of graduate B. That seems to be a recipe for legal challenge some time in the future.

Dr. Palmer: Will the hon. Gentleman give way?

Mr. Sayeed: No, I shall not be giving way as a number of my colleagues want to speak and time is limited.

There are two ways in which many of those who could benefit will be excluded from university. First, the Bill institutionalises, legitimises and promotes debt. I make no bones about the fact that I belong to the Micawber school of financial management—I believe that saddling students with debt, or the potential for debt, will act as a considerable disincentive. Secondly, because the Bill perpetuates the straitjacket of academically based courses lasting for two or three years, it fails to recognise that many students would be better served by a different basis for learning.

The Bill could have offered high quality, vocationally based education, as well as academically based education, but it has not done so. The Bill should have offered students greater flexibility—possibly through modular courses—so that they could move between work, education and other pursuits. That might mean that it takes them longer to gain their degree or other qualification, but at least they could ensure that they fund it properly. What the Bill could have done, but fails to do, would be to encourage some students, especially

[Mr. Sayeed]

those following modular courses, to take a place at a university or further education college closer to their home. In that case, not only would it be easier for them to find part-time work, they could also control their living costs more effectively.

We all know that historically universities have been underfunded. We recognise that the situation has worsened due to the rapid expansion of student numbers. The problem is demonstrated by the increasing class sizes in universities and the decline, in real terms, in academic pay. Furthermore, as anyone who visits a university can see, it is shown by the declining infrastructure of universities. There is no doubt that universities, colleges of further education and other places of education require more money, but it is extraordinary that a Government who are not even funding higher education at the OECD average are looking to change the whole basis of that funding so that it will put off the very people who are least likely to go into higher education at present.

Governments should start with schools—to give the Government their due, they have done that—but they should ensure that the aspirations of school children push them to go to university if they can benefit from it. Governments should not be ensuring that those who are most frightened by debt will be put off university. The Government have failed to bring a good Bill to the House and they deserve to be defeated.

6.9 pm

Mr. Gordon Marsden (Blackpool, South) (Lab): People inevitably bring their own life experiences to a debate such as this, and mine are varied. I spent 20 years working as an Open university tutor, during which time I was involved in adult education and observed the particular needs of adult students. I also spent 12 years working as the editor of a history magazine, where, on a week-by-week basis, I saw a snapshot of the problems faced by contributors from a range of universities. I was also a member of the Select Committee that produced two reports on student access and retention, which brought many of the issues being discussed here to the fore for the first time. And, yes, like many people here today, I was the first person in my family to go to university.

I suppose that is why I was so moved by Neil Kinnock's famous speech, in which he asked why he was the first person in his family to go to university. He talked about standing on a platform, saying that those people who had not been to university had no platform to stand on. But what does not having a platform to stand on mean, as far as university education is concerned? It means not having a decent functioning higher educational system or social equity in relation to access if universities do not have decent facilities, decent ratios in regard to tuition, a proper career path to ensure the quality of the younger lecturers and tutors coming through, the ability to compete in the international marketplace or the ability to regenerate in the regions in which they are so important. Those are the issues affecting the present situation.

The grinding decline in units of resource under the Conservatives has produced the situation that exists in university education today. The Select Committee reports told us about that in 2001 and subsequently. We have to grasp the nettle and make hard decisions now. Those decisions cannot be left until the end of the decade, and they certainly cannot be left until the Conservatives have made up their mind about what they believe in.

There would be no guarantee of the success of a graduate tax, because it would not be ring-fenced. Furthermore, the top-rate income tax that the Liberal Democrats talk about has already rightly been dismissed as loaves and fishes politics. There are no guarantees on secure funding. Nothing is for ever. No Labour Government are for ever. [HON. MEMBERS: "Shame!"] Sadly. In the light of all that, we need to find a system that will ring-fence and structure the funding of higher education.

Mr. Barnes: My hon. Friend mentioned that he had been involved in adult education. How would he feel about an adult student who had been earning between £20,000 and £30,000 a year before deciding to study full time at university in order to change their aspirations and approach, if that student ended up getting a job worth £20,000 to £30,000 afterwards but also had a student debt, having sacrificed three years to complete their studies?

Mr. Marsden: I know that my hon. Friend has campaigned valiantly on these issues on behalf of adult students. I would say to him that, for the first time, we have a Bill that contains support for adult students—the majority of whom still study part-time—in the form of fees and grants. These are issues of detail in relation to adult students—particularly students of the Open university and Birkbeck college—which can and should be addressed in Committee.

I understand the concerns about how variability might operate, and about how higher education might be viewed as a commodity, but we must look at the whole package of the Bill. We also need to consider the reality of 21st century education. There was never a golden age of grants. When I went to university in the 1970s, my parents still had to pay one third of my grant, although my father was an ordinary working-class engineer. There is no golden age—past, present or future—of flat-rate fees or grants. When I was an Open university tutor, part-time students paid variable fees, and that is the reality now. As Universities UK has reminded us, universities already charge variable fees for the majority of their courses for part-time, international and postgraduate students.

There are other issues that have not been properly addressed in this debate. One is that of adult and further education. Listen to the reality of 21st century higher education, not from me, but from the National Institute of Adult Continuing Education, which rightly says that

"part-timers . . . represent more than 40 per cent. of all students in HE.

The sooner HE stops being seen as a finishing school for a minority and starts to be recognised as a lifelong and recurrent source of . . . personal development for the majority, the sooner"

we will move

"towards a culture of lifelong learning."

For my constituents in Blackpool and for many others up and down the country, more and more higher education is being delivered via further education. The narrow focus of most Opposition speakers, and I regret to say of one or two Labour Members, diminishes and threatens them.

Mr. Wayne David (Caerphilly) (Lab): Does my hon. Friend agree that we should be aiming for equity between full-time and part-time students?

Mr. Marsden: I agree absolutely with my hon. Friend on that, which is why I said to my hon. Friend the Member for North-East Derbyshire (Mr. Barnes) that we ought to explore that issue in Committee. However, we must not lose sight of the needs of those adult students.

I opened an adult learning centre at Burton's in my constituency a few weeks ago. I talked to people, particularly women in their 30s and 40s, who were being given that platform of further and higher education for the first time. The Bill, for the first time, will give them grants and fees. As we have heard today, higher education is not only about what happens between the ages of 18 and 21 but about life chances later in life.

We must also consider the life chances of even younger people. That is why the Select Committee, when examining that issue, talked about the need to improve access and to improve aspiration in respect of university and school at the ages of 12, 13 and 14. It is also why the education maintenance allowance, which this Government introduced, is key—the continuation of that principle in the grants that are now on offer is so important. Up-front fees have been abolished, which will relieve the fears and concerns of many of the middle-class parents about whom we have heard. Up-front grants will, for the first time, be given to working-class students.

I do not believe that variable fees are a universal panacea, but the way that the Government have proceeded and responded—to the legitimate concerns of Labour Members in particular—will curb some laziness and the wilder fantasies of some Russell group vice-chancellors. The review gives us guarantees, which will be in the Bill, but it also gives us time to consider other mechanisms. We have heard some useful comments, not least from the hon. Member for Esher and Walton (Mr. Taylor), on how we might do that.

We must remember that the Bill is not just about variable fees. We must consider the whole package—the arts and humanities research council, an independent negotiator and the Office for Fair Access. All those will be lost if the Bill is voted down tonight.

I do not need to tell my hon. Friends that the genesis of the Bill had its flaws. Some points that have been made about consultation within our party need to be taken on board by all concerned, but there has been tireless work and engagement—I pay tribute to that—by my right hon. Friends the Secretary of State and the Minister for Lifelong Learning, Further and Higher Education in engaging with and discussing those issues.

Many of the issues that we had concerns about have been addressed. I beg colleagues to focus laser-like on the alternatives to the Bill. Are hon. Members prepared to put higher education in a funding deep freeze until the end of the decade? [HON. MEMBERS: "Come on!"] Oh yes. That would allow some of the privatising vultures on the Opposition Benches to gather. Are they prepared to collude in the outdated vision of universities that many Conservative Members have? That would be a slight on and would adversely affect some of the opportunities for those groups about whom we are most concerned. They would lose out.

Earlier, I talked about Neil Kinnock's vision—a vision of quality, access and social justice. We will not achieve that if we cut off at the knees the socially progressive programme of grants and alternatives that the Bill contains.

6.20 pm

Mr. Tim Boswell (Daventry) (Con): As the last Back-Bench speaker, I begin on a note of minor agreement. I find aspects of the Bill acceptable, notably the provisions for the arts and humanities research council and for the independent adjudicator. However, although they are important, they are subsidiary to the main event.

Two speakers—the right hon. Member for Newport, East (Alan Howarth) and my hon. Friend the Member for Wantage (Mr. Jackson)—have shared with me the experience of being a Minister with responsibility for higher education in a Conservative Government. At that time, none of us arranged or connived at charging a tuition fee. We paid maintenance grants and the position was different. I am at odds with my former colleagues because tonight, I shall vote against the measure whereas they, for their own and somewhat different—though doubtless sincerely held—reasons, will vote for it.

I accept that universities will need more resources per unit of student funding in future.

Ms Dari Taylor (Stockton, South) (Lab): The hon. Gentleman says that universities are short of funding. Does he accept that 12 inner-city universities are not only short of funding but will close unless we reach an urgent and necessary financial agreement in the House tonight?

Mr. Boswell: Perhaps that poses an unnecessary ultimatum, but of course I acknowledge that there are pressures, including on many modern universities with which I have considerable personal sympathy.

Partly through a combination of our Government's reluctance to interfere with the sector's autonomy and the logic of the policy to switch to fees, there was perhaps an over-rapid expansion, beyond the expectations of Ministers, in the early 1990s. We have been coping with the consequences ever since. I do not believe that the Government's proposals will ameliorate those consequences; indeed, they may make them worse. We need a much more imaginative examination than the Government have undertaken so far of incentivisation and stimulation of other means of bringing in money from public trusts, employers and graduates, not so much new graduates but alumni in their mature careers.

We must also remember the huge cost of the rate of interest on the student loan book and the difference between that and commercial rates of interest. The

[Mr. Boswell]

proposal will massively inflate the disparity, which may become unsustainable for more than a few years. If we add to that the expansion to 50 per cent, to which the Government are already committed, we have a recipe for an unsustainable policy and yet another that the Government will reverse in a short time.

The essence of the Government's case was tersely summarised in last week's edition of *The Economist*, under the description "pay or decay". With respect to that excellent publication, there is a logical fallacy—the law of the undistributed middle—in its case. The proposals could mean that students and probably their parents pay while universities decay.

My hon. Friend the Member for South Suffolk (Mr. Yeo) showed that contributions that may flow from the Bill will be offset in full by the cost of the douceurs that the Government have been forced to give away to get the consent of their Back Benchers. There will be significant consequences for debt among students, as Professor Callendar and others have been cited as saying.

The Bill will bear particularly hard on mature students and those on long courses who are not receiving state-financed bursaries. I am thinking not just of doctors but of vets and architects, who will be directly hit. I do not think any attention has been paid today to the special position and needs of disabled students. In fact, I find very few students who are likely to benefit from the overall package.

The irony of all this is that universities will not benefit either. I was impressed by the comments of Dr. Peter Knight of the University of Central England, who said in evidence to the Select Committee last year:

> "I do not think there is a vice-chancellor in the country who believes there will not be a deduction in relation to our public grant when the new fees are available and I assume that everybody is planning on the basis that there will be, the only question is how much".

So the money will not come through in extra funding. Interestingly, under the Government's own proposals it will not even come through in the great variability of fees, because the way in which they have set up the system means that most vice-chancellors will charge the full £3,000 for most of the courses they offer.

Even if, miraculously, the Chancellor relents and abandons his stand-off, and takes on the chin the additional cost of support for the higher-education budget in the public expenditure survey, we know from what has been said by Ministers only today that the drip-feeding of slightly—perhaps—additional funds for universities will be limited for six years. It would be a great deal longer if some Labour Back Benchers had their way. Moreover, this minor amelioration, if it actually happens, will be secured only at a heavy price in additional interference. We are familiar with the Government's habit of promising a light touch in regulation, and then bringing in a bludgeon of additional regulation. Nor has there been any mention today of the compliance costs that the universities will face in fulfilling the requirements of the access regulator.

Let me summarise my position. Let me come to the substantive issue, and the vote to which I am looking forward. The Bill is a charter for higher costs for students, no material extra income for universities and a ratcheting up, a step change, in the scale of interference in universities' academic autonomy and detailed running. It will not stem the alleged decline in their funding, any more than Labour's claims at the time of its 1998 introduction of tuition fees—reiterated in a very positive statement in its 2001 manifesto. It said, in effect, that there was no problem; but that will not stop any decline that is taking place, and pressure will be put on additional funding.

It may well be that clustered around the thin and austere figure of the Secretary of State as he rises, or returns, to the podium will be a few vice-chancellors who have congregated to listen—as he waves a copy of the Bill at the public—to his thin voice saying, "Cash in our time". But within two years, mark my words, this will all have to be replaced by the policies of a new Conservative Government.

6.28 pm

Mr. Tim Collins (Westmorland and Lonsdale) (Con): In 30 minutes we shall vote on a Bill which the Labour manifesto specifically and categorically pledged not to introduce. That is the most unequivocal and important fact before us, as was pointed out by the right hon. Member for Birmingham, Ladywood (Clare Short).

Today sections of the Government have offered concessions of which other sections apparently know nothing. The right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown) told television viewers earlier today that the Prime Minister and the Chancellor had made new concessions this morning. He spoke about those concessions in part in this afternoon's debate, and said that they were why he was switching his vote. However, the press office at the Department for Education and Skills has denied that any new concessions have been made. Indeed, the Under-Secretary of State for Education and Skills, the hon. Member for Bury, South (Mr. Lewis), appeared on the BBC earlier today to reply to the right hon. Member for Newcastle upon Tyne, East and Wallsend, and said not once, not twice, but three times that no new concessions have been made. Someone, somewhere is being conned. It is clear that the Bill remains deeply flawed and is being sold on a false prospectus.

Mike Gapes (Ilford, South) (Lab/Co-op): Will the hon. Gentleman give way?

Mr. Collins: In a moment. The Secretary of State and the hon. Member for Nottingham, North (Mr. Allen) both said that the Government are proud to propose the abolition of up-front fees, but who introduced up-front fees? They did.

Mike Gapes: I am grateful to the hon. Gentleman. While we are discussing people being conned and empty vessels, will he tell us his party's policy for funding higher education?

Mr. Collins: I must say to the hon. Gentleman that it is a little bit rich for someone who speaks on behalf of a party whose Secretary of State did not know at 10 o'clock this morning what the Government's policy was going to be at 11 o'clock to ask for clarification from anyone else. I will tell him one other thing: the policies

that we will fight the next election on will be in our manifesto and they will be kept and will not be broken, like those made by his party.

The Bill and the strategy behind it were sold as being essential for our economy, but the Institute of Directors and the British Chambers of Commerce disagree. It was sold as being good for our professions and public services, but the British Medical Association opposes it, as does the Royal Society—as the hon. Member for Norwich, North (Dr. Gibson) pointed out. It was sold as being good for students, but although the hon. Member for Rochdale (Mrs. Fitzsimons), a former president of the National Union of Students, supports it, today's NUS is emphatically against it. My right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), my right hon. Friend the Member for Fylde (Mr. Jack) and the hon. Members for Harrogate and Knaresborough (Mr. Willis) and for Lagan Valley (Mr. Donaldson) all pointed out that people of high ability but ordinary income will be deterred from choosing university courses.

The Bill was sold as fixing fees at no more than £3,000 a year, and the hon. Member for Southampton, Test (Dr. Whitehead) said that he believes those assurances. The Secretary of State has proposed what he calls "truth proofing", in other words, a guarantee that primary legislation would be needed to break that promise. However, we are debating primary legislation designed to break a promise—how does that get us anywhere?

The Bill has been sold as being good for universities, but the representatives of those who work in universities, the Association of University Teachers and the National Association of Teachers in Further and Higher Education, are against it.

Dr. Palmer: A Conservative Member told me a few days ago that he believes that the Bill is in the national interest, but his party has told him that he must vote against it because party interests come first. What is the hon. Gentleman's advice for that Conservative Member?

Mr. Collins: If the hon. Gentleman is proposing a free vote for all hon. Members, I have no doubt whatsoever that on conscience the Bill would go down, and that it would go down crashingly—as he well knows.

Today, the Secretary of State once again failed to deny that the money raised by fees would be clawed back by the Treasury. The concessions announced by the Government will cost more than the total amount raised by fees. Although higher education needs more money, as my hon. Friend the Member for Stratford-on-Avon (Mr. Maples) rightly said, there is a real chance that universities will not be a penny better off even if this Bill passes. A lot of pain, perhaps for no gain at all.

The Bill will be very bad for academic freedom, as my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard) pointed out. The hon. Member for Huddersfield (Mr. Sheerman) said that his Select Committee had opposed the Office for Fair Access, but he had changed his mind. I gently suggest to him that he was right the first time.

The right hon. Member for Newport, East (Alan Howarth) said that he was troubled by the creation of OFFA and hoped that it would operate with a light touch. But that is not what is proposed, for the Secretary of State said that he wants an OFFA "with teeth", not without them. That sounds the death knell for academic freedom.

The hon. Member for Stockton, North (Mr. Cook) said something extremely important, that he understood that some on the Opposition Benches were being instructed that the issue was now one about the survival of the Prime Minister. Let me make this very clear: it is not at all. The issue tonight is not whether the Prime Minister or the Secretary of State will still be in their jobs tomorrow morning. They have both said that they will not stand down whatever the result of this vote, and my right hon. Friend the Leader of the Opposition has made it clear that we would not use defeat of the Bill as a reason to call for resignations.

The issue, rather, is what attitude the Prime Minister will take from now on. The right hon. Gentleman has led Labour Members into a war they did not want, arm-twisted them into voting for foundation hospitals in which they do not believe, and now says that they will be guilty of betrayal if they do not vote for the very top-up fees he told them to promise to block.

Whatever happens, the present Prime Minister wakes up tomorrow morning in Downing street. But does he wake up a chastened man, ready to listen more to his party and his people, or a man filled even more with a fervent belief that he is always right and that his critics do not have the same courage as his? If the Government win tonight, do Labour Members think Downing street will brief reporters that the Prime Minister has learned a lesson and is resolved to listen more carefully in future, or that he has once again faced down his critics?

This is not a motion of confidence in Her Majesty's Government, but as my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) said, it is an issue of confidence in the word of Members of Parliament. Both the Labour and Conservative manifestos, on which the vast majority of Members of this House stood in 2001, contained six unequivocal words. Labour said and we said:

> "We will not introduce top-up fees".

This side of the House will stand by its pledge and vote accordingly. Will Labour hon. Members, many of whom genuinely take their pledged word seriously, do the same? Let Labour Members ask themselves this final question when it comes to justifying their conduct before their voters and in their own consciences: "Which will carry greater weight, that we stood by Tony or stood by our word?"

I urge hon. Members in all parts of the House to show that firm and unequivocal promises still have meaning in British public life and vote down the Bill.

6.38 pm

The Minister for Lifelong Learning, Further and Higher Education (Alan Johnson): By and large, this has been a calm and measured debate, reflecting the seriousness of the issue and of the decision that we are about to take.

Before I came here mid-morning, I thought that the major questions that we would address in this very important debate were as follows: do we need investment in higher education? Do we need expansion?

[Alan Johnson]

Should graduates contribute, and if so how? And—the issue regarded on the Labour Benches as crucial—should it be a fixed or a variable fee?

Listening to the debate, I have come to the conclusion that there is one other question: what on earth is the policy of Her Majesty's official Opposition? We are now at the first anniversary of the publication of the very important White Paper.

Bob Russell (Colchester) (LD): Do not kick the dog. *[Interruption.]*

Alan Johnson: I assure you, Mr. Speaker, that postmen are always very nice to dogs.

The hon. Member for South Suffolk (Mr. Yeo) accused us of not having a plan B. I never heard a plan A from those on the Conservative Benches. If one looks back to last January, one sees that they have changed their policy on higher education more frequently than they have changed their leader, and that is a lot of changes. I can only conclude that it reminded me of being back in my flares and tank tops in the 1970s, watching the programme that Hughie Green used to front—opportunism knocks.

There were however some very important contributions, and some very interesting and thoughtful speeches, by Opposition Members. I particularly enjoyed the speech by the right hon. Member for Richmond, Yorks (Mr. Hague)—he would not want to be confused with the hon. Member for Richmond Park (Dr. Tonge) at the moment. I also enjoyed the contributions by the hon. Members for Stratford-on-Avon (Mr. Maples), for Wantage (Mr. Jackson) and for Esher and Walton (Mr. Taylor), because they really did have a thoughtful approach to resolving this problem.

I start by asking: do we need investment? There seemed to be agreement on both sides of the House that our higher education sector needs investment. I say to my right hon. Friend the Member for Birmingham, Ladywood (Clare Short), who asked why we need it now, that a lot has changed since the turn of the century. *[Interruption.]* Well, I shall come to the past two years in a second, but this is an important point. There were 5 million higher education students in China in 2001; that figure has tripled in three years. India is churning out 1 million graduates a year and is recruiting our researchers, lecturers and postgraduates.

Dearing identified a funding gap of £8 billion. Some hon. Members have said, "Yes, we need investment, but this will not bridge the gap," so it is important for me to make this absolutely clear. I remind hon. Members that we have been putting in £2.9 billion of public money since Dearing published his report. We have £800 million from existing fees and we shall raise about £1 billion from these new proposals. That is almost £5 billion. The £8 billion funding gap is not an annual amount; it is a total amount in the infrastructure. We shall make enormous progress towards bridging that funding gap.

Mr. Rendel: Will the Minister give way?

Alan Johnson: No, I will give way later.

I think it was the hon. Member for Daventry (Mr. Boswell) who said that, once we have introduced these proposals—once we have introduced our extra support for students—there will be no money left for universities. The £1,500 grant announced by my right hon. Friend the Secretary of State on 8 January—which will now be £2,700 up front—the 25-year cap and the increase in the loan do not affect by one iota the money from this package that goes to universities. We pay the student support, and that is what we should do as a matter of public policy. The universities will still get the £1 billion to £1.4 billion from this package that we originally envisaged.

Mr. Rendel *rose—*

Mr. Yeo *rose—*

Alan Johnson: I give way to the hon. Member for South Suffolk (Mr. Yeo).

Mr. Yeo: The Minister has just reached an absolutely crucial point in the argument, and I hope that he will weigh his answer very carefully. Is he saying that the money that will now be used to subsidise the extra loans, to pay for the maintenance grants and to write off the loans that will not be repaid after 25 years, will be provided to the Department for Education and Skills by the Chancellor through an increase in its spending total or not? If the answer is that it will not, we know what happened last time—all the money from tuition fees was clawed back from the universities by a cut in the Higher Education Funding Council grant.

Alan Johnson: The money for deferring up-front fees, introducing a deferred system with a huge cost because we shall apply no real rate of interest, the money for the £1,000 grant, the money for the higher threshold, and the money to provide support to part-time students—for the first time ever in this country—will all come from the Chancellor. What we have found from within the higher education budget is the money for the extra on the maintenance grant, the 25-year cap and the increased loan.

Mr. Rendel: I am grateful to the Minister for giving way a second time. If he were to introduce an extra tax on the highest paid, would he accept that he could give the money to the universities now, as he said, whereas under his own policy it will not be coming in until the year 2009?

Alan Johnson: I shall come on to that precise point in a few moments.

Do we need investment? Yes, and quickly. The Bill will provide the investment, combined with investment from the taxpayer, which is quite proper. We are asking for a £1 graduate contribution for every £14 that the taxpayer contributes.

Do we need expansion? Yes, again. I heard the concerns of the right hon. Member for South-West Norfolk (Mrs. Shephard) about pushing towards the 50 per cent. target. In fact, we need the investment whether we expand or not, but I believe that it is important to expand higher education towards 50 per cent.

participation. We have one of the lowest drop-out rates in the world. The Organisation for Economic Co-operation and Development says that graduates in this country get a better return than graduates anywhere else. The Council for Industry and Higher Education, which completely supports the drive to 50 per cent., points out that 90 per cent. of this country's graduates gain employment in which they use their degree.

I am not a graduate myself, but they say that graduates are more tolerant, healthier, less involved in crime and more involved in their communities, which is certainly my experience of the graduates in their places around the Chamber.

The third crucial question is whether graduates should make a contribution. I say to Conservative Members—particularly to the right hon. Member for Richmond, Yorks, who led the Conservative party when the Dearing report was published—that Dearing was a national committee of inquiry. The report was a seminal work. Everyone says that Dearing did a thorough job. There are 20 volumes and God knows how many pages.

The Dearing report was unanimous in saying—and this is the answer to the hon. Member for Newbury (Mr. Rendel)—that we are fooling ourselves if we believe that we can fund higher education at 40 and 50 per cent. participation rates purely from the taxpayer in the same way as we did when university education was the preserve of a tiny elite—only 6 per cent. in the early 1960s. It was Dearing who said—the previous Government commissioned Dearing—that graduates should make a contribution.

I say to my right hon. Friend the Member for Birmingham, Ladywood that Dearing was first minded to go for a graduate tax. He did not do so because he felt that the graduate contribution scheme that we are introducing through the Bill was superior, for two basic reasons. The first was that graduates paid their contribution towards their education and did not continue to pay for the rest of their lives. The second was that lump sums can be paid up front under a graduate contribution scheme to get the money paid off quickly. Dearing said that the graduate contribution scheme was income contingent, as with the graduate tax; that it was paid through the Inland Revenue, as with the graduate tax; and that if earnings fell below a certain level, the graduate would cease to pay, as with the graduate tax. That is why I believe that the Dearing report is at the nub of the debate.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Can my hon. Friend help me on the subject of Dearing and grants? There was a slick operation going on this morning, with a list of concessions on offer, but my right hon. Friend's speech did not live up to it. Outside this place, the media are talking of no concessions being made. Can the Minister be precise? As a result of what has been said today, what extra maintenance grant will the children of a postman on an average income of £18,624 receive, when the wife earns perhaps another £5,000?

Alan Johnson: I will gladly come to that very point and answer my hon. Friend, but I want to stay with the logic of our important debate. Should graduates contribute? Yes, they should. We have had the Dearing national committee of inquiry and, after devolution, the Cubie commission was established in Scotland and the Rees commission in Wales. Cubie was even more vehement than Dearing about graduates paying a contribution, and the Cubie report fully supported graduate contributions.

I have considerable personal respect for the hon. Member for Harrogate and Knaresborough (Mr. Willis), but he cannot come here simon-pure in his principle that graduates must never make a contribution, when in Scotland the Liberal Democrats are part of a coalition Government and every graduate makes a contribution of just over £2,000 through the graduate endowment scheme. How can the Liberals take a principled stance against graduate contributions while supporting—they are right to support it—that system in Scotland?

Mrs. Anne Campbell: Does my right hon. Friend agree that one of the real disadvantages of the Government's scheme compared with a graduate tax is the fact that someone who earns a lot may pay off their money quickly, but it might take a person on a low to average income 25 years before the amount is written off?

Alan Johnson: If my hon. Friend has those precise concerns, I believe that she should read the Dearing report. Dearing set out six reasons why a graduate contribution scheme was superior to a graduate tax. We have had this debate within the parliamentary Labour party and I think that we should take it further. I sincerely believe that this option is much better.

We now get on to the really important question of whether there should be a fixed fee or a variable fee.

Richard Burden: My right hon. Friend will be aware that the problem that several of us have concerns the cap and that I asked my right hon. Friend the Education Secretary a question about that during his opening remarks. Will he clarify one thing for me? He has guaranteed that the cap will not rise during the course of the next Parliament and that it would require primary legislation to raise it within that time. It has also been said that if the commission recommended significant changes thereafter, it would be likely that primary legislation would be required. Would an increase in the rate of variability count as a significant change?

Alan Johnson: Yes, it undoubtedly would.

May I address the very issue about which my hon. Friend the Member for Birmingham, Northfield (Richard Burden) spoke to me only last evening: the question of fixed versus variable fees? We heard important contributions from my right hon. Friend the Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown) and my hon. Friends the Members for Cambridge (Mrs. Campbell), for Southampton, Test (Dr. Whitehead) and for Norwich, North (Dr. Gibson). I accept completely the concerns of my right hon. Friend the Member for Newcastle upon Tyne, East and Wallsend about variability. From our point of view, we understood right from the start—since the first early-day motion was tabled by my hon. Friend the Member for Cambridge—that the primary concern was about poor students.

[Alan Johnson]

We now have a situation in which we are putting forward a £2,700 grant—this relates to the intervention made by my hon. Friend the Member for Newcastle-under-Lyme (Paul Farrelly). A £4,000 bursary is being offered at Cambridge, Imperial and Exeter, and I am sure that that is soon to be offered by many other universities. There will be access to a £3,555 loan. That is £10,250 a year of support—those studying physics, incidentally, will get an extra £1,000 on top.

We also have a situation in which 16 and 17-year-olds from poor backgrounds will, from this summer, get £1,500 a year to stay in school. If we do not keep them in school, we cannot get them to do two decent A-levels so that they can get to university. There will be a sum of £11,100 over a five-year period, which represents the kind of package that has never before been seen to help poorer students. However, I accept that my right hon. Friend the Member for Newcastle upon Tyne, East and Wallsend and others still have concerns about variability. Our view was simply that going to a fixed fee of £2,500, as has been suggested, or £3,000 with absolute rigidity and no ability to charge less, would be wrong. However, after three years of the scheme's operation, an independent commission will look at it and report straight to the House—not to the Government—after examining the concerns expressed by my right hon. and hon. Friends. It is important that we do that because that point will be the prime time at which to consider the question of fixed versus variable and to decide whether we should switch from one to the other.

Simon Hughes: Will the right hon. Gentleman give way?

Alan Johnson: No, I am not giving way.

Another concern has been expressed about the effect of the package on modern universities. I hope that hon. Members have seen something today from what used to be called the Coalition of Modern Universities, but which has helpfully changed its name in the last week to Campaigning for Mainstream Universities. It says to all hon. Members:

"We are leading the delivery of the government's aim of widening participation . . . If you support what we are doing and you wish to ensure that we can continue to make our essential contribution in the future, it is important that the Bill passes its Second Reading tomorrow"—

this was issued yesterday.

"If the Bill falls, many of those with the greatest need will be denied the transforming opportunity of a quality university education."

Those are the very universities that Labour Members, quite understandably, have concerns about, and it is very significant that CMU has issued that quote today.

We now have a situation where a £2,700 grant is available from the Government. Significant grants are available from those universities that need to widen participation—they accept that they need to do so; there is no argument between those universities and us. The threshold for repayment will now increase from £10,000 to £15,000. As a result, with people's concern about debt—watching the debate, as we speak—graduates are paying back £8.60 a week if they are on £15,000 a year. When the proposal comes in, that drops to nothing. They pay nothing at £15,000 a year. Graduates on £18,000 a year, which is the average starting pay of a graduate, are currently paying £13.85. With our proposal, that drops to £5.19, immediately. That goes right up the scale to people who earn as much as £40,000 a year. It is not what people owe; it what they earn that determines their payment.

On the 25-year cap, my hon. Friend the Member for Croydon, Central (Geraint Davies) was right in pointing out that if, for whatever reason, someone joins the Church, works for a charity, or decides to become an MP—so never earns much money—and only earns the equivalent of £17,000 a year for their whole lifetime, they will only pay back a grand sum, loan plus fee, of £4,500.

Mr. Barnes: Could we be clear beyond peradventure that the change that I am seeking has not been accepted? Instead of the debt disappearing after 25 years, we should take it off the front end, so that there is a holiday from debt. That would affect perceptions considerably, and it would be an advance in the direction that many of us want to go.

Alan Johnson: I very much appreciate the fact that this is not the first time that my hon. Friend has raised that, and I sincerely hope that it will not be the last, because I should love to debate it in Committee.

Other issues have been raised about devolved Administrations. I just want to say that, with the anomalies that occur, it is very important to us that the cross-border situation that might arise with Scotland, Northern Ireland and Wales is thought through considerably and that we discuss it at the JULC.—Joint Union Liaison Committee.

Mr. Jon Owen Jones: May I ask for my right hon. Friend's assurance that he will look carefully into the anomaly that will exist if the Welsh Assembly's policies go into place, whereby a Russell group university—Cardiff—will charge students who go there £6,000 less than any other Russell group institution, so there will be a flood of English students into Cardiff university?

Alan Johnson: I will examine my hon. Friend's point.

A major thrust of attacks—particularly by the right hon. Member for Richmond, Yorks—was that we have broken a manifesto commitment. My right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) was clear in the late 1990s in introducing legislation, and very clear about the definition of top-up fees—the Government place a charge and universities can top it up to whatever they like. We will never do that now. We will not legislate for that in the future.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 316, Noes 311.

Division No. 38] **[6:59 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy

Atkins, Charlotte
Bailey, Adrian
Baird, Vera
Banks, Tony
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Joe *(Bootle)*
Betts, Clive
Blackman, Liz
Blair, rh Tony
Blears, Ms Hazel
Blizzard, Bob
Blunkett, rh David
Boateng, rh Paul
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, rh Gordon *(Dunfermline E)*
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, Andy
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Charles *(Norwich S)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corston, Jean
Cranston, Ross
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Darling, rh Alistair
David, Wayne
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Donohoe, Brian H
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Field, rh Frank *(Birkenhead)*
Fitzsimons, Mrs Lorna
Flint, Caroline
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gilroy, Linda
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Hurst, Alan *(Braintree)*
Hutton, rh John
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Jackson, Robert *(Wantage)*
Jamieson, David
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Kevan *(N Durham)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Love, Andrew
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCartney, rh Ian
McDonagh, Siobhain
MacDonald, Calum
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Martlew, Eric
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morley, Elliot
Morris, rh Estelle
Mountford, Kali
Mullin, Chris
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, rh Paul *(Torfaen)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Diana
Osborne, Sandra *(Ayr)*
Palmer, Dr. Nick
Pearson, Ian
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Salter, Martin
Sarwar, Mohammad
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Shipley, Ms Debra
Simon, Siôn *(B'ham Erdington)*
Singh, Marsha
Smith, rh Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Soley, Clive
Southworth, Helen
Spellar, rh John
Squire, Rachel
Starkey, Dr. Phyllis
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Straw, rh Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Turner, Dennis *(Wolverh'ton SE)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*

Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Walley, Ms Joan
Ward, Claire
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Betty *(Conwy)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Jim Fitzpatrick and Joan Ryan

NOES

Abbott, Ms Diane
Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Austin, John
Bacon, Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Barnes, Harry
Baron, John *(Billericay)*
Barrett, John
Beggs, Roy *(E Antrim)*
Beith, rh A. J.
Bellingham, Henry
Bennett, Andrew
Bercow, John
Beresford, Sir Paul
Berry, Roger
Best, Harold
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burgon, Colin
Burnett, John
Burns, Simon
Burnside, David
Burstow, Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Calton, Mrs Patsy
Cameron, David
Campbell, Gregory *(E Lond'y)*
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Caton, Martin
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clapham, Michael
Clappison, James
Clark, Mrs Helen *(Peterborough)*
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Cohen, Harry
Collins, Tim
Colman, Tony
Connarty, Michael
Conway, Derek
Corbyn, Jeremy
Cormack, Sir Patrick
Cotter, Brian
Cousins, Jim
Cran, James *(Beverley)*
Crausby, David
Cruddas, Jon
Cryer, John *(Hornchurch)*
Curry, rh David
Dalyell, Tam
Davey, Edward *(Kingston)*
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Dodds, Nigel
Donaldson, Jeffrey M.
Dorrell, rh Stephen
Doughty, Sue
Duncan, Alan *(Rutland)*
Duncan Smith, rh Iain
Dunwoody, Mrs Gwyneth
Etherington, Bill
Evans, Nigel
Ewing, Annabelle
Fabricant, Michael
Fallon, Michael
Farrelly, Paul
Field, Mark *(Cities of London & Westminster)*
Fisher, Mark
Flight, Howard
Flook, Adrian
Flynn, Paul *(Newport W)*
Forth, rh Eric
Foster, Don *(Bath)*
Fox, Dr. Liam
Francois, Mark
Gale, Roger *(N Thanet)*
Galloway, George
Garnier, Edward
George, Andrew *(St. Ives)*
Gerrard, Neil
Gibb, Nick *(Bognor Regis)*
Gibson, Dr. Ian
Gidley, Sandra
Gillan, Mrs Cheryl
Godsiff, Roger
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Grieve, Dominic
Grogan, John
Gummer, rh John
Hague, rh William
Hammond, Philip
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harvey, Nick
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Henderson, Doug *(Newcastle N)*
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hoey, Kate *(Vauxhall)*
Hogg, rh Douglas
Holmes, Paul
Hopkins, Kelvin
Horam, John *(Orpington)*
Howard, rh Michael
Howarth, Gerald *(Aldershot)*
Hoyle, Lindsay
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hume, John *(Foyle)*
Hunter, Andrew
Illsley, Eric
Jack, rh Michael
Jackson, Glenda *(Hampstead & Highgate)*
Jenkin, Bernard
Johnson, Boris *(Henley)*
Jones, Jon Owen *(Cardiff C)*
Jones, Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kilfoyle, Peter
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Lewis, Terry *(Worsley)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Loughton, Tim
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McCafferty, Chris
McDonnell, John
McGrady, Eddie
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
McNamara, Kevin
Mahon, Mrs Alice
Malins, Humfrey
Mallon, Seamus
Maples, John
Marris, Rob *(Wolverh'ton SW)*
Marsden, Paul *(Shrewsbury & Atcham)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Mates, Michael
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Meacher, rh Michael
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Morgan, Julie
Moss, Malcolm
Mudie, George
Murrison, Dr. Andrew
Norman, Archie
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Owen, Albert
Page, Richard
Paice, James
Paisley, Rev. Ian
Paterson, Owen
Pickles, Eric
Portillo, rh Michael
Prentice, Gordon *(Pendle)*
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Mrs Iris *(Strangford)*
Robinson, Peter *(Belfast E)*
Roe, Mrs Marion
Rosindell, Andrew
Ruffley, David
Russell, Bob *(Colchester)*
Salmond, Alex
Sanders, Adrian
Sayeed, Jonathan
Sedgemore, Brian
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Short, rh Clare
Simmonds, Mark
Simpson, Alan *(Nottingham S)*
Simpson, Keith *(M-Norfolk)*
Skinner, Dennis
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*

Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Steen, Anthony
Steinberg, Gerry
Strang, rh Dr. Gavin
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, David *(NW Leics)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Teather, Sarah
Thomas, Simon *(Ceredigion)*
Thurso, John
Tonge, Dr. Jenny
Tredinnick, David
Trend, Michael
Trickett, Jon
Trimble, rh David
Turner, Andrew *(Isle of Wight)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Vis, Dr. Rudi
Walter, Robert
Wareing, Robert N.
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Weir, Michael
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Wishart, Pete
Wood, Mike *(Batley)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. David Wilshire and
Mr. Peter Luff

Question accordingly agreed to.

Mr. Tim Yeo (South Suffolk) (Con): On a point of order, Mr. Speaker. After this utter humiliation for the Government, do you agree that it is completely wrong that a Bill that imposes higher charges on students attending English universities should be carried by this House only by using the votes of Scottish Members of Parliament, given that students attending universities in the constituents of those Scottish Members do not have pay those higher charges?

Mr. Speaker: Order. The House has decided on this matter, and that is the end of it.

Mr. Alex Salmond (Banff and Buchan) (SNP) *rose—*

Mr. Speaker: I hope that this is a proper point of order, Mr. Salmond. *[Interruption.]* Order. Allow me to hear the hon. Gentleman.

Mr. Salmond: Can the Speaker clarify that there was nothing in the terms of order that required the single Scottish Tory MP to sit on his hands and do nothing while Scottish interests were put to the sword by Scottish Labour MPs?

Mr. Speaker: Order. We now come to the programme motion.

HIGHER EDUCATION BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Orders [28 June 2001 and 6 November 2003],

That the following provisions shall apply to the Higher Education Bill:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 26th February 2004.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Sessional Order B (programming committees) made on 28th June 2001 shall not apply to proceedings on consideration and Third Reading.

Programming of proceedings

7. All other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Paul Clark.]*

The House divided: Ayes 361, Noes 231.

Division No. 39] **[7:21 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Bennett, Andrew
Benton, Joe *(Bootle)*
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, rh David
Boateng, rh Paul
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Charles *(Norwich S)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corston, Jean
Cousins, Jim
Cranston, Ross
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire

Darling, rh Alistair
David, Wayne
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gilroy, Linda
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Jamieson, David
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McCartney, rh Ian
McDonagh, Siobhain
MacDonald, Calum
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mallaber, Judy
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Martlew, Eric
Meacher, rh Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morgan, Julie
Morley, Elliot
Morris, rh Estelle
Mountford, Kali
Mullin, Chris
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, rh Paul *(Torfaen)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Diana
Osborne, Sandra *(Ayr)*
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Simon, Siôn *(B'ham Erdington)*
Singh, Marsha
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Soley, Clive
Southworth, Helen
Spellar, rh John
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dan *(Stockton S)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Jim Fitzpatrick and
Joan Ryan

NOES

Abbott, Ms Diane
Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Bacon, Richard
Baker, Norman
Baldry, Tony
Baron, John *(Billericay)*
Barrett, John
Beggs, Roy *(E Antrim)*
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burnett, John
Burns, Simon
Burnside, David
Burstow, Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Calton, Mrs Patsy
Cameron, David
Campbell, Gregory *(E Lond'y)*
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Mrs Helen *(Peterborough)*
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Conway, Derek
Corbyn, Jeremy
Cormack, Sir Patrick
Cotter, Brian
Curry, rh David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dodds, Nigel
Donaldson, Jeffrey M.
Dorrell, rh Stephen
Doughty, Sue
Duncan, Alan *(Rutland)*
Duncan Smith, rh Iain
Evans, Nigel
Ewing, Annabelle
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Grieve, Dominic
Gummer, rh John
Hague, rh William
Hammond, Philip
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howard, rh Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, rh Michael
Jenkin, Bernard
Johnson, Boris *(Henley)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McDonnell, John
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Mahon, Mrs Alice
Malins, Humfrey
Maples, John
Mates, Michael
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paice, James
Paisley, Rev. Ian
Paterson, Owen
Pickles, Eric
Portillo, rh Michael
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Mrs Iris *(Strangford)*
Robinson, Peter *(Belfast E)*
Roe, Mrs Marion
Rosindell, Andrew
Ruffley, David
Russell, Bob *(Colchester)*
Salmond, Alex
Sanders, Adrian
Sayeed, Jonathan
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Teather, Sarah
Thomas, Simon *(Ceredigion)*
Thurso, John
Tonge, Dr. Jenny
Tredinnick, David
Trend, Michael
Trimble, rh David
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wareing, Robert N.
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Weir, Michael
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Peter Atkinson and Gregory Barker

Question accordingly agreed to.

7.34 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): On a point of order, Mr. Speaker. The question that will now arise is on the formation of the Standing Committee. Normally, as you know well, the committee of nomination would select the Standing Committee in accordance with party composition. However, you will know from page 693 of "Erskine May" that it is a rule of the House that the strength of opinion as expressed in any Division on Second Reading is properly to be reflected on the Standing Committee. The Government obtained a majority of five on Second Reading. May I suggest that they are therefore entitled to a majority of only one on the Standing Committee; otherwise, the rule in "Erskine May" will not be respected?

Mr. Oliver Heald (North-East Hertfordshire) (Con): Further to that point of order, Mr. Speaker. May I join in the remarks made by my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg)? Clearly, in such a case the support to be

[Mr. Oliver Heald]

considered is that on the respective Benches in this place. It is clear that, on this occasion, those on the Opposition Benches almost prevailed. It would be quite wrong if the membership of the Committee did not reflect the fact that the vote was very close—the majority on the Committee should be no more than one.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Further to that point of order, Mr. Speaker. Following on from the point made by my right hon. and learned Friend the Member for Sleaford and North Hykeham, I hope that you, in your wisdom and after your deliberations, will feel free to give guidance to the Committee of Selection so that there can be no doubt in its mind as to the wish of the House, as expressed through the Division that we have just had. We must also bear in mind the fact that the guidance in "Erskine May" must be followed on this occasion by the Committee of Selection. It would be an insult to the House were that Committee, for any reason, to decide to compose the Standing Committee so that it has anything other than a very even balance that reflects the vote in the House.

Mr. Speaker: I thank the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) for giving notice of his point of order. It is the duty of the Committee of Selection, under Standing Order No. 86, to

"have regard to the qualifications of those Members nominated and to the composition of the House".

HIGHER EDUCATION BILL *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Higher Education Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of—

(a) any expenditure incurred by the Secretary of State by virtue of the Act, and

(b) any increase attributable to the Act in the sums which by virtue of any other Act are payable out of money provided by Parliament;

(2) the payment of sums into the Consolidated Fund.—*[Gillian Merron.]*

Question agreed to.

SITTINGS IN WESTMINSTER HALL

Ordered,

That, on Wednesday 28th January, the sitting in Westminster Hall shall be suspended from half-past Eleven o'clock until Four o'clock, and may then continue for a further two and a half hours (exclusive of any period of suspension owing to a division being called in the House or a Committee of the whole House).—*[Gillian Merron.]*

Mr. Forth: On a point of order, Mr. Speaker. Does not the fact that we have passed that motion show that Westminster Hall is indeed a triviality and an appendage to the House? We have casually swept aside its proceedings to suit some convenience—we know not what. As we were unable to debate the motion, we do not know why it appeared on the Order Paper; we can only guess. Does not this show very clearly—and set a precedent to the effect that—proceedings in Westminster Hall can now be casually set aside by the House to suit the convenience of who knows who?

Mr. Speaker: We have changed the time; the proceedings have not been put aside.

Sir Nicholas Winterton (Macclesfield) (Con): On a point of order, Mr. Speaker. May I raise a related matter? Will you protect the rights of those in the House who help to administer the House and make it work? I refer to those additional Deputy Speakers who serve in Westminster Hall, who are also senior members of your Chairmen's Panel. I have consulted the Chairman who would be in Westminster Hall tomorrow, and he was in no way consulted before the motion was tabled to enable this change to take place.

Do you think, Sir, that it is unreasonable that a Chairman, who might have other—

Mr. Speaker: Order. First, let me say that we have to be careful here. This is a nod-or-nothing motion. My clear understanding is that I have declared that the Ayes have it, so we are not going to debate a motion that the House has already agreed to. For the benefit of the hon. Gentleman, who is a Chairman in Westminster Hall, I say this: this is not a matter for the Chair, as this is a piece of Government business. If there was no consultation, that is no fault of the Chair. The motion was tabled to benefit the Member who has that Westminster Hall Adjournment debate and who clearly wants to show an interest in what might be happening in the Chamber at that time.

Mrs. Angela Browning (Tiverton and Honiton) (Con): Further to that point of order, Mr. Speaker. You will know that I had the half-hour Adjournment debate in Westminster Hall at 3.30 pm tomorrow. I understand that it will now take place at 5.30 pm. I simply want to thank everyone concerned.

Mr. Speaker: I thank the hon. Lady.

Jim Dowd (Lewisham, West) (Lab): Further to that point of order, Mr. Speaker. The right hon. Member for Bromley and Chislehurst (Mr. Forth) is well rehearsed in such matters and if he genuinely wanted to make a point, he could have objected to the motion, which would have rendered it redundant. The hon. Member for Macclesfield (Sir Nicholas Winterton) is an esteemed Chairman of proceedings in Westminster Hall. The proceedings have not been thrown aside; there is a debate in which I particularly want to speak, if I get the chance. I presented a petition on a similar matter on Monday evening. The business has simply been moved for the greater convenience of the House. We should all have regard to our primary purpose here.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Further to that point of order, Mr. Speaker. As the prime beneficiary of the motion that the House has just accepted, I express my gratitude because it will enable

those who want to participate in the debate in my name on an important subject to attend the Prime Minister's statement on Hutton as well as debating important matters in Westminster Hall.

Mr. John Gummer (Suffolk, Coastal) (Con) *rose—*

Mr. Speaker: Order. We have laboured the point; we have really hammered it home. That is not bad for a nod or nothing—we have taken about five points of order on it.

Information Technology/Retail Crime

Motion made, and Question proposed, That this House do now adjourn.—*[Gillian Merron.]*

7.40 pm

Mr. Tom Watson (West Bromwich, East) (Lab): My heart went out to my hon. Friend the Member for Greenock and Inverclyde (David Cairns) this afternoon when 600 hon. Members filled the Chamber for his ten-minute Bill. I can hear the sound of 600 hon. Members scurrying away from my Adjournment debate. Nevertheless, I am pleased to have secured a debate on IT and retail crime.

I want to make several points that are of growing concern to many thousands of people outside the House. The Government and our party are currently engaged in a big conversation, and I have been holding a big conversation on my weblog—www.tom-watson.co.uk. The issues raised in that online conversation are different from those that arise in our constituency surgeries and public meetings. Webloggers around the world have raised a specific point about the new wireless technology, which is known as radio frequency identification—RFID.

I want to begin by thanking several weblogs for alerting me to RFID technology and its uses in Britain and abroad, notably, reeengage.co.uk, notags.co.uk and CASPIAN—Consumers Against Supermarket Privacy Invasion and Numbering. The latter is an American pressure group that advises groups in the United Kingdom.

Radio frequency identification tags are tiny microchips, little bigger than a grain of sand, which can contain information from the price of goods in a shop to a person's entire medical records. They have been proclaimed as the global successor to the 30-year-old barcode, but they are much more sophisticated. They can not only store much more data, such as a product's expiry date, colour, packaging, origin and destination, but transmit it through the airwaves. Crucial to their operation is a microscopic antenna, invisible to the naked eye, which allows the chip to be read by a scanning device.

A barcode label can be read only with the customer's knowledge and co-operation, but with a scanner next to the product, active RFID tags can be scanned remotely, without the customer knowing. Most scanners are currently in the range of around 5 ft to 20 ft, but more powerful devices, which can read smart tags at a wider range, already exist and could conceivably become more commonly used.

Although the technology has existed since the 1960s, its use has become more widespread only through recent advances. As the technology gets smaller and smaller and cheaper and cheaper, it is increasingly used under our noses, with most UK citizens completely oblivious to it. It is not surprising that the tags have become known in some circles as Big Brother-style "spy chips."

Supermarket chains are already testing the extent to which British consumers are willing to accept those discreet invasions of our privacy. Stores, including Marks and Spencer and Tesco, have been using them in their warehouses to keep track of stock for some time.

[Mr. Tom Watson]

However, last summer, the tags strayed outside the storeroom and were tested for the first time on the shop floor. Tesco and Gillette created a so-called smart shelf to house their razor blades—one of the most commonly shoplifted items. In Tesco's Cambridge store each packet of blades bore an RFID tag, and the shelf contained a tag reader and a small CCTV camera. Every time someone picked up a packet from the shelf the tag triggered the camera, which took a picture. Photographs were also taken when the blades were taken to the till. By combining the information, Tesco could, in a small number of cases, pass to the police photographs of shoplifters and other criminals—people who had taken the razor blades from the shelf, but had not been to the till to pay for them.

Perhaps understandably, there was a significant consumer outcry once people began to realise just what was happening in the store where the trials were taking place. Protests outside ultimately led to the suspension of the Tesco tests. However, British retailers continue to test the technology, although for the moment closed-circuit television cameras are not being tested after the initial test. Only yesterday, Philips and IBM announced a deal for joint development of RFID technology for shops, with Philips manufacturing the chips and IBM developing the computer systems.

Mark Tami (Alyn and Deeside) (Lab): Many of these developments, like CCTV, can be very positive in picking up crime. Does my hon. Friend know whether any of the companies making the devices or any of the shops using them have had any discussions with Government to establish how they could be introduced in a way that would not infringe on civil liberties, and would have a positive effect rather than amounting to a snoopers' charter?

Mr. Watson: They have discussions with the Government, and I am sure that the Minister will answer my hon. Friend's question more fully. What I am trying to do is sound a note of caution, and perhaps persuade the industry, along with consumers and Government, to examine the issue more closely.

Earlier this month, Tesco announced that it was forming a European working group with Intel, Carrefour and the Metro Group to accelerate the adoption of this technology. Last year, Safeway ran an RFID pilot with Unilever involving 40,000 cases of deodorant, which were tracked from the factory and through the shelves of three of its stores. Safeway's own chief information officer, Mr. Ric Francis, has been so impressed with the trials that he believes RFID is key to the future of the retail sector, especially as costs continue to fall. In an interview with the website silicon.com only last week, he said:

"If these things end up being a penny a go, which I'm sure they will be at some point in time, then that will be a route to implement in a ubiquitous nature."

The tags could be used on billions if not trillions of items, tracking them from manufacturer to warehouse to retailer to customer, into the home and into the dustbin.

To his credit, however, Mr. Francis also recognised that people's worries and unease about their use must be addressed and common standards must be introduced before RFID tests can or indeed should be permitted to become as widespread as the barcode. That brings me to some specific concerns.

Like so much modern technology, RFID has the potential to be exploited in both a positive and a negative way. It can indeed be a force for good, helping stock control, tracking supplies, even tracing animals on a farm. It can help to clamp down on shoplifting and retail crime. The industry is right to want to do that: after all, the cost of retail crime to businesses, and ultimately to consumers, is—according to a recent British Retail Consortium report—some £2.25 billion a year. It is also increasingly linked to violence against shop staff, an issue that the Union of Shop, Distributive and Allied Workers and I have raised a number of times. Indeed, I have raised it in the House.

The Home Office has invested £5.5 million in pilot projects in the "chipping of goods" initiative as part of the Government's continuing efforts to combat property crime. Can the Minister tell me what other initiatives involving this technology are being undertaken or planned by the Government in partnership with industry? I should be very interested in the outcomes of such trials. Perhaps the Minister will be able to give the House some early feedback on their effectiveness. However, the technology can just as easily be exploited to track our purchases and, in the worst case scenario, our every move, in a way that was previously the preserve of science fiction and Hollywood movies such as "Enemy of the State". As Kevin Ashton, a former executive director of the Auto-ID Center who was involved in the development of the technology, has said:

"One day, and not this decade, it's not impossible that everything in the global supply chain, almost every manufactured object, could contain a tiny wireless computer. So the computers that we use to manage this supply chain will know where everything is, all the time."

The risk is that with billions of active tags on every conceivable item and hundreds of thousands of scanners, a permanent surveillance will be established. Katherine Albrecht, the founder of CASPIAN, told *The Guardian* this weekend:

"Fast-forward 10 years and a person could be going into a store, or even a government building or bank, and scanners could pick up the Electronic Product Code of everything in that person's purse. It's like an automatic profiling—an electronic frisk without even being aware of it."

Customers must therefore be made fully aware of the use of RFID and retailers must be completely open and transparent about what they are doing and what any information they collect will be used for, especially if the tags are used in conjunction with CCTV cameras or other surveillance devices. There should be no hidden tags and no hidden readers. We must not allow the technology to be used without any regulation. Before we know it, RFID could become ubiquitous in the retail sector—and not only to prevent theft.

Without guidelines, the potential for retailers to use RFID to monitor closely who purchases what, why, where and when is very real. Not only our buying habits but our browsing behaviour could be monitored. In the British Retail Consortium's November 2003 newsletter, Ruth Carpenter noted:

"While the retail world currently uses source tags mainly for inventory help and crime prevention, the move into marketing is a logical progression."

It is also a dangerous progression. My shopping habits could be analysed by marketing departments. For example, I might pick up product A or B before choosing product C. Should supermarkets be allowed to collect such data? Linking together different databases or combining information with credit cards and store cards that also contain tags would be a huge invasion of customers' privacy, which British consumers simply will not tolerate.

Liberty has warned that RFID could allow retailers to build ever more personal and more sophisticated profiles of their customers for specific, targeted marketing campaigns. I do not always see eye to eye with that organisation, but on this occasion it has rightly kept a close watch on developments with a new unit to monitor the use of the technology in supermarkets and big chain stores.

Can the Minister give assurances that the data protection legislation can provide adequate safeguards? If not, what new legislation is needed? What steps has the Information Commissioner taken to ensure that existing laws have not already been broken?

Major concerns also arise about whether and how tags are deactivated at the point of sale. There are currently no guarantees to ensure that the tags will be removed or switched off when customers leave the shop or that they will not be tracked. Tesco have used RFID tags on DVDs at its Sandhurst store in Berkshire, but the tags were not deactivated when the customer paid at the checkout. As "Channel 4 News" demonstrated last year in a report entitled "Chips with Everything", the tags could still be read remotely.

Even if retailers have a policy of always deactivating the tags, which at present does not appear to be the case, that needs to be followed through by staff in every instance. Many people have had the embarrassment of setting off an alarm in a library or a shop after they have borrowed books or purchased goods, because busy staff had not successfully switched off security tags attached to them. With RFID tags, which are not intended to trigger loud alarms and cannot necessarily be seen by the naked eye, it would be even easier for staff to forget to deactivate them. However, the consequences could be more serious than a few seconds of red faces and beeping alarms.

The tags could be active forever and people would leave an electronic trail wherever they went. That is particularly worrying in the case of clothing, which could be tagged without people's knowledge. Marks and Spencer has been keen to trial the technology on the clothes in some of its UK stores and Benetton floated the idea of embedding tags inside the clothes themselves, only abandoning the plan after a public backlash.

Tags in credit cards, cheque books and even bank notes have also been proposed. They could prevent counterfeiting and forgery, but they also present further opportunities for the tracking of what we spend and where we spend it.

Will my hon. Friend the Minister therefore consider a code of conduct and common standards for the industry, to prevent the information collected from being abused? Strict guidelines are needed to reassure people that RFID cannot be misused and to protect people's privacy and rights. If the industry cannot police itself, it is up to the Government and my hon. Friend's colleagues in other Departments to lay down the law. Does the Home Office, for example, have a view on the relative benefits and dangers of using RFID technology in banknotes and credit cards?

In the absence of any enthusiasm on the part of retailers for informing customers about their increasing use of RFID, could the Government insist that where RFID is used in consumer goods, it must be done in a clear and open manner, with appropriate labelling?

Regulations on the use of RFID technology would go some way to addressing people's fears. However, more work also needs to be done to prevent the data falling into the hands of hackers and to protect tags from being intercepted over the airwaves and read by eavesdroppers. Clearly, wherever this technology is used, adequate safeguards and data encryption must be put in place.

RFID is not the only technological advance that is being used to combat retail crime. Birmingham's 800-strong retail crime reduction partnership, for example, makes use of a shared database of digital photographs. Once an offender has been banned from one shop, he or she can be banned from every store in the scheme. The Birmingham retail crime operation has helped to reduce crime in the city centre, and is helping to make the new Bull Ring a safe place for people in the Midlands to work and shop.

For the first time ever, thanks to state-of-the-art technology, retailers, pubs and clubs, the business community, car park attendants, street wardens, the police and British Waterways patrols right across the city will all be working on the same radio network for the purpose of crime prevention, and will have the ability to communicate with each other at the press of a button.

The so-called AB trunked radio system also allows its users to make group calls or one-to-one calls to individual users. Using the radios to warn each other of known thieves who are approaching, retailers have been able to save thousands of pounds every year.

A sophisticated computer database that is being used in as many as 250 town centres—the business intelligence crime system, or BICS—collects, disseminates and uses intelligence about retail crime in a new way to allow crime analysis by type of store attacked, type of merchandise stolen and its value, particulars of the offender's modus operandi and other factors. Police or CCTV photographs are also circulated along with any previous retail crime history.

The key difference between systems like those and RFID technology is that, although they can both help tackle retail crime, the latter is more discreet and can be misused by big businesses to get information about shoppers, rather than just shoplifters. So regulation and common standards are required. RFID should be used to target criminals, not customers.

I am grateful to have had this opportunity to raise the use of RFID technology in the House for what I believe is the first time. I hope that this will in some way help to open up a wider debate in the country, and indeed in Parliament.

[Mr. Watson]

New technology has always presented us with both challenges and opportunities in tackling crime, and RFID is no exception. However, if we do not stay ahead of the game and regulate its use, we could find that the negatives soon outweigh the positive benefits.

Public confidence in the use of RFID for entirely honourable reasons could easily be shattered—and nobody will benefit from that. By the end of the decade RFID could become a multi-billion-pound industry, as much a part of everyday life as the internet or mobile phones have become over the last 10 years: unavoidable, wherever we go, whatever we do.

The House has an opportunity to take an early lead, before it is too late, by taking firm action against the dangers and invasions of privacy that RFID can lead to, while harnessing the technology for the fight against retail crime and for the wider public good.

7.59 pm

The Minister for Energy, E-Commerce and Postal Services (Mr. Stephen Timms): I congratulate my hon. Friend the Member for West Bromwich, East (Mr. Watson) on securing the debate and introducing this important subject. I pay tribute to him for engaging a large part of the technology community worldwide with the business of the House through his remarkable and widely renowned weblog.

My hon. Friend rightly referred to the scale of retail crime—over £2 billion in 2002. The British Retail Consortium annual retail crime survey, to which he referred, tells us that some 300,000 customer thefts accounted for 44 per cent. of that, staff theft accounted for 37 per cent., and a variety of kinds of fraud accounted for the balance.

The subject that my hon. Friend has raised is important, and we are working closely with the retail sector and others to tackle it. I want to take the limited time that I have to highlight some of the activities that we have in hand in this area.

The business-led retail strategy group announced by my right hon. Friend the Secretary of State at the British Retail Consortium in October 2002 has identified crime as one of the five key issues for the sector and recognised the role that technology can play in reducing it. There is a host of local and national initiatives. My Department is responsible for the management of information—MI—and next wave programmes. The Home Office has led a number of programmes, including the highly successful chipping of goods programme, which my hon. Friend mentioned.

The MI programme was established in 1998 in response to the Foresight-initiated fraud liaison awareness and research exploration project, which showed a strong interest in combating retail fraud in a collaborative way. That project has a budget of £7.8 million from public sources, including the Department of Trade and Industry, the Home Office and others, matched with equal funding from the private sector. There have been three calls for proposals under that programme and a total of 15 projects. It addresses fraud prevention, privacy and security, principally in the retail sector, using a variety of technologies. One project, which my hon. Friend mentioned, the business information crime system, has attracted particular attention and is being evaluated.

The Home Office launched the chipping of goods initiative in March 2000 to show how property crime could be reduced throughout the retail supply chain using the radio frequency identification technology that my hon. Friend has spoken about. A range of stakeholders are involved in that initiative. As he said, £5.5 million of Government funding has been more than matched by investment from other partners to establish eight world-class demonstrator projects, showing the effectiveness of chipping in combating crime. It is widely expected that that technology can help in assessing whether goods have been stolen, providing proof of ownership of goods and providing an audit trail to show where goods have been and who was involved in handling them during their life cycle.

In technological terms, the initiative has been a resounding success. Given a little more time, I could tell my hon. Friend about a number of projects that have been taken forward under that initiative, including several that he mentioned, such as that advanced jointly by Unilever and Safeway. The British Marine Federation has worked on a boat identity scheme based on RFID. TRI-MEX International is working with Nokia and DHL to combat mobile phone theft. Argos is working in conjunction with Integrated Product Intelligence on a system to track and trace jewellery. Woolworth's, EMI Distribution, Dell Computers and others have been involved. That initiative is now closed, but the Home Office and DTI are working to ensure that the best practice that has been identified is made available to the wider retail and supply community through business support networks.

The next wave programme is a DTI initiative that seeks to advance pervasive computing—an environment in which billions of programmable or pre-programmed devices are around us in a networked environment. The areas potentially affected are vast, and clearly the monitoring and tracking of assets, RFID and other services in the retail and transport sectors could be a very important part of that programme. Activities are organised into virtual centres, one of which caters for information on the move and is hosted by IPI Ltd. "Project Inform" within it is based on an intelligent shelf—my hon. Friend mentioned Tesco tagging razors, but this is a slightly different initiative involving DVDs. "Project Fabric" within the programme has been testing the feasibility of individual garments being equipped with a unique electronic identity.

The Massachusetts Institute of Technology Auto-ID centre has prompted much speculation about where "the internet of things" is taking us. It envisages a world in which all products carry an RFID tag, uniquely identifying the item. The tags will contain an electronic pointer to a server where data on the item and its history captured during its manufacture and distribution can be accessed. Immediate information of any item's location and condition would be useful to businesses in supply chains and retail, but that raises the question whether tags should remain active outside the supply chain.

In theory, it would be possible for a suitably equipped individual or agency to identify any item anywhere on the planet, which raises a host of privacy issues. It is

worth making the point, however, that read ranges are limited to a few metres and even in the light of possible future enhancements, there are some tight restrictions.

We are probably at least two decades away from anything resembling that "internet of things". Current technology cannot do it: it does not have the necessary network coverage or the capacity, and we do not have the capacity to process the information that might arise from it. RFID tags are falling in price to the extent that item-level tagging is becoming a possibility, but it would have to be an order of magnitude cheaper to make a convincing business case. A tag costing a penny, which has not yet been achieved, on a DVD worth £10 makes some sense, but not on a can of beans costing 30p.

Some have argued that there may never be a business case for using electronic product code technology on commoditised retail items, but EPC is being developed into a standard and is the basis for systems being specified by the US Department of Defence, WalMart and Tesco. It continues to raise questions and to fuel speculation. What the recent speculation has done is to identify the perceived risks to civil liberties from wider use of RFID, particularly relating to intrusive selling techniques and privacy issues.

Those issues are under discussion between the Department of Trade and Industry, the Home Office, the Department for Constitutional Affairs, and various industry forums. The National Consumer Council is hosting a forum on the use of RFID technology in February. My Department will be represented, as it is important for us to understand and address the perceived risks if business is to benefit from the improved productivity and supply chain efficiency potentially available and, indeed, the reduced levels of crime.

Best practice examples are already emerging in the introduction of new technologies. Marks and Spencer, to which my hon. Friend referred, went to great lengths to explain to staff and customers what the trial of RFID tags on garments was about. All the tags were clearly identified and removed at the point of sale. Where the tag was attached to a wrapped item, customers were offered an alternative bag before leaving the premises. The tags could be read only with a Marks and Spencer reader.

Marks and Spencer also met with Consumers against Supermarket Privacy Invasion—the pressure group that my hon. Friend mentioned—to explain what it was doing. CASPIAN remains fundamentally opposed to the technology, but I understand that it was satisfied at least with Marks and Spencer's intentions on the initiative. The M&S approach worked well in comparison with the experience of other retailers such as WalMart, Proctor and Gamble, Prada and Benetton, where less well-communicated objectives resulted in lost customer confidence and, in some cases, protests.

No one, least of all in retailing, wants negative responses from customers. That affords some confidence that retailers will not want to risk giving rise to the sort of fears that my hon. Friend mentioned. There has been one protest here, against the "Inform" project at Tesco. It was attended by four people—three adults and a child—suggesting that the great majority of customers recognise that the technology is being used to improve stock management rather than something more nefarious.

Some individuals object to the wider use of IT in principle. More constructively, Liberty is intelligently articulating the civil rights issues and is already airing them in industry forums and with the Government. I welcome such intervention, as we all need to address the concerns, as we have done with other technologies. Not to do so would deprive businesses of the means significantly to improve efficiency for themselves, improve choice and availability for customers and reduce crime and the opportunity for crime.

We will continue to foster links between retailers, technology providers and the science base. The UK has strengths in technology and it is no coincidence that the intellectual property from MIT's Auto-ID centre has been assigned to the UK-based e-centre for commercialisation. We will continue to support the development of innovative technologies that address crime, reduce the threat of crime and promote competitiveness and productivity. We will also help cultivate and capture best practice and ensure that it is widely disseminated. That will benefit both business and citizens, and position the UK favourably—

The motion having been made after Seven o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at eleven minutes past Eight o'clock.

House of Commons

Wednesday 28 January 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES BILL [*Lords*]. (*By Order*)

Order read for resuming adjourned debate on Question,

That the promoters of the London Local Authorities Bill [Lords] may, notwithstanding anything in the Standing Orders or practice of this House, proceed with the Bill in the present Session; and the Petition for the Bill shall be deemed to have been deposited and all Standing Orders applicable to it shall be deemed to have been complied with;

That, if the Bill is brought from the Lords in the present Session, a declaration signed by the agent shall be deposited in the Private Bill Office, stating that the Bill is the same in every respect as the Bill brought from the Lords in the last Session;

That the Clerk in the Private Bill Office shall lay upon the Table of the House a certificate, that such a declaration has been deposited;

That in the present session the Bill shall be deemed to have passed through every stage through which it passed in the last Session, and shall be recorded in the Journal of the House as having passed those stages;

That no further fees shall be charged to such stages.—*[The Chairman of Ways and Means.]*

Question again proposed.

Hon. Members: Object.

To be considered on Wednesday 4 February.

DR. DAVID KELLY

Ordered,

That an Humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there be laid before this House a Return of the Report into the circumstances surrounding the death of Dr David Kelly CMG.—*[Margaret Moran.]*

Speaker's Statement

11.34 am

Mr. Speaker: I have a statement to make.

Right hon. and hon. Members will be aware that Lord Hutton is due to publish his report later this morning on his investigation into the circumstances surrounding the death of Dr. David Kelly. I am aware of the considerable interest in Lord Hutton's findings. In those exceptional circumstances, I have agreed that the Prime Minister may make a statement on this matter this afternoon. The statement will take place at a convenient moment after 2 pm.

Oral Answers to Questions

DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Millennium Development Targets

1. **David Cairns** (Greenock and Inverclyde) (Lab): What progress is being made with the millennium development target to make available the benefits of information and communications technologies to people in developing countries. [151163]

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): Good progress is being made in many developing countries in spreading the benefits of information and communications technology to their people. For example, people in developing countries now own 46 per cent. of all mobile phones, with countries such as Uganda seeing user numbers double each year. By the end of June last year, the number of internet users in China had risen to 68 million. That represents just 5.3 per cent. of the population, so it also demonstrates the considerable challenge that still remains to spread the benefits of ICT throughout developing countries.

David Cairns: I thank my hon. Friend for that answer. A couple of weeks ago, Martin McCluskey, a young constituent, went to Ghana as part of his gap year in order to teach villagers in a very rural part of the country how to use the computers that they had had for some time, but had lacked the experience and training to make them work. Does my hon. Friend agree that computing technology is a vital development tool, but that there is no point in providing people with computers if we do not also provide the training and expertise to make them work? What help and assistance can the Government give to voluntary schemes such as the one Martin is on, and what direct assistance can the Minister's Department provide for training and knowledge-based skills?

Mr. Thomas: I commend my hon. Friend's constituent for going out to Ghana to work and provide training for people in the village. The House owes a debt of gratitude to the many volunteers who go out from this country to developing countries, and to the work of organisations such as the Voluntary Services Organisation, with which we are working closely in Ghana to provide information on how to use ICT there. We are also working directly with the Ghana education service to help it to use ICT to deliver better access to the curriculum for 30,000 untrained teachers in the country, so that the quality of education in Ghana can improve significantly.

Michael Fabricant (Lichfield) (Con): Will the Minister join me in praising the work of Cisco Systems, which, together with the International Telecommunication Union, is establishing more than 20 internet training centres in developing countries? Will the Minister assure

the House, however, that, important as it is to try to reduce the digital divide, it will not take away resources from the important fight against HIV/AIDS in developing countries?

Mr. Thomas: I join the hon. Gentleman in paying tribute to the work not only of the particular company to which he referred, but to a whole series of private sector companies that are seeing what they can do to invest in ICT across the developing world. We need to play our part in the international community to ensure that the regulatory system is such that companies are keen to invest. I can assure the hon. Gentleman that we view ICT as a way of spreading messages to help in the fight against HIV/AIDS, so there is no need for the two to be mutually exclusive.

Ms Julia Drown (South Swindon) (Lab): If we are to meet this and all the other development targets, there will need to be a massive increase in overseas aid and assistance. When does my hon. Friend believe that we might reach the target of 0.7 per cent. of gross domestic product on overseas aid? Given that Norway, Denmark, Sweden and the Netherlands have topped that target for several years, should we not be able to reach it, too?

Mr. Thomas: My hon. Friend will know that we remain committed to the 0.7 per cent. target. We believe that we will have reached 0.4 per cent. by 2005–06, when the budget for international development will have risen to £4.5 billion. My hon. Friend will also know how much that contrasts with the record of the Conservatives, who saw moneys on international development halved in their 18 years in office.

Southern Asia (HIV/AIDS)

2. **James Purnell** (Stalybridge and Hyde) (Lab): If he will make a statement on the growth of HIV/AIDS in southern Asia. [151164]

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): HIV/AIDS is a critical development issue for south Asia. At over 4 million, India has the second largest number of HIV infections of any country in the world. If current rates of growth continue, there may be 25 million people infected in that country alone by 2010. Although numbers of people infected with HIV in other south Asian countries remain low, the conditions are in place for a rapid increase in transmission without comprehensive action. The recent "Call for Action on HIV/AIDS", which the Government published on 1 December, recognises the importance of action in south Asia to achieve a more effective global response to this epidemic.

James Purnell: I thank my hon. Friend for that answer. As he says, it is possible that by 2010 India will have more cases than anywhere else in the world. Does he agree that the world needs to focus as much on Asia as on Africa, because a similar potential tragedy is happening in Asia? In particular, what are the Government doing to work with the Indian Government to reduce the impact on India, and with neighbouring countries to try to reduce the spread of this disease to Bangladesh and Pakistan?

Mr. Thomas: My hon. Friend is right: there is a window of opportunity at the moment to stop the spread of HIV/AIDS in south Asia so that it does not reach the levels in sub-Saharan Africa in particular. We are funding the National AIDS Control Organisation of India to the tune of £123 million and are working with it closely on the design of a more effective strategy. We are also working closely with similar AIDS-control organisations in Pakistan and Bangladesh, and shortly will be doing the same in Nepal. South Asian countries themselves are beginning to recognise the importance of further work on HIV/AIDS. We need to see their Governments taking more of a lead in the fight to prevent discrimination and stigma from halting and inhibiting the fight against HIV/AIDS.

Tom Brake (Carshalton and Wallington) (LD): In 2002, the Prime Minister pledged that Africa would be a priority in his second term of government. With an HIV/AIDS pandemic threatening in southern Asia, and with African populations devastated by HIV/AIDS, it is now time for the Prime Minister to turn his words into more decisive action. Does the Minister agree that making international development a priority of the United Kingdom presidencies of the EU and the G8 would give the international community the impetus it needs to pre-empt a disaster in southern Asia and make decisive, positive changes in Africa?

Mr. Thomas: I am sure that the hon. Gentleman would want to congratulate this Government on the fact that there has been a sevenfold increase since 1997 in the amount of money we are spending to tackle the spread of HIV/AIDS. As he knows, we are committed to spending £1 billion in Africa by 2005–06. As for the £320 million that has not yet been allocated, we have said that we shall make HIV/AIDS a priority for that spend. I am sure that there will be further discussions about this during our presidencies of the G8 and the European Union.

Tony Worthington (Clydebank and Milngavie) (Lab): What steps are being taken to avoid making the mistakes in south Asia that were made in Africa? I am thinking particularly of mother-to-child transmission. What steps are being taken to ensure that reproductive health services and the AIDS services are brought closer together to stop the tragic transmission of HIV from mothers to children?

Mr. Thomas: My hon. Friend will be aware that the issue of mother-to-child transmission has been a big problem in the spread of HIV/AIDS in southern Africa. We are working very closely with south Asian Governments in designing effective prevention programmes that will prevent the mistakes that were made in tackling the HIV/AIDS epidemic earlier in Africa from occurring in south Asia.

Mother-to-child transmission is one of the issues on which we are working with Governments and AIDS-control organisations in southern Asian states. It is an

issue that we are continuing to talk very closely about with the Governments, because political leadership is at the absolute heart of a strong response in southern Asia.

Alistair Burt (North-East Bedfordshire) (Con): The Minister will be aware that there have been some claims recently that the number of people affected in Africa is not as great as was once claimed. Bearing in mind the importance of that, the difficulty of ensuring accuracy, and the crucial importance of maintaining confidence in what is happening, is the hon. Gentleman certain that there is a good system in place for measuring accurately the number of people involved, so that we do not get a fuss about claim and counter-claim, which is currently affecting confidence in tackling the disease in Africa?

Mr. Thomas: It is certainly true that there have been a number of expressions of concern about the statistics. We are confident that the statistics used by UNAIDS—the Joint United Nations Programme on HIV/AIDS—which we use in order to understand the HIV/AIDS epidemic, are accurate. The continuing worry about the level of the statistics is a matter of concern, but we need to get on with scaling up our response and the response of the international community, instead of worrying about the concerns of a small number of people about the statistics.

Zimbabwe

4. **Mr. Jim Cunningham** (Coventry, South) (Lab): If he will make a statement on the efforts that his Department is making to improve standards of living in Zimbabwe. [151166]

The Secretary of State for International Development (Hilary Benn): The disastrous policies of the Government of Zimbabwe have led to economic collapse and a major humanitarian crisis. Zimbabwe has been suspended from the IMF, and maize production is a fraction of what it was a few years ago. The UK and other donors are trying to relieve the increasing suffering of ordinary Zimbabweans through humanitarian aid. DFID has contributed £62 million for humanitarian assistance since the crisis began in 2001, and provides further funds to help tackle HIV/AIDS.

Mr. Cunningham: I thank my right hon. Friend for that answer, but can he assure the House that there is a fair distribution of that aid in Zimbabwe, and that it is not used for political purposes?

Hilary Benn: I can assure my hon. Friend that the international community, which is providing support to meet the crisis in Zimbabwe—the UK is the second largest contributor of humanitarian aid—is very clear and very firm in not tolerating any political interference in the distribution of food aid. A memorandum of understanding has been agreed with the Government of Zimbabwe. The same cannot be said about the operations of the grain marketing board, which is under the control of the Government of Zimbabwe. If any hon. Members have particular concerns about the operation and distribution of food aid, I ask them to draw them to my attention, and I repeat my pledge that I shall investigate them. So far, despite the concerns, the system appears to be operating reasonably well.

Mr. John Bercow (Buckingham) (Con): When inflation in Zimbabwe is running at approximately 600 per cent., 6 million people in that country face the prospect of starvation, and one quarter of all adults there are HIV positive, what assessment has the right hon. Gentleman made of the extent of currency manipulation of aid moneys by ZANU-PF officials and their business allies?

Hilary Benn: The hon. Gentleman is right to draw the attention of the House to the scale of the economic catastrophe. I would add to the list that he has just given the fact that GDP has collapsed by 40 per cent. in the last three years. I have not, and the Department has not, made an assessment of the particular issue that the hon. Gentleman raises about currency speculation, because we are rightly devoting our effort and attention to feeding the people who need to be assisted. The latest statistics indicate that the number of those in need this year will be higher than was previously thought, in particular because the assessment from rural areas indicates that there are now more people in need.

Mr. Bercow: I respect what the Secretary of State said, but I urge him to conduct an assessment, given that the European Communities Court of Auditors Report for 2002 shows that no less than 89 per cent. of EU aid money is wasted because ZANU-PF spivs buy hard currency at official rates, sell it at black market rates and pocket the exorbitant difference between the two. What plans can the right hon. Gentleman develop to ensure that donor states and the European Union can take control of the conversion of aid moneys into local currency, in the interests in Zimbabwe of the long-suffering people of that beautiful but beleaguered country?

Hilary Benn: I shall gladly look further into the point that the hon. Gentleman has raised. But the most important step that we can take, and that I can take as Secretary of State, is to ensure that the development assistance that we give directly is not used in that way. Most of it goes on humanitarian aid. The other projects relate to health and HIV/AIDS. As the hon. Gentleman will know, we have very strong systems in place to make sure that the problem he refers to does not occur in relation to UK aid.

Mr. Bill Olner (Nuneaton) (Lab): Sadly, the plight of ordinary Zimbabweans has gone off the main agenda globally, but they continue to suffer intensely, particularly on food aid—*[Interruption.]*

Mr. Speaker: Order. I ask that the House allow the hon. Gentleman to be heard.

Mr. Olner: Has my right hon. Friend had talks with Zimbabwe's neighbouring countries with a view to their intervening to ensure that food aid is distributed fairly and is not distributed by ZANU-PF people?

Hilary Benn: As I said in answer to an earlier question, we and the other donors work very hard to

ensure that the aid that the international community gives is not diverted in the way that my hon. Friend is concerned about. In all of our conversations and discussions with neighbouring countries, we raise the problem of Zimbabwe, because in the end this is a catastrophe for the people of that country. We are doing our bit to assist and to make sure that the people do not suffer any more because they happen to have a rotten Government, but a resolution within Zimbabwe itself is required if the situation is to be brought to an end.

Mr. Andrew Mackay (Bracknell) (Con): Will the Secretary of State consider airlifting food aid to opposition areas if it can be proved that the corrupt regime in Zimbabwe is, for political purposes, stopping those people being adequately fed?

Hilary Benn: As I said earlier, if hon. Members or others have any evidence of interference in the proper distribution of the international food aid, including that which the UK supports, I shall be happy to consider what needs to be done. I can only say that so far the system that we have, and the strong and determined response of the international community in making clear to the Zimbabwean authorities that we will not tolerate such interference, indicates to me that distribution is working reasonably well; but I will continue to consider all measures that are necessary to ensure that the food gets to the people who need it.

Poverty

5. **Brian White** (Milton Keynes, North-East) (Lab): If he will make a statement on the steps being taken by the United Nations to increase its effectiveness in fighting poverty. [151167]

The Secretary of State for International Development (Hilary Benn): The UN and its institutions play a unique role in promoting development and fighting poverty. The UN's reform programme aims to achieve better co-ordination by the different UN agencies and better support for countries' own poverty reduction plans. The Secretary-General intends to hold an event in 2005 to take stock of progress towards the millennium development goals.

Brian White: I welcome the Minister's response, and particularly the work of his Department, but he will be aware that many of the economic statistics that are used by international institutions do not fully reflect the work that goes into alleviating poverty and protecting the environment. Will he undertake to consider the proposals of various economists for new statistical measures that will more accurately reflect the work on poverty?

Hilary Benn: I am always happy to consider the ideas of others for measuring as effectively as possible the progress that we are or are not making internationally on meeting the millennium development goals. The UN monitors progress towards those goals using information drawn from a number of sources, and it covers tangible matters, such as the percentage of the population that has access to clean water, literacy rates, and the percentage of the population that is being lifted out of poverty. In the millennium development goals, we have a clear set of indicators against which we and the people of developing countries can judge whether we are making progress.

Mr. Robert Key (Salisbury) (Con): What assessment has the Secretary of State made on the impact of the US Administration's withdrawal of funds to the United Nations Population Fund and its reproductive health policies, which is having a deleterious effect on many poverty reduction programmes around the world?

Hilary Benn: I agree that that decision is regrettable. It is a matter for the US Administration, but as the hon. Gentleman knows, we are strong supporters of the UNFPA, because work on reproductive health in particular is fundamental to improving mothers' health and to a better life for children, and it is also fundamental to tackling the HIV/AIDS crisis.

Ian Stewart (Eccles) (Lab): Is my right hon. Friend prepared to consider strengthening the links between training for democracy, citizenship, labour market development and industrial relations when awarding aid?

Hilary Benn: We will shortly produce a policy document on labour standards, and my hon. Friend draws attention to an important contribution that the Labour movement can make in countries by putting pressure on Governments to increase people's living standards. I shall ensure that I send my hon. Friend a copy, because it deals with one of the ways, along with civil society and a thriving democracy, that Governments can be called to account on the extent to which they tackle poverty and improve health and education. *[Interruption.]*

Mr. Speaker: Order. The House is very noisy, and it is unfair to the Minister and to the Members who are asking questions.

Iraq

6. **Mr. Richard Bacon** (South Norfolk) (Con): If he will make a statement on the progress of reconstruction in Iraq. [151168]

The Secretary of State for International Development (Hilary Benn): In spite of the security situation in Iraq, the coalition provisional authority, together with Iraqi ministries, is making significant progress with reconstruction. Large numbers of projects are under way, and finance pledged at the Madrid donors conference last October is now beginning to assist. DFID will publish its interim country assistance plan for Iraq shortly, and we are making good progress with our projects in the south of Iraq, which will significantly improve the provision of essential services to over 5 million people.

Mr. Bacon: Given the many warnings beforehand of what would happen following the collapse of Saddam Hussein's regime, why did the National Audit Office

team visiting Iraq find that plans to co-ordinate the civilian response following the armed intervention were not well developed?

Hilary Benn: The planning was for the worst possible outcome, and as the hon. Gentleman will be aware, the effort and money that DFID committed to that was to ensure that if the worst did come about, we were ready to deal with any humanitarian crisis. Thankfully, that proved not to be the case because the conflict was much less extensive in scale and shorter than people had anticipated, and since then we have rightly turned our attention to the improvement of essential services and infrastructure. As the hon. Gentleman will be aware because he can see the statistics, considerable progress has been made in recent months in improving the lives of ordinary Iraqis, which is fundamental not just to their own future but to the success of the political process in which we are also now engaged.

Julie Morgan (Cardiff, North) (Lab): What can my right hon. Friend do to help my constituent Mr. Merzook's elderly parents from Baghdad, who wept in my office last Friday because they lost all their possessions—their clothes, their home, their car—when three American rockets hit their house, and they have been unable to get any help or compensation since that date?

Hilary Benn: I am very concerned to hear about the case my hon. Friend raises. If she lets me have the details, I undertake to pass them on to my right hon. Friend the Foreign Secretary.

Mr. Julian Brazier (Canterbury) (Con): The Secretary of State's previous answer just will not wash. After eight calls from this Dispatch Box alone for a comprehensive plan for reconstructing Iraq, on 3 February the Prime Minister told us:

"We are well aware that we must have a humanitarian plan that is every bit as viable and well worked out as a military plan."—[*Official Report*, 3 February 2003; Vol. 399, c. 36.]

What does the Minister have to say, then, to the report by the National Audit Office that

"coordinated plans to bridge the gap between what the Armed Forces achieved in the short term and what was required to be done in the ... longer term were not ... well developed."?

Thousands of lives and the future of a nation were and are at stake.

Hilary Benn: The answer to the hon. Gentleman's question is to be found in what has happened. There are 17,000 reconstruction projects in Iraq as a result of the coalition's work; the food distribution system is working; nearly all the 240 hospitals in Iraq are now functioning; medical supply distribution is working, apart from some shortages; routine vaccination for children has restarted; most of the children are back in school; water and sanitation are improving; and the electricity supply is now above what it was before the conflict. Those achievements are clear evidence of the steps that we have taken to improve the lives of ordinary Iraqis because that is what they are entitled to see. *[Interruption.]*

Mr. Speaker: Order. I must appeal to the House. We have only two minutes remaining and we must be able to hear hon. Members speak.

Mr. Harry Barnes (North-East Derbyshire) (Lab): I was pleasantly surprised to hear President Bush advocate the establishment of free trade unions in Iraq as part of the process of reconstruction, but is my right hon. Friend aware that under law 151 passed in 1987 under Saddam Hussein, trade unions are banned in the public sector, which means that, technically, only under privatisation can trade unions exist properly within Iraq? Should it not be made clear that the circumstances in Iraq are such that the free trade unions advocated by President Bush can develop?

Hilary Benn: I welcome calls from any quarter in support of the principle of free trade unionism, for reasons that my hon. Friend and I well understand. I was aware of the law to which he refers. It is one of a number of things that Saddam Hussein did that led to the enormous suffering that the Iraqi people experienced over 30 years, and it is one of many things that Iraqi self-government will have to put right. In the end, of course, it is for the Iraqis themselves to determine the new structure of law. My hon. Friend is, however, right to say that free trade unions are a fundamental part of a free society, and I, like him, look forward to the day when they can operate in Iraq, because it will be a further indication that that country is recovering from the nightmare that it has experienced over the past 30 years.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [151098] **David Burnside (South Antrim)** (UUP): If he will list his official engagements for Wednesday 28th January.

The Prime Minister (Mr. Tony Blair): Before I list my engagements for the day, I am sure that the whole House will want to join me in expressing our deep condolences to the families, friends and colleagues of the British soldier who has been tragically killed in Afghanistan today. Our thoughts are also with those who were wounded in that attack.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

David Burnside: I join the Prime Minister in expressing condolences to the family and friends of that serving member of our armed forces.

The Prime Minister was probably not aware as we were preparing for the great education debate yesterday that, the day before, the Minister with responsibility for education in the Northern Ireland Office announced

that academic selection between the primary and secondary sectors in Northern Ireland should end. The Prime Minister should be aware that Northern Ireland has in its secondary sector and grammar schools, such as Antrim grammar school and Ballyclare high school, the highest academic standards—better than all the rest of the United Kingdom. That is a great selling point for Northern Ireland. Will the Prime Minister personally intervene to defend our grammar schools, as something good and positive in Northern Ireland?

The Prime Minister: I gather that the hon. Gentleman is right, in that that is what the post-primary review body has recommended. I heard what he said, and no doubt there will be strong feelings on both sides of that argument. I simply point out to him that if we were fortunate enough to get devolved institutions back up and running in Northern Ireland, this would be a devolved matter again. Perhaps I can look forward to his help in securing that.

Mr. Siôn Simon (Birmingham, Erdington) (Lab): As we now learn on the anniversary of the miners strike that the enemy within turns out to be the BBC, had we not better privatise it sooner rather than later?

The Prime Minister: This is a day for diplomacy, at least at this stage.

Mr. Michael Howard (Folkestone and Hythe) (Con): May I first—*[Interruption.]*

Mr. Speaker: Order. I am not going to allow shouting. If there is any more shouting, the Members in question will have to be removed from the Chamber.

Mr. Howard: May I first join the Prime Minister in expressing my sincere sympathy and condolences to the family and friends of the British soldier killed in Afghanistan today?

Will the Prime Minister give the House a categorical assurance that no one in or around No. 10 Downing street leaked the Hutton report last night?

The Prime Minister: I most certainly will give the right hon. and learned Gentleman the assurance that he seeks. Nobody, as far as I am aware, has leaked that from the Government or any part of government—I do not believe that to be the case. The chairman of the Conservative party was on television last night saying that the leaking of this document was a despicable act from "a morally bankrupt Government." Perhaps the right hon. and learned Gentleman would now produce the evidence for that statement.

Mr. Howard: Is not the best way of getting the evidence for there to be a proper inquiry entirely independent of Government? Will we have such an inquiry? And, by the way, who does the Prime Minister think benefited from the leak?

The Prime Minister: As we have already made clear, we are very happy that there should be an inquiry, and that is why we are in touch with Lord Hutton. If he recommends a certain course of action, we will take it.

Let me go back to what the right hon. and learned Gentleman said a moment ago. He said that the inquiry was a way of getting at the evidence. In other words, there was no actual evidence for what the chairman of the Conservative party said. He did not say, "It might be that the leaking of the document is a despicable act from the Government." He said that the leaking was from the Government. What was the evidence for that?

Mr. Howard: I hope that we get a full inquiry independent of Government, and I advise the Prime Minister, to coin a phrase, not to prejudge that inquiry.

The background to the Hutton report is what the Government told us about weapons of mass destruction in Iraq. The head of the Iraq survey group, David Kay, has now said that he does not believe that stockpiles of weapons of mass destruction exist or existed in Iraq. His replacement said that the reason that they have not been found is that they are probably not there. What does the Prime Minister think?

The Prime Minister: First let me return to the inquiry, because I do not think that this point should be let go. The right hon. and learned Gentleman says that he does not want to prejudge the inquiry, but that is precisely what the chairman of the Conservative party has done. I therefore ask him again either to substantiate the claim that the Government leaked the document or to withdraw it, because he is getting rather a reputation for making such allegations when there is no substance to them.

As for weapons of mass destruction, let me read to the right hon. and learned Gentleman what he said way before the Hutton inquiry:

"The proliferation of weapons of mass destruction poses a danger that we ignore at our peril . . . The threat to world peace from Iraq is acute and we must combat it with all legitimate means at our disposal."

So do not let him pretend that he has somehow been misled over weapons of mass destruction; it is just another example of his blatant opportunism.

Mr. Howard: Of course we supported the war; we still support the war, but we also want to get at the truth. The Prime Minister may not understand that it is important to get at the truth, but we do. He may not understand that it is possible both to support the war and to get at the truth, but we do.

Nearly eight months ago, in May last year, the Prime Minister said that he was waiting to publish "a complete picture" of intelligence, including "what we've actually found". Some material, he said, was not yet public and "what we are going to do is assemble that evidence and present it properly".

When will he publish that material, which he promised nearly eight months ago?

The Prime Minister: When the Iraq survey group completes its work, which is what we have said right from the very beginning. It is surely right that when we have a group in Iraq looking at the evidence, we wait until that group concludes before we publish it.

Just so that we are quite clear as to what the right hon. and learned Gentleman has accused me of, I tell the House what he said back in August last year:

"There was and is, in my view, a valid and legitimate case for having gone to war with Iraq. There was no need to lie, there was no need to mislead people in order to make that case. And to mislead the House of Commons and the nation in order to gain support for going to war is a very, very serious matter indeed.

He also said:

"What people are increasingly coming to realise is that we have a Prime Minister who is a stranger to the truth".

I hope that if that allegation is found not to be proven, he will have the decency to apologise for it.

Mr. Howard: We all know, Mr. Speaker, that a wider inquiry than the one that the Prime Minister has set out is necessary to test that allegation, so there is nothing for me to withdraw.

Why on earth does the Prime Minister need to wait before publishing the evidence? Eight months ago he said that he was going to publish the material that he had. Just before Christmas he said that there was

"massive evidence of a huge system of clandestine laboratories, workings by scientists"

and

"plans to develop long range ballistic missiles."

What is he waiting for? Why does he not publish that evidence now?

The Prime Minister: As a matter of fact, that evidence has already been published by the Iraq survey group. Let me remind the right hon. and learned Gentleman that Dr. Kay said that the ISG has found documents and equipment at undeclared laboratories and facilities. Dr. Kay continued:

"Secondly, they have found substantial evidence of research and design work on longer-range missile delivery systems."

Regarding biological weapons, he said that there was evidence that

"the Iraqis continued research and development right up until the end to improve their ability to produce ricin."

So the evidence is there and has already been published by the Iraq survey group.

I suggest that the inquiry that we need is into the blatant opportunism of the right hon. and learned Gentleman. The truth is that he seeks to conceal the absence of any proper policies for the country by making allegations against the integrity of the Government that he cannot sustain.

Mr. Howard: Will the Prime Minister place in the Library of the House of Commons today the massive evidence that he says has already been published of

"a huge system of clandestine laboratories, workings by scientists, plans to develop long-range ballistic missiles"?

He says that the evidence has been published; will he put it in the House of Commons Library today so that the whole country can judge whether it supports that allegation?

The Prime Minister: The evidence is, of course, in the Iraq survey group report. Let me make one other point to the right hon. and learned Gentleman: there is, of course, a legitimate debate about whether the conflict in Iraq was right. That is a legitimate debate in which there can be legitimate disagreements. It is completely unnecessary to have a debate that suggests that somehow we deliberately misled the public on that case. The plain fact is that that allegation is particularly absurd coming from him and the Conservative party, as I recall that even before the publication of the famous dossier he and his colleagues were urging me to take action and accusing me of dithering for not having done so. Whoever else can make that claim, frankly it does not lie in his mouth to make it.

Hon. Members: More!

Mr. Speaker: Order. Some hon. Gentlemen are too near the Chair to start shouting.

Liz Blackman (Erewash) (Lab): If children do not develop competence in core skills in their early years, their expectations of going to university remain extremely low. Does my right hon. Friend agree that further funding and progress in that sector lie at the heart of widening access to university, just as much as the provisions in the Higher Education Bill?

The Prime Minister: I obviously agree with my hon. Friend. She is right to point out that at the moment university students are funded by the taxpayer to a far more generous extent than pre-school years, primary school pupils or secondary school pupils. Her other point is surely right: 90 per cent. of young people who get two good A-levels go to university, and therefore the biggest determinant of whether people go to university is the quality of the education that they receive prior to university. For that very reason, it is important to continue the investment in pre-school years, in primary schools and in secondary schools.

Mr. Charles Kennedy (Ross, Skye and Inverness, West) (LD): Moving on from the rather rapid rewriting of history that we have just been entertained by, will the Prime Minister revisit more recent history—the outcome of last night's vote on his policy on top-up fees? Looking back to yesterday evening and the events that led up to the Division, does he think that it was decided by the overwhelming merits of the argument or that his close friend and near neighbour the Chancellor bailed him out at the eleventh hour?

The Prime Minister: It was, of course, a result of the combined efforts of the Government to present a wonderful case to the public. I would prefer to have a narrow victory trying to do the right thing for the country than to have a narrow defeat trying to do the wrong thing.

Mr. Kennedy: The Chancellor's face says it all. Will the Prime Minister join me in making representations to you, Mr. Speaker, that—given the considerable public and parliamentary interest—the legislation should be considered on the Floor of the House by a Committee of the whole House? That way, Members representing all parts of the United Kingdom and all parts of the Labour party would be able to contribute.

The Prime Minister: No, I think that it should be considered in the normal way. What could be considered on the Floor of the House is a return to the debate between us about the Liberal Democrats and

how they will fund their commitments. I have further information for the House on that one. It will be recalled that I was telling the right hon. Gentleman that he had a whole lot of spending commitments that he could not finance. The Liberal Democrats have recently published a document with a list of their spending commitments, several of which seem—mysteriously—to have vanished. That includes one on transport, on which the document states:

"Policy: Nearly £2 billion more for the railways . . . Liberal Democrat response: no longer a commitment due to changed circumstances."

In relation to public sector staff, it states:

"Policy: Training places for at least an extra 4,600 doctors and 27,500 nurses . . . Libdem response: these policies are now 'out of date'".

I suggest that we should indeed have a debate on the Floor of the House, but that it should be on his spending policies.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that the BBC, under its charter, has a right to provide news and current affairs that is independent, objective and balanced? Does he think that the coverage of the leak of the Hutton inquiry report last night measured up to that standard?

The Prime Minister: It is surely right, especially if there is to be an inquiry into it, that people do not make a judgment until they hear the facts. I can personally tell the House that I want nothing to detract from the Hutton report being heard in an unalloyed and unadulterated way by the British public. I hope that the media today allow that to happen.

Q2. [151099] **Bob Russell** (Colchester) (LD): Will the Prime Minister join me in condemning the decision by the Conservative-controlled Essex county council to abolish the school meals service from April? For many children, it is the main meal of the day, and for some children it is the only hot meal of the day. Will the Prime Minister engage ministerial colleagues in seeing what can be done to change that decision? For a start, will he revoke the Government's 1999 order behind which the Tories are hiding for their dastardly deed?

The Prime Minister: Of course, in the end such decisions are for local authorities, but we believe that the provision of school meals for pupils, especially from the poorest backgrounds, has a beneficial effect on their education. Unfortunately, some of our youngsters go to school without having had a proper meal. It means that they do not learn or pay attention in their lessons as well as they should, and it is for that reason that we are deeply committed to ensuring that the funding is there for local authorities to provide that service. I will look into the point that the hon. Gentleman raises.

Q3. [151100] **Mr. Mark Hendrick** (Preston) (Lab/Co-op): May I commend my right hon. Friend the Prime Minister on the time, effort and commitment he spent on freeing the Iraqi people from Saddam Hussein? Will he give similar time, effort and commitment to freeing the Palestinian people of the illegal separation wall and barbed wire fence that runs through their land and to freeing them from the tyranny and repression of the Israeli occupation of their land?

The Prime Minister: I understand the strength of feeling on that issue. We have already made it clear—the Foreign Secretary has done so—that we do not agree with the building of the wall on Palestinian land and we have urged the Israeli Government to reroute the fence away from Palestinian land. It is important to emphasise two other points. First, we want to try to get back to negotiation on the road map as soon as possible, as that is the only prospect for long-term peace. Secondly, in the meantime, the immediate priority is to get an initiative together on security that allows the Israelis some confidence that they will not continually have suicide bombers coming into Israel and killing large numbers of innocent people. The Palestinians are suffering in this situation, and the Israelis are suffering. The only way to bridge between where we are and where we need to be—a renegotiation on the basis of the road map—is a proper security initiative that at least gives us the confidence that 100 per cent. effort is being applied on the Palestinian side.

Sir Michael Spicer (West Worcestershire) (Con): Why are the balance of payments deficits and the fiscal deficits so hopelessly out of control?

The Prime Minister: I do not accept that for an instant. If the hon. Gentleman looks back to the time when I used to shadow him in the House of Commons, back in the late '80s and early '90s, he will find that the deficits on both were a darn sight worse than they are today. What is more, that was without our economic record—the lowest inflation, the lowest interest rates, the lowest unemployment and the highest employment for decades. I would have thought that he would be congratulating us on having got rid of the old boom and bust under the Tories and replacing it with economic stability.

Q4. [151101] **Dr. Doug Naysmith** (Bristol, North-West) (Lab/Co-op): I know that the Prime Minister agrees that the aerospace industry is of crucial importance to the United Kingdom economy. I am sure, therefore, that he will share my pleasure at Monday's announcement that the AirTanker Ltd. proposal has been selected by the Ministry of Defence for its future strategic tanker programme. That was welcome news for the workers at Rolls-Royce and Airbus in my constituency. Can my right hon. Friend assure me that the complex negotiations needed for that very innovative contract will be completed as soon as possible?

The Prime Minister: I can give my hon. Friend that assurance, although obviously there is a long way to go, because the negotiations are, necessarily, detailed. This week, the Government announced that we have begun negotiations with AirTanker for the MOD's £13 billion pound future strategic tanker aircraft. If successful, the AirTanker bid will obviously be good news for the UK, creating several thousand jobs across the country, including in my hon. Friend's constituency—that comes along with a more optimistic CBI industrial trends survey, issued today. I recognise the tremendous

importance not just of the jobs in my hon. Friend's constituency but also of the skilled workforce who would benefit from such a bid being successful.

Mr. Alex Salmond (Banff and Buchan) (SNP): Does the Prime Minister intend to become the last person on the planet to maintain that Iraq had weapons of mass destruction capable of being deployed in 45 minutes?

The Prime Minister: It is not merely I who have maintained that Saddam Hussein had such weapons; it has been maintained by almost every country that has looked at the issue. That is why, in November 2002, the United Nations unanimously declared the existence of those weapons a threat to the world.

Q5. [151102] **Chris Ruane** (Vale of Clwyd) (Lab): The Prime Minister will be aware of my constituent's son, Joseph Scholes, who committed suicide at Stoke Heath prison at the tender age of 16 years. My constituent, Yvonne Scholes, is calling for a full public inquiry into her son's death—not just an inquest, a full public inquiry—to examine all aspects of his death, including sentencing and the practice of allocating young, vulnerable people to adult prisons. Will the Prime Minister do all that he can to ensure that that inquiry comes about?

The Prime Minister: I offer my sympathies to the family of Joseph Scholes on his tragic death, which happened, I think, in March 2002 when he was only 16 years old. I understand from my right hon. Friend the Home Secretary that the ombudsman for the Prison Service is conducting an investigation into the death, and I understand that a coroner's inquest will also be conducted. I also point out that the Prison Service has implemented the safer custody programme to help prisoners, especially young people and those in prison for the first time. The Youth Justice Board is specifically involved in that programme. I will look into the details of the investigation and write to my hon. Friend to try to give him some idea of what its time lines will be.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): If it turns out that Saddam Hussein transferred his weapons of mass destruction to another country in the region, and given the Prime Minister's logic in taking this country to war with Iraq, what action would he take against that country?

The Prime Minister: I think that we should wait to see whether those claims are justified. I know that the Iraq survey group is specifically looking at the evidence for any such suggestion. There is one major difference between Saddam Hussein and any other country: Saddam Hussein actually used those weapons, not merely against his own people but against a neighbouring country.

Q7. [151104] **Mr. Huw Edwards** (Monmouth) (Lab): May I remind my right hon. Friend that next week there will be another important Second Reading? The Carers (Equal Opportunities) Bill will be introduced by my hon. Friend the Member for Aberavon (Dr. Francis) with cross-party support. May I urge my right hon. Friend to give Government support for the Bill, which will benefit the 9,000 carers in my constituency? If any Ministers are wavering, they can have a private meeting with me in my office and I will persuade them.

The Prime Minister: On behalf of Ministers, I thank my hon. Friend kindly; I have had a few private meetings with them over the past few days.

I understand that the private Member's Bill will be responded to carefully and fully in the near future. We are looking closely at its proposals to see whether we can give it backing and I shall talk to Ministers about it. I hope that my hon. Friend understands, however, that the national carers strategy, which we introduced some years ago, has made an enormous difference in that area. The carers grants, introduced in 1999 to support local councils in arranging short-break services for carers, now have investment of more than £300 million. We shall be increasing that amount, and I am told that that will allow extended care and 130,000 further breaks for carers. We shall examine the private Member's Bill carefully and come back to my hon. Friend with a response in due course.

Mr. Tim Boswell (Daventry) (Con): Which will come to light first, the identity of the leaker or the existence of the weapons of mass destruction?

The Prime Minister: Should not we simply allow any inquiry that Lord Hutton orders to take its course? I hope that the hon. Gentleman will agree that it is particularly invidious for anybody, including the chairman of the Conservative party, to state that the Government have done something when it is apparent that there is absolutely no evidence to support that.

Q8. [151105] **Mrs. Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): What help can the Prime Minister promise Liverpool and the rest of the north-west for housing regeneration, to match assistance already given to the south-east? Does he look forward to the prospect of a strong, elected North West regional assembly replacing the regional housing quangos and campaigning for a fair deal for the region?

The Prime Minister: It is precisely for those reasons that we have given people a vote on the issue of regional assemblies. I think that about £500 million will be going into nine pathfinder areas, to work with regeneration authorities to tackle the position to which my hon. Friend refers. The other tremendously important thing is that we keep money going into regeneration projects, the new deal, Sure Start and dealing with antisocial behaviour. Those are all important parts of rebuilding those communities.

Mr. Crispin Blunt (Reigate) (Con): Does the Prime Minister accept that the headlines which followed the publication of his dossier in September 2002 and which we know that his chief of staff, Jonathan Powell, was extremely anxious to orchestrate, were wholly misleading?

The Prime Minister: I do not accept that we misled people in any shape or form. The report that will be published later today will deal with all those issues and the hon. Gentleman should wait for it.

Q9. [151106] **Claire Ward** (Watford) (Lab): Does my right hon. Friend believe that investment in youth

services is an important part of tackling antisocial behaviour, and if so, what impact does he think that the cuts of £46,000 in the Watford area youth service budget and of £84,000 in play and early years staffing will have when they are implemented, as proposed by Liberal Democrat-controlled Watford borough council?

The Prime Minister: As my hon. Friend knows, for 2003–04, we shall provide about £500 million to the youth service. We think it extremely important that those programmes be maintained, and I am sorry if they are being cut in her area. I am sure that will do nothing either for the young people in her area or to tackle antisocial behaviour. It is not merely spending that is important, but also support for the antisocial behaviour legislation, and I am sorry that the Liberal Democrats voted against it.

Mr. Andrew Robathan (Blaby) (Con): What exactly did the Prime Minister mean when he promised the British people that "We will not introduce top-up fees"? Does he understand that many people now find that promise somewhat misleading?

The Prime Minister: The existing fee structure was the payment of up-front fees, with no maintenance grant for students, and top-up fees were an unrestricted, existing fee top-up. What is now being introduced is not that at all. What is being introduced is the abolition of up-front fees, so that no family has to pay those up-front fees, with maintenance grants reintroduced for the poorest students and a far fairer system of repayment for graduates, once they have graduated, plus a cap, set in legislation, until 2010. Surely that is better than the policies—in so far as one can understand them—of the Opposition.

I have just been doing a little research into the Opposition's policy on university education. The leader of the Conservative party wrote to party members after he was elected leader to say that he was going to scrap all tuition fees. That is one policy. Secondly, earlier in the week, the Conservative spokesman on this issue said that

"the principle that students contribute is there. We are not saying the whole system is completely tax-payer funded."

That is the second policy. The third was outlined in *The Independent* by the chairman of the Conservative party, who said that he was limiting Tory opposition to the Government's present proposals—*[Interruption.]*

Mr. Speaker: Order.

The Prime Minister: There are at least another five policies, but I have run out of time—

Mr. Speaker: Order.

Avian Influenza

12.30 pm

Hon. Members: On a point of order, Mr. Speaker.

Mr. Speaker: Order. The point of order comes later. I would ask hon. Members to leave the Chamber quietly.

Andrew George (St. Ives) (LD) *(urgent question)*: Will the Minister make a statement on the outbreak of avian influenza in Thailand last week?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): When avian influenza was confirmed in Thailand, the European Commission immediately suspended imports into the European Union from Thailand of fresh poultry meat and poultry products indefinitely. We have prepared a risk assessment—available on the Department's website—which concludes that the risk of the disease being transmitted to the UK poultry flock is low. But we must be on our guard, so we have taken the additional precaution of asking ports to be extra vigilant and to prohibit the importation of consignments that do not fully comply with the rules. Waste from commercial plants is already subject to strict controls, but we have reminded the Meat Hygiene Service and local authorities to exercise more vigilance over the disposal of animal by-products to mitigate further any risk. There is already heightened awareness across the industry and the state veterinary service, but I would urge the farming community and the poultry industry to be on their guard and to ensure that their biosecurity arrangements are tight.

The Food Standards Agency has advised that there is no risk of acquiring the avian influenza virus through eating chicken. There has never been a case of humans contracting avian influenza by eating meat. The deaths reported in south-east Asia are the result of close contact with infected birds. There have been no known cases of human-to-human transmission during the current outbreak. The action that we have taken so far is proportionate to the disease risk, but we are closely monitoring the situation in south-east Asia. The situation will be reviewed again next week and we will press the Commission to take any further action that we consider necessary.

Andrew George: I am grateful to the Minister for his statement. The Government have certainly acted quickly in response to the potential threat to the UK, and to the poultry industry in particular, from the outbreak of highly pathogenic avian influenza that was reported in south-east Asia last week. As the Minister said, avian influenza is a highly contagious poultry disease that can be transmitted to humans through contact with poultry. The foot and mouth disease outbreak in 2001 coincided with a human outbreak of "benefit of hindsight disease", but at least we now have the benefit of foresight, and I hope that robust measures will be put in place to protect the biosecurity of the country and of farmers—in this case, poultry farmers in particular—following the lessons learned from the foot and mouth outbreak.

Will the Minister confirm that EU Commissioner Byrne made a public statement on Monday last week to the effect that there was no outbreak of avian influenza in Thailand, yet by Friday he had changed his opinion and acknowledged that there was an outbreak, which precipitated the EU ban? How confident is the Minister in the competence of the European Commission to monitor the progress of this disease? Although we have been assured that they involved a different strain of avian influenza from the one that we are now concerned about, will the Minister confirm that there were outbreaks of the disease in other EU countries, namely Holland and Italy, last year? What assessment has he made of that situation, and of the ability of other EU nations to establish adequate biosecurity arrangements to deal with the disease if it were to be brought into the EU?

In view of the delay in Thailand's admitting that there had been an outbreak of avian influenza, what reassurance can the Minister give that imports, particularly of frozen poultry, into this country are safe? There is a ban on fresh poultry imports from Thailand, but is it wise to permit the import of heat-treated products? Will the Minister tell us whether there is any truth in the theory that wild migratory birds are carriers of the disease? If so, what implications would that have for such birds? We have been told that the import ban applies only to Thailand and not to any other south-east Asian country, on the basis that no other south-east Asian country exports to the UK. Will the Minister confirm that that is accurate and, if so, that it is adequate? What other measures does he think might be necessary?

What implications does this outbreak have for the Government's efforts to control illegal meat imports? In answer to a recent question, the Secretary of State told me that intelligence in respect of such imports into the UK—they are still coming in—was not all that it could be. If that is the case, is the Minister content that existing measures are sufficiently robust? Now that the ban has been implemented, will the Minister tell us how long it is likely to last, and at what point it will be reviewed?

Will the Minister acknowledge that this is a good opportunity to promote the benefits to consumers of purchasing high-quality British-produced foods? Poultry farmers have established excellent measures in this country, particularly under the farm assurance schemes—characterised by the little red tractor label—which confirm high-quality production, traceability, health, hygiene and biosecurity. Would it not make good sense for consumers in this country and elsewhere to be made fully aware that, when buying British produce, they are buying high-quality goods that have been produced to high livestock production standards?

Mr. Bradshaw: I thank the hon. Member for St. Ives (Andrew George) for his kind comments when he said that he was grateful for the way in which the Government had dealt with this matter very quickly. He cited some comments made by Commissioner Byrne. I suspect that they were related to when the Commissioner was first satisfied that the outbreak had been confirmed. There will always be a time lag between reports of the suspicion of an outbreak and their confirmation, but, yes, in answer to the hon. Gentleman's question, we do have confidence in Commissioner Byrne and in the work that the permanent veterinary councillor of the European Union does in Thailand. He is there all the time to monitor exactly the kind of risks that we are talking about.

[Mr. Bradshaw]

The hon. Gentleman is right to point out that we had a serious outbreak of avian influenza last year in the European Union, centred in Holland. I would suggest that that outbreak posed a much greater risk to the United Kingdom than the outbreak currently taking place in south-east Asia. As the hon. Gentleman mentioned, the disease is spread by migratory birds. We are very close to the continent, and many birds from the continent move here, particularly at this time of year. He is right about that, and right to say that that outbreak was more serious.

I am satisfied that we reviewed our contingency plans following that outbreak in the Netherlands. As hon. Members will know, we reviewed our overall plans to cope with animal disease following the foot and mouth outbreak. Our contingency plans for an outbreak of avian flu are better than they have ever been. The most recent outbreak in this country—in 1992, on a single property—was dealt with very swiftly, and I am confident that we could do so again if necessary.

On heat treatment, we are advised by the Food Standards Agency, which is responsible for food safety, that it is perfectly safe to consume meat products, especially if they have been treated to 70°.

The hon. Gentleman asked about the danger posed by migratory birds from south-east Asia. My understanding is that this country does not receive birds that have migrated from south-east Asia, but I am happy to send him the map that I pored over this morning showing the migratory habits of birds in that part of the world, which shows that they do not come here.

The hon. Gentleman asked why the ban applies only to Thailand. That is because, as he said, Thailand is the only country in south-east Asia that is allowed to export chicken to this country, and we are not about to allow any other country to do so given the current circumstances.

On illegal imports, I would simply add to my comments about how we have tightened up our system since foot and mouth. I am confident that our monitoring of imports is better than it has ever been. The chicken products that are—or were—imported from Thailand come in big batches from big food manufacturers, not small-time importers, so they are subject to very rigorous controls.

The ban will be indefinite, as I said in my statement.

Finally, I join the hon. Gentleman in taking this opportunity to congratulate the excellent work of the British poultry industry. I urge consumers always to consume British products if they can, especially British poultry. Our poultry is produced to standards that are unmatched anywhere in the world. I always choose British chicken, and I would urge everybody else to do so.

Mr. Owen Paterson (North Shropshire) (Con): Yesterday, I tabled a number of written questions on the subject of avian flu. Will the Minister let me know when he intends to reply?

The House and the public will be pleased to hear that cooked chicken meat presents no risk to human health. Can the Minister confirm that cooked poultry meat and canned poultry meat may still be imported from Thailand? If so, is there any way of limiting the relevant areas to those where flocks are free of avian flu?

The Minister referred to other Asian countries. To date, Pakistan, Indonesia, Vietnam, South Korea, Taiwan, Japan and Cambodia have reported instances of avian flu. Has he discussed those outbreaks with the authorities in those countries? What measures has he taken to discuss the possibility of travellers from those countries bringing infections into this country?

The Minister mentioned last year's outbreak of avian flu in Holland. Although that was a different strain, many lessons could be learned, as he rightly says. In April 2003, an important conference was held at Garderen, which made specific recommendations, especially on vaccination. Have those been acted upon?

Mr. Bradshaw: In response to the hon. Gentleman's first point, his written questions will be answered as soon as possible. He is inundating our Department with questions at the moment—as is his right, of course. Officials are very busy dealing with the immediate threat posed by this outbreak and other problems that we face, but I assure him that we will answer his questions, numerous as they are, as soon as we possibly can.

On cooked meat, as I said to the hon. Member for St. Ives (Andrew George), according to the advice of the FSA and its European equivalent, there is no danger from meat that has been heated to 70°, so the import ban does not extend to products that have been thus heated.

Discussions have been held with the Thai Government and with other Governments in the region. The advice to UK travellers there would be to avoid, if at all possible, anywhere where they may come into contact with poultry.

Mr. Tam Dalyell (Linlithgow) (Lab): As my hon. Friend will know from his previous incarnation as a Foreign Office Minister, we have good relations with the countries of south-east Asia. However, is it not of paramount importance that there is candour as to what has happened, and that to achieve that we must offer help? One practical piece of help would be to approach the university of Edinburgh and the research organisations centred around Edinburgh, which have internationally famous expertise in tropical diseases and, indeed, in poultry research. Will my hon. Friend approach Professor Ian Maudlin or other heads of department to see whether it is possible that a small group could be sent to help in south-east Asia?

Mr. Bradshaw: I absolutely agree with the Father of the House about our good relations with the countries of south-east Asia. That is particularly true of Thailand, which is very friendly towards the UK. We have used those good relations to avoid some of the danger that might have been posed by the outbreak. I will consult my officials about his kind offer. We are as interested as anybody in exchanging expertise on the matter, and if it was felt that such a visit would be helpful at this stage, we would consider it very positively.

Mr. Michael Jack (Fylde) (Con): Anybody who has heard the BBC's "Farming Today" broadcasts from Thailand will understand the devastating effect that the

outbreak is having on local communities there. Following the comments of the hon. Member for Linlithgow (Mr. Dalyell), what steps are being taken to encourage throughout south-east Asia a regime of openness about outbreaks of this or any other animal disease conditions? For example, there are reports that ducks in China now have the same condition.

What contribution is the UK scientific community making to monitoring the possible development of mutant species of the condition, which may jump species or even affect human beings? Those are the unknowns: what are we doing to address them?

Mr. Bradshaw: The right hon. Gentleman is absolutely right about the importance of openness. I, too, have read some of the more alarmist media reports suggesting a cover-up, but we have no evidence of a deliberate cover-up in Thailand. The matter has been handled well by contrast with the way in which China handled the severe acute respiratory syndrome—SARS—outbreak last year. However, one of the lessons that we have learned in Britain and in wider Europe is that when it comes to food safety and animal health, openness is essential if one is to maintain consumer confidence in one's product.

The hon. Gentleman is right to draw the House's attention to the dangers of the virus mutating, because that is when it could become really dangerous to human beings. If it mutated into a virus that could be passed from human to human, as happened more recently during the 1952 outbreak, we could face real problems. He will be well aware that the World Health Organisation, as well as UK health authorities, is keeping close watch on the situation.

Mr. Bill Wiggin (Leominster) (Con): The Minister made some nice and accurate comments about the poultry sector, which, as he is aware, receives no Government funding. If he is as satisfied as he says about the biosecurity actions taken by the Government to protect the British poultry sector, will he guarantee to pay compensation if the disease gets to Britain?

Mr. Bradshaw: It is a notifiable disease, so of course compensation is considered in the event of stocks having to be destroyed. The hon. Gentleman is right to congratulate the poultry industry on being a part of our agriculture sector that does not, in general, rely on subsidy—it would be nice if that practice was more common throughout the sector.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Minister highlighted the importance of people recognising the quality of British-produced poultry. Coverage of this incident might have brought home to people who take good animal welfare standards seriously the different standards that are operated by producers in different parts of the world and the importance of backing the British poultry industry. To that end, is it important to get across to them the fact that whenever they buy produce made from chicken, the chances are that it will come from imported chicken?

Mr. Bradshaw: The hon. Gentleman is right. Not just the quality of the product in the UK, which is superior, but our welfare standards are second to none in the world. Consumers should take that into account habitually when making shopping decisions. Labelling, as the hon. Gentleman will know, is the responsibility of the FSA. At present, processed meat in food products is not labelled as clearly as he and others might wish.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): The Minister has spoken of the devastating effect of the virus in the far east, but obviously we are worried about any implications for the United Kingdom and our citizens travelling abroad. I understand that the new H5N1 virus is resistant to the old generic flu drugs. Have the Government been able to establish whether the newer drugs, such as Tamiflu and Relenza, would be effective against it? Can the Minister tell us what is the current position in regard to their supply?

Mr. Bradshaw: In vitro work is under way in a number of countries, with the use of the H5N1 virus isolated from humans. The virus is expected to be susceptible to the neuraminidase inhibitors, but preliminary sequence data suggest that the Vietnam strains to date have a mutation in the viral M2 gene that will render the viruses resistant to Amantadine—although experimental confirmation is required. I will ask a ministerial colleague from the Department of Health to write to the hon. Lady comprehensively about vaccines.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The Minister will know how dependent this country has become on imports of poultry meat from Thailand. Just before Christmas he wrote to me apologising for not being able to meet a group of poultry producers because of lack of time. They wanted to discuss threats to the poultry industry.

The country will now depend on those producers even more now. It will depend on them to fill the gap left by the lack of imports from Thailand. Will the Minister reconsider his decision?

Has the Minister made any assessment of how the country will fare in terms of its favourite dish, which I take to be chicken tikka masala?

Mr. Bradshaw: The hon. Gentleman is not quite right in saying that the UK has become dependent on imports from Thailand. Most of the chicken consumed here is still home-produced. It is true, however, that after Brazil, Thailand is the main source of imports, particularly of chicken for the processing industry.

I am sorry that I had to decline the hon. Gentleman's kind invitation to meet his local poultry producers, but I meet poultry producers fairly regularly. For me, one of the highlights of the run-up to Christmas was presenting the awards at the annual British Poultry Council award ceremony. As the hon. Gentleman says, our poultry industry makes a massive contribution to our rural economy. It is highly successful, very skilled and makes products of great quality. I am sure that the recent scares, which have been exaggerated in some media reports, will not prevent people in this country from enjoying their favourite dish, whatever it may be.

Mr. Simon Thomas (Ceredigion) (PC): At least the Minister does not look like a turkey over this one. [HON. MEMBERS: "He does."] Well, possibly. Anyway, will he look at the effect of the EU ban on the Thai economy? Producers in Thailand may be tempted to try to get around it, which could increase the difficulties we already face in regard to illegal imports.

We hope that the ban will be lifted when a solution is found. What work will the Minister undertake at EU level to ensure that labelling is better in future, thus improving consumer choice? We may think about that when choosing chicken from the United Kingdom in supermarkets and butchers' shops, but we may not think about it in McDonald's or Wimpy bars. It might useful to consider what we can do at EU level to support home-grown industries that have better environmental and welfare standards.

Mr. Bradshaw: I have no doubt that there will be a serious impact on the Thai economy, because chicken production is very important to Thailand; but Thailand has had a robust economy for a number of years—perhaps the most successful economy in the south-east Asian region. We will do all we can—both Britain and the EU as a whole—to encourage further trade with Thailand, and to help it to recover from any setback that this causes.

I have nothing much to add to what I have already said about labelling. It is the responsibility of the FSA. It has improved significantly under the present Government, although it has still not improved as much as the hon. Gentleman and others might wish. I can only repeat that most fresh chicken, and indeed most meat on the shelves in shops in this country, is labelled, and I recommend that people look for the British label.

Motor Vehicle Insurance Disc

12.54 pm

Andy Burnham (Leigh) (Lab): I beg to move,

That leave be given to bring in a Bill to amend Part 6 of the Road Traffic Act 1988 to require users of motor vehicles to display on the vehicle a disc certifying that a policy of insurance or security in respect of third party risks is in force; and for connected purposes.

Have you ever had the feeling, Madam Deputy Speaker, that all the action may be happening somewhere else? I certainly have. I can assure the House, however, that what my Bill lacks in timing it more than makes up for in the quality of its proposals.

Driving without insurance is an antisocial, selfish and irresponsible act, on a par with drink-driving and carrying a similar social stigma; but the existence of a sobering 1.25 million uninsured cars on our roads shows that it is all too easy to get away with it, and that a worrying number of our fellow citizens are prepared to try. One in 20 of the motorists driving around Britain's towns, cities and villages at this very moment are uninsured. They have the potential to wreak havoc and wreck lives, but they are able to remain anonymous, and the public have no easy means of identifying them. It is a terrible game of Russian roulette, in which the losers are always the law-abiding motorists and innocent civilians.

The high levels of evasion show that the current system is not working. There is a requirement for drivers to produce valid insurance to renew vehicle excise duty, but the policy could run out in days, or could easily be cancelled. We need a simple means of placing public pressure on all drivers to keep their insurance up to date. In addition, police, traffic authorities and, most important, the general public should have an easy and instant means of spotting those who do not. The Bill achieves those twin aims by amending and inserting two basic measures into the Road Traffic Act 1988: a duty for drivers to display a simple disc on their windscreens as proof of valid insurance, and a duty for insurers to issue a standard-format detachable disc, akin to the tax disc, to people taking out new insurance policies.

While I would claim credit for that idea, I must admit that it was put to me by someone else. In a small way, this is a vindication of our parliamentary system. About two years ago Mrs Doreen Gill of Findlay street, Leigh, visited my advice surgery to express concern about a friend who had been unfortunate enough to have an accident with an uninsured driver. That person had been left out of pocket and out of sorts by the whole experience, and Mrs Gill felt strongly that something should be done. She proposed the introduction of an insurance disc, and having thought about it carefully since then, I have concluded that she is absolutely right. Yes, there are practical questions to be asked, and discs can be forged; but to those who always seek obstacles to any change, I say that if it is good enough for car tax it is good enough for insurance.

Arguments against my Bill are arguments for scrapping the vehicle excise duty disc. The process need not be complicated: it simply means making the insurance policy a public document for windscreen display rather than its being kept in a drawer at home. If discs help to cut tax evasion, they will help to cut uninsured driving. At the risk of annoying the

Chancellor of the Exchequer, let me say that it is arguably more important for people to be insured than to be taxed. We cannot forget that there is a much greater financial incentive for the avoidance of insurance than there is for the avoidance of tax, given the relative cost of each.

There are different classes of insurance evader. There is without doubt a hard core who will drive without licences, tax or insurance. They are unlikely to be moved by the need to have an insurance disc, but they would be easier for us all to identify. There is another group of evaders who are prepared to take a risk, perhaps delaying obtaining cover for a month or two. That group could be swayed by the requirement for an insurance disc. They could no longer enjoy the anonymity that the current system affords them: friends and family would notice their failure to display a valid insurance disc. A third group comprises the well-meaning but absent-minded. I dare say that many Members—including me—fall into that category. Such people see the renewal reminders arrive from the insurance company and keep meaning to do something about their policies, but never get around to it. A daily and embarrassing reminder on the windscreen would cut that sort of evasion.

I hope that sceptical voices in the insurance industry will take note of the emphatic public backing for an insurance disc that RAC research revealed this week: 87 per cent. of drivers would support a disc if it could be shown to reduce insurance premiums. I hope that they will also take note of the strong and effective campaign of the *Daily Express* on the important issue, and its unequivocal backing for the Bill as part of the solution. The editorial in Monday's edition said:

"Rarely has an issue been so straightforward. Make insurance discs compulsory now."

I accept that the Bill is not the only solution to the problem; it should be part of a package of measures to tackle driving without insurance. We need to review the punishments for insurance evasion. It cannot be right that the fine—usually around £150—is a fraction of the cost of insurance. The incentive for people to take a risk is too great. First, we need stiffer penalties, for example, higher fines, instant driving bans and community, even custodial sentences for repeat offenders, such is the gravity of the offence.

Secondly, I would support moves for more integrated use of the Driver and Vehicle Licensing Agency database and the new insurance database. I hope that the police can have access to that to identify and target people whom they know to be driving without insurance.

Thirdly, the insurance industry should consider what more it can do to reduce the soaring cost of motor insurance. I represent an area where public transport is poor and job opportunities are limited. Many people are on low incomes and have to travel to work. Some are being priced out of driving a car—that is a form of social exclusion. I heard on the radio this week that a first-time driver was quoted more than £2,000 for insurance. Young men are statistically the most likely to cause accidents, and, as a society, we have a vested interest in their being insured.

I urge the industry to consider moves towards a more even pricing structure, perhaps with cross-subsidy between policyholders. There is already a levy on insurance policies to pay for claims against uninsured drivers through the Motor Insurers Bureau. A cross-subsidy pricing scheme could mean that the cost is used to cut evasion rather than to pick up the pieces of uninsured accidents, as happens now.

The Co-operative Insurance Society is taking a lead and I should like more insurers to follow its scheme, whereby new drivers can reduce the cost of their policy by hundreds of pounds through undergoing further training, especially on motorway and night driving.

The Government have initiated a review of the issues under Professor David Greenaway of Nottingham university, which shows that they are aware of the severity of the problem, and he is due to report his findings later this year. I hope that he will seriously consider the measures that I have outlined, listen to the arguments for an insurance disc and come down firmly in favour of it. It would overlay and complement the other measures that are being considered to tackle driving without insurance. I hope that Professor Greenaway will look abroad to France, Italy, Ireland, Australia and, even closer to home, Jersey, where an insurance disc scheme appears to work well and there is less insurance evasion than here.

The costs of failing to act mount year after year. This week, the RAC estimated that we shall all soon pay £60 on our insurance policies to cover the cost of uninsured driving. It also stated that the death, damage and injury that uninsured drivers cause may lead to a £1 billion bill. Of course, prosecuting offenders means huge costs to society in police and court time.

If an insurance disc cut evasion by 10 per cent. or 20 per cent., it would be worth introducing. That makes the Bill a win-win measure. It is good for motorists and insurers, but most important, it is good for the public. The only losers are those who flout the law and expect the law-abiding majority to pick up the bill. Objections about practicalities crumble in the face of the potential benefits.

The Bill is a workable solution to a growing scourge in our society and I commend it to the House.

Question put and agreed to.

Bill ordered to be brought in by Andy Burnham, James Purnell, Jim Knight, Mrs. Lorna Fitzsimons, Mr. Eric Joyce, Siobhain McDonagh, Jim Dowd, Mr. Parmjit Dhanda, Mr. Wayne David, Shona McIsaac, Mr. Richard Page and Ms Christine Russell.

Motor Vehicle Insurance Disc

Andy Burnham accordingly presented a Bill to amend Part 6 of the Road Traffic Act 1988 to require users of motor vehicles to display on the vehicle a disc certifying that a policy of insurance or security in respect of third party risks is in force; and for connected purpose: And the same was read the First time; and ordered to be read a Second time on Friday 12 March, and to be printed [Bill 46].

Orders of the Day

National Insurance Contributions and Statutory Payments Bill

Not amended in the Standing Committee, considered.

Order for Third Reading read.

1.5 pm

The Paymaster General (Dawn Primarolo): I beg to move, That the Bill be now read the Third time.

We have reached the final stages of our deliberations. I am pleased to tell hon. Members that the measure has all-party support. It may not be unprecedented for not a single amendment or new clause to be tabled on a Government programme Bill, but it is unusual. It demonstrates clearly that the provisions are undeniably sensible and useful and therefore rightly welcomed by all interested parties.

The hon. Member for North Norfolk (Norman Lamb) said on Second Reading that the Bill was an

"uncontroversial and constructive Bill."—[*Official Report*, 6 January 2004; Vol. 416, c. 204.]

He said that he had asked employers' representatives and other tax and national insurance practitioners whether they had any difficulties with the measure, and found that they did not. The hon. Member for Hertford and Stortford (Mr. Prisk) agreed that although the Bill was technical—that was our conclusion, too, when we had finished the Committee proceedings—it included matters that

"affect every employee and company in the land."—[*Official Report, Standing Committee D*, 13 January 2004; c. 42.],

so it was important. He, too, offered his support.

We received one representation, which arrived rather late for consideration during our proceedings. The Institute of Chartered Accountants in England and Wales welcomed the Bill and did not disagree with any of its provisions. However, it wanted to draw my attention as Paymaster General to some additional matters for which further relaxation of the rules about the way in which employers meet their national insurance obligations could be considered.

Some changes to the provisions for employers' recovery of primary national insurance contributions could be addressed through changes in regulation. Inland Revenue officials will continue to speak to employers' representatives about such details. However, I have concluded that there should be no such changes to regulations and that changes to the Bill at this stage were undesirable. For the benefit of Opposition Members, and for the sake of the completeness of our consideration, however, I thought that it would be helpful to respond to the points made by the Institute of Chartered Accountants.

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): I, too, think that the Bill is a sensible measure. My right hon. Friend has helpfully included a glossary of abbreviations in the explanatory notes—an extremely helpful document—but to assist lay people such as me, and, I hope, members of the public who have to interpret such things, particularly those in small businesses, will she do her best to explain the meanings of some of those terms? For example, ITEPA 2003 keeps cropping up. I have worked out what that means, but I would struggle with many of the other abbreviations—

Madam Deputy Speaker (Sylvia Heal): Order. That is getting rather lengthy for an intervention.

Dawn Primarolo: I am happy to try to assist my hon. Friend when I can. He was not a member of the Standing Committee, but I draw his attention to the considerable discussion in Committee of the fact that the Bill is intended to align the treatment and recovery of national insurance with the procedures that currently exist in the income tax regulations and Acts. Of course, as the Committee agreed, that will be of great benefit to employers, because they will have one procedure and one form of operation for the recovery of any outstanding payments of either tax or national insurance. That is particularly welcomed by employers.

Norman Lamb (North Norfolk) (LD): The Paymaster General mentioned the representation that she has received. Is she saying that she has decided not to legislate further with regard to that representation at the moment but that she might consider doing so at a later date, or is she rejecting the representation out of hand? Perhaps she can outline on which issues she intends to take further steps.

Dawn Primarolo: I am grateful to the hon. Gentleman for that intervention. I thought that, in courtesy to the House, I should explain where the Government stand with regard to each of the proposals made by the Institute of Chartered Accountants. I hope to make it clear that the Government stand open to representations and further consultation on this matter, as on any other. I shall turn briefly to the issues raised by the institute, and I think that my response will cover the hon. Gentleman's specific inquiry.

The institute asked for an extension to the provisions in clauses 1 and 2, which provide extra flexibility in the way in which employers can recover primary national insurance paid on behalf of their employees on securities-based earnings. It may help if I explain briefly to hon. Members why we have detailed rules governing the way in which employers meet their national insurance liabilities. That framework exists to achieve three broad aims: first, to provide fairness to employees; secondly, to create administrative simplicity for employers; and, finally, to protect the income of the national insurance fund, which, as hon. Members know, provides the funds for state pensions and other contributory benefits and pays towards the national health service.

The Government's first duty is to protect the employee. It is important to have a clear set of rules to prevent the employer from making unreasonable deductions from an employee's earnings, which could result in the employee facing economic hardship—a matter that we discussed in Committee. For example, if there were no rules about recovery, an employer could make a mistake and under-deduct from the monthly earnings and then make good his mistake by recovering the whole of the under-deduction in one go, leaving the employee with no cash earnings for that month.

Pursuing that principle, I do not think it reasonable to amend the rules governing the recovery of primary national insurance contributions to allow recovery from all employees—not just ex-employees—in the following year, whatever the form of earnings, as the institute requested. However, to pick up the hon. Gentleman's point about the Government's view, if I do not agree with the proposals now, I accept that in some specific circumstances, the normal recovery framework may present employers with difficulties. We are keen to invite employers and their representatives to provide examples of particular issues that are creating difficulty. I am aware that new financial products are continually being developed. As with previous legislation, the Bill has been drafted to provide the flexibility to deal with those changes, when we agree with those who make the representations that it would be appropriate to do so.

Many changes could be dealt with by regulations. Again, we discussed that in Committee. For example, the recovery period for specific types of earnings could be extended in that way. So we have responded to specific difficulties, and we would seek to do so in the future. The hon. Gentleman is well aware that last year, we introduced regulations extending recovery time where payments of earnings are made by intermediaries or in the form of shares. We are planning regulatory changes before April 2004, when payments are made to workers seconded abroad and the primary national insurance liability is allowed to be paid later than at the end of the tax year, and where an employer has made an error in good faith and under-deducted the primary national insurance that is due.

Obviously, I cannot guarantee that we will always agree with the points made in representations in future. The Government do not wish to encourage employers to seek ways to pay earnings that are designed simply to reduce tax or national insurance liability, and have no further commercial value. For example, the Institute of Chartered Accountants also requested that the changes that the Bill and its regulations will make to the recovery rules for securities-based earnings should be extended to all non-monetary earnings. However, unlike shares, earnings paid in other non-monetary forms do not necessarily provide employees with a real stake in the company that they work for and are not therefore a form of earnings the Government want to encourage through special provisions.

I am trying to strike the correct balance, and to recognise that changes could be made to the future nature of those encouragements that would provide a stake in a company, that representations should be made and that the flexibility in the regulations will allow us to respond—but all that is underpinned by the crucial point that the stake in the company has to be an encouragement to the employee, and not intended to reduce tax or national insurance payments.

Mr. Mark Prisk (Hertford and Stortford) (Con): The Paymaster General anticipates me in looking into parts of the representation, and it is excellent that we are getting those on to the record, but may I draw her back to our discussion in Committee, where we considered the definition of non-monetary earnings in clauses 1 and 2? That definition obviously goes wider than security-based earnings. She has responded to the first part of the institute's representation, but will she respond to its comment that, notwithstanding her earlier comments, it would be simpler for businesses if there were one rule for all situations concerning all non-monetary earnings?

Dawn Primarolo: I have tried to explain that, unlike shares, earnings paid in other non-monetary forms do not necessarily provide employees with a real stake in the company that they work for and are not therefore a form of earnings that the Government want to encourage through special provisions, because of the dangers—this does occur—of payments being designed to reduce tax and national insurance liability. Of course, the national insurance fund, and therefore all of us, would lose out in those circumstances.

I am trying to steer a delicate path through recognising a possible change in environment and putting in place a method to respond by regulation, while explaining clearly that we will need to judge whether the forms of payment provide employees with a real stake. Therefore, a general sweep through all non-monetary forms of reward would be a step too far.

It may help the House if I move on to the series of points that the Institute of Chartered Accountants made on clauses 3 and 4. It also wanted us to go further in those clauses, which extend provisions for joint elections and agreements to transfer secondary national insurance liability to employees when gains arise on restricted and convertible shares. It asked for the measure to be extended to other forms of securities-based earnings, such as restricted stock units.

The Government argue that the tax and national insurance treatment of earnings from restricted stock units will depend on the nature of the award. In some cases, therefore, such earnings might already fall within the scope of the legislation and thus allow the transfer of employers' class 1 national insurance to the employee. In others cases, that would not be appropriate because there is no unpredictable liability—that is the test—which is what the measure is designed to address. I am trying to respond by recognising that if something is not in the Bill, it does not satisfy the unpredictable liability test.

Secondly, the institute wanted the clauses to extend to national insurance liabilities that arise on the discharge of an amount treated as a notional loan, which is a form of earnings that arises when someone who is not ordinarily resident is granted an employment-related share option. As the hon. Members for Hertford and Stortford and for North Norfolk are probably aware, officials in the Treasury and Inland Revenue are currently conducting an extensive review of the tax rules surrounding residence and domicile. They are aware of, and are continuing to examine, problems with securities-based payments for internationally mobile workers, and they will examine that issue as part of the review. I think that that is a more appropriate way to consider such issues, because of the difficulty of the challenges.

Mr. Prisk: Will the Paymaster General confirm, therefore, that it is the intention of the Treasury, and the Government in general, to have as broad an input from business and industry as possible in that review? The

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professional impact of the measures will have a significant impact on the mobility of workers, which is a crucial part of this country's competitiveness.

Dawn Primarolo: I confirm to the hon. Gentleman that such a broad view and access to wider consultation are at the heart of the consideration of residence and domicile. It is important for the system to be fair and for the rules to be clear. The system should not undermine our competitiveness, yet we must ensure that the rules of the United Kingdom are not used in ways that would be detrimental to the vast majority of taxpayers in this country. The regulations can deal with such points.

I have outlined the principles underpinning how we would assess representations about suggestions made by the Institute of Chartered Accountants. We would welcome it if employers or their representative groups contacted the Inland Revenue if they had specific difficulties that arose from the Bill. The overall support for the Bill demonstrates that the Inland Revenue is working well with employers' representatives and others to identify real areas of concern and find sensible ways of addressing them, while keeping the rules clear, easy to operate and fair to all taxpayers.

On Second Reading, my hon. Friend the Member for Dumbarton (Mr. McFall) referred to working with business representatives, which relates to the point recently made by the hon. Member for Hertford and Stortford. That is relevant not only to the Bill, but, frankly, throughout the Inland Revenue's areas of interest. I shall again spell out the routes available. On employer-related matters, the Inland Revenue meets representatives from the Federation of Small Businesses, the Institute of Directors, the Confederation of British Industry and payroll practitioners, among others. That umbrella group provides a forum for the discussion of, and consultation on, policy changes and their operational impact on the taxation of employment income and related matters that might impact directly or indirectly on employers. It acts as a confidential sounding board for proposed policy initiatives and as an avenue for the discussion of representatives' concerns and proposals for change. That clearly provides a route through which discussions on the Bill may be taken forward, should they be required after it has become operational.

The Inland Revenue has an excellent working relationship with many share scheme interest groups, such as ProShare and the share scheme lawyers group. There are regular discussions between the Inland Revenue and groups interested in the promotion of employee share ownership, to ensure that concerns about the administration and technical interpretation of share scheme legislation are brought to the Government's attention. Regular dialogue not only allows areas of difficulty to be properly understood, but helps officials to develop clear and helpful guidance about the operation of share scheme legislation. When it came to putting together the measures in the Bill, the Inland Revenue was already in a good position to understand what employers wanted. Every measure was drawn up with an eye to representations or other forms of consultation.

Mr. John McFall (Dumbarton) (Lab/Co-op): I thank the Paymaster General for referring to a point that I made on Second Reading. She will know that income tax officials have come to the Treasury Sub-Committee to help with our inquiry on the administrative cost of tax compliance. I must say, in support of what she is saying, that they have acquitted themselves well. Lessons have been learned from the past and officials are communicating with business. Given the criticism that they have received in the past, it is only fair to put that on record.

Dawn Primarolo: I thank my hon. Friend for his generous comments. Everyone in the House understands that we require tax inspectors and tax officials to pursue a dual role on behalf not only of the House, but of all our communities. We require them to operate a tax system that is fair to all and ensures that everyone pays their rightful amount, and to design and develop a tax system in consultation with all interested parties so that employers and employees can understand legislation, and so that it is operational. The delivery of that set of principles is difficult, but the Inland Revenue acquits itself extremely well.

I have said that the Bill was not contentious. No amendments were tabled, and there was broad support both inside and outside the House for the measures that it contains. However, that is not to say our debates in the House and Committee were without rigour. Indeed, the discussion of the clauses in Committee entailed a thorough scrutiny of their details, and relevant details that are to be set out in the regulations. I pay tribute to the hon. Members for North Norfolk and for Hertford and Stortford for the positive way in which they conducted their discussions in Committee to ensure not only that the Bill received proper scrutiny, but that the record showed clear indications about how the Government wish to proceed.

I am pleased to be able to conclude that the Bill has received thorough scrutiny, both in the House and as a result of extensive preparation with interested parties outside. As I said, I have been helped greatly by constructive contributions from Members of all parties who were involved in discussions on the Bill, for which I thank them. Finally, I reiterate that the purpose of the Bill is to fulfil our commitment that the Inland Revenue will work with employers' representatives and others to reduce technical differences in the administration of tax and national insurance. It extends employers' options for meeting their national insurance liabilities when paying earnings in the form of shares or other securities. It also helps to protect employees' rights to statutory sick and maternity pay by improving measures to tackle the very few employers who fail to meet their obligations. It is a technical Bill, but a useful one, and I commend it to the House.

1.30 pm

Mr. Prisk: I thank the Paymaster General for her opening remarks, particularly her detailed and thorough exposition of the submission by the Institute of Chartered Accountants in England and Wales.

As the Paymaster General said, the Bill is a technical measure, and is therefore complex both in form and purpose. I suspect, however, that on this occasion that is not the reason why we do not have the full attention of the House. The Paymaster General, other hon. Members and I are performing what may best be described as the parliamentary equivalent of an intermission. We may be unwatched and unseen, but nevertheless we are providing a convenient filling-in moment between two exciting instalments of a political drama. Normal service will be resumed as soon as possible.

The Bill and the measures that it contains are important because they affect both employers and employees, and a number of clauses are directly relevant to people's working situation. For example, clauses 1 to 4 will help to remove a potential barrier to widening share ownership. Some people may say that other aspects of the Bill are inconsequential. For example, clauses 5 and 6 apply to only about 4 per cent. of the national insurance fund, and some people will argue that that is of little consequence. That may be true, but for tens of thousands of self-employed people it represents 100 per cent. of their contributions. Given the fact that the self-employed are usually treated poorly by the Government, the change deserves our attention and, on this occasion, our support.

Following our various debates on the Bill, it is clear that it consists of two distinct parts. First, it seeks to amend the way in which employers administer national insurance contributions for securities-based earnings. We have touched on the question of non-monetary earnings and how broad that definition is, but the Bill deals specifically with securities-based earnings. That follows the Chancellor's ill-considered decision to impose an additional 1 per cent. on employees' primary contributions over the upper earnings limit. The second part of the Bill, as we learned in Committee, is intended to align the administration of statutory payments for maternity and sickness pay with that for national insurance contributions. The changes seek to tidy up previous incomplete legislation dating back, in some cases, more than five years. The two principal features of the Bill therefore arise from past errors and oversights by the Government. It is a refreshing change for the Government to accept their past failings. On behalf of Her Majesty's loyal Opposition, I have no hesitation in welcoming that admission of failure and the improvements introduced by the legislation. I only hope that that governmental contrition will set the tone for rest of the day, although I suspect that we shall be disappointed.

My party has, throughout the passage of the Bill, sought to provide constructive scrutiny. Where we have differences with the Government we shall express them, and I am sure that the Paymaster General will understand that I shall continue to do so firmly and persistently. However, in this case the measure is corrective and largely beneficial, so we shall not oppose it for the sake of partisanship. However, our ability to fulfil our important parliamentary role has been hampered by the fact that the regulations underpinning much of the Bill were not made available to the House until the morning of the day on which the Committee sat. For the benefit of Members who did not serve on the Committee, the regulations are extensive. They are 22 pages long—five pages longer than the Bill itself—and affect six of the 10 principal clauses. Following the Minister's promise that the draft orders would be ready in time for the Committee stage, I accept that there was an administrative error by officials, which resulted in the draft orders arriving on the day of the Committee's deliberations. Indeed, I received my copy as I arrived at Standing Committee D. I accept that the Paymaster General intended to try to get the orders to us, and I know that she will share my disappointment at the error that resulted in their delay.

I should like to challenge something else that has arisen in our debates, particularly in Committee. Significant measures in the Bill will be brought into effect based on details in the 22 pages of statutory instruments. The Bill is a framework, and it lacks detail about the exact way in which the rules will operate. The Paymaster General commented in response to an intervention that, as the Bill was a technical measure, the omission of the details was less important. In fact, the reverse is true. In a technical Bill, the detail is the most important part of the legislation. The broad policy is not in question—it is the practicalities and minutiae that matter. I suspect that most hon. Members would share that view and I hope that on reflection so will the Minister.

We have learned much during the passage of the Bill. It has emerged, for example, that the roots of the changes set out in clauses 5 and 6 go back as far as the 1998 Budget and the accompanying Taylor report. Indeed, the Government denounced the dual systems of income tax and national insurance as unduly onerous for the 1 million or so employers who had to operate them simultaneously. On 8 February 1999, the then Secretary of State for Social Security, the right hon. Member for Edinburgh, Central (Mr. Darling), spoke of the two sets of rules and the two Departments with which businesses had to deal and concluded that the case for change was "overwhelming". Nearly five years later, the Government are seeking to complete the task. I fully accept that it took up to two years for the original changes to bed down, systems to be established and training to be completed. However, a delay of five years is deeply disappointing. I know that the wheels of Whitehall grind slow, but to take five years is to progress at less than a snail's pace.

In Committee and on Second Reading, I raised the many concerns of business and professionals about the poor administration of national insurance. The Paymaster General, true to form, rose to the challenge and proudly declared that things were improving. If that is the case, that is welcome. However, she did not answer my basic question, although I trust that she will in reply to this debate. Are the standards of performance better now than they were before the merger, as promised by the Chancellor? I am not asking whether they are better than they were in 2002, when the Institute of Chartered Accountants complained, but better than the pre-merger performance. That was the promise made by the Chancellor—has it been kept?

During our deliberations, we learned of the unintended impact of the Chancellor's decision to impose an additional 1 per cent. of the national insurance charge on employees' earnings over the upper earnings limit. When an employer makes a securities-

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based payment of earnings, there is no national insurance liability until those payments are realised—for example, when options are exercised to acquire shares. At that point, the employer is liable to pay both primary and secondary national insurance contributions due on the employee's gain. Until 5 April last year, most employees would already have paid their contributions up to the upper earnings limit through the usual PAYE system. However, from 6 April 2003, there has been an additional 1 per cent. due on earnings that exceed that limit, so employers now face serious difficulties in recovering those additional primary contributions payable by employees.

As the Paymaster General mentioned today and in Committee, the Bill is designed to enable employers to recover those contributions through new agreements or through joint elections. We touched on the suggestion that these might be amended in the future, subject to the comments from the Institute of Chartered Accountants. The decision to enable employers to recover these contributions is generally welcomed by employers and outside organisations.

Our debates have also revealed a welcome Damascene conversion by the Labour party on share ownership. Gone are the old days of Bennite adherence to state ownership. Instead, we have the Blairite passion for share ownership. We will have to see whether that survives any future leadership change. The amendments in clauses 1 to 4 will remove a potentially serious barrier to employee share ownership. Now, promoting wider share ownership is a Conservative value. Indeed, more employees bought and owned shares under the last Conservative Government than ever before. That is why we on the Opposition Benches welcome the correction, as do those in business—including ProShare, the independent organisation whose purpose is to widen share ownership.

The Bill seeks to correct the omissions and errors of the Government's previous actions. As such, and rare as that is, it is to be welcomed. During our debates we heard of the five-year failure to align correctly the administration of national insurance contributions and statutory payments, and the burden that that delay has placed in particular on the self-employed. We have learned about the worsening administrative burden since the Government legislated in 1999, despite the Chancellor's original promises. We have heard how the decision by the Chancellor to increase employees' primary contributions over the upper earnings limit has had serious unintended consequences for promoting wider share ownership, which are corrected in the Bill.

Consideration of the Bill, although constrained by the absence of the details in secondary form, has nevertheless been constructive and purposeful. Given the benefit of the various measures that the Bill seeks to implement, I can confirm that it has our support and that it is not our intention to oppose it in the Lobbies at the end of the debate.

1.43 pm

Norman Lamb (North Norfolk) (LD): As the hon. Member for Hertford and Stortford (Mr. Prisk) suggested, this event is akin to an intermission. I suspect the full Public Gallery has little to do with our current consideration of this exciting Bill. It is surprising that the public are not out getting their ice creams.

As has been observed, the Bill is technical and uncontroversial. I congratulate the Paymaster General on keeping going and speaking about it for the third time for the best part of half an hour—a remarkable achievement. I thank her also for the way she has conducted herself during our deliberations on Second Reading, in Committee and on Report. In her speech she dealt with the one representation received, from the Institute of Chartered Accountants. Never before, I imagine, has one submission from a professional organisation received such detailed consideration by a Minister on the Floor of the House. Her constructive comments and response to those points were welcome.

On Second Reading there was one Back-Bench speech and a few valiant interventions from a Labour Member—the hon. Member for Wolverhampton, South-West (Rob Marris). In Committee, as we heard, no amendments were tabled by the Conservatives, the Liberal Democrats or the Government, and it was all over in one and a half sittings. There is little of substance to add today. In a moment, I shall mention one or two questions I have on the draft regulations.

To summarise, the Bill is largely a tidying-up measure that increases the ease with which employers and employees can deal with national insurance. First, for instance, it makes it easier for employers to recover national insurance contributions by agreement from employees and ex-employees in respect of securities-based earnings. Secondly, it allows employers and employees by agreement to transfer the liability for employers' national insurance to the employee in respect of restricted and convertible shares, extending the facility that is already available in respect of earnings from share options.

We accept that that reduces a current disincentive to employers, who may be put off rewarding employees in this way because of uncertainty about the extent of national insurance liability when what is known as a post-acquisition chargeable event occurs. The employer cannot predict what the share value will be and therefore what the national insurance liability will be. To remove that unpredictability seems entirely sensible. Like the hon. Member for Hertford and Stortford, we support the idea of improving and increasing employee share ownership.

The Bill deals with a number of miscellaneous issues, aligning periods of notice required for distraint action between tax and national insurance. It unifies powers with regard to tax and national insurance and to the gathering of information for tax and national insurance purposes, and it removes overbearing powers in relation to national insurance. That is to be welcomed. Finally, the Bill removes criminal penalties with regard to non-compliance for statutory sick pay and statutory maternity pay, with the introduction of civil penalties. The Government clearly recognise that criminal penalties are

"wholly disproportionate to the compliance risk."

On the draft secondary legislation, the point was made on Second Reading that measures in the Bill were overdue. In part, those measures result from a consultation process that was completed two and a half

years ago. Two and a half years of deliberation later, the Bill emerged, but it depends substantially on secondary legislation to implement the detail. It is bizarre that a Bill can be introduced without the accompanying regulations that were produced at the same time, and that the Bill can reach Committee stage without members of the Committee having had sight of the draft regulations. That is not the best way to scrutinise legislation, and the Government must ensure that draft regulations are available before the Standing Committee considers such a Bill in detail.

Since then, I have been through the draft regulations. I assume that that is the sum total of draft regulations; I should be grateful if the Minister confirmed that. Can she also confirm the time scale for implementation? In the draft Social Security Contributions (Amendment) Regulations—the first set of draft regulations—paragraph 2(2)(a) refers to "non-monetary earnings". However, paragraph 2(2)(b) refers instead to "relevant securities-based earnings". That relates to former employees. Is there a reason for the different terminology, or does the drafting need to be reviewed?

In the same regulation there is an obligation on the employer to account to the employee or former employee for the proceeds of sale of the securities that were not required to discharge the liability for national insurance—in other words, if there is an amount over and above that required for discharging liability, it needs to go back to the employee. Should there be an additional obligation to provide a statement to the employee confirming the sale proceeds and how much of it was required to discharge national insurance liability? That may have been covered elsewhere already, but I would again be grateful if the Paymaster General dealt with it.

Reference is made to the fact that the draft regulations impose no extra cost on business, but the proposed regulations relating to Northern Ireland would impose a cost in limited circumstances. That is entirely justifiable, but should not the explanatory notes make it clear? Further, is any regulatory impact assessment anticipated with regard to those regulations, or is the Paymaster General relying on the regulatory impact assessment that accompanied the Bill? I am not sure what the guidance on regulatory impact assessments says about that.

I want briefly to mention the proposed statutory sick pay and statutory maternity pay regulations. The explanatory notes say that no regulatory impact assessment has been prepared because the regulations do not impose any new costs on business, but the civil penalties may impose new costs, so is it accurate to say that no costs will be incurred? Will the Paymaster General deal with that?

There is also a statement that the draft Social Security Contributions (Amendment) Regulations, which deal with elections in relation to restricted and convertible shares, do not in themselves impose any new costs on business, but there are costs associated with the regulations. There is provision, for example, for the transfer of cost from the employer to the employee with regard to secondary class 1 contributions. The regulatory impact assessment refers to the cost of £3,000 in respect of professional advice on preparing a form of election and obtaining Inland Revenue approval. Will the Paymaster General deal with that? Surely it is right that the explanatory notes to the regulations should be clear.

Those are specific concerns about the draft regulations. I would be grateful if the Paymaster General dealt with them, either now or in a letter. These are important matters with regard to the detail of the regulations, but I can confirm that the Liberal Democrats support the thrust of the Bill.

1.52 pm

Dawn Primarolo: With the leave of the House, I should respond, perhaps briefly, to this afternoon's debate and the points raised by hon. Members. I sense that the House is gearing up to move on to other business, or perhaps those Members who were watching the monitor in their offices suddenly developed an undying interest in the Bill.

As I said in opening the debate, the Bill reduces the technical differences between the administration of tax and national insurance. It makes important improvements in the system and helps to protect employees' rights. We had a useful if not brief— *[Interruption.]*

Madam Deputy Speaker: Order. Will Members who have recently come into the Chamber please have some respect for the Paymaster General, who is on her feet concluding the debate?

Dawn Primarolo: The hon. Member for Hertford and Stortford (Mr. Prisk) referred to an intermission. When I was a child, the intermission was taken up by fish swimming around on television, which shows how old I am. I have a feeling that this intermission is quickly coming to an end.

This afternoon's debate has ensured that all Members and both sides of the House have agreed that we have undertaken detailed scrutiny of the measures before us. I hope that I have made it clear that we have been willing to respond to representations made to us. I should say to the Institute of Chartered Accountants that I was replying to its representation out of courtesy, as it was the only one we received. I sincerely hope, however, that hon. Members will accept that I am not setting a precedent here. None the less, everyone accepts that the main principles in the Bill are correct and recognises the importance of what we propose. A number of specific points have been made.

Ann McKechin (Glasgow, Maryhill) (Lab): Does my right hon. Friend share my concern over the former penalty for failure to pay statutory sick pay and statutory maternity pay, which involved a criminal sanction and which had not been used for many years? Can she confirm that the new civil measures will be used to impose appropriate sanctions, particularly given that the Equal Opportunities Commission has already started a major investigation into discrimination at work involving women in the workplace?

Dawn Primarolo: I regret that my hon. Friend was unable to join in this afternoon's debate, but I can

[Dawn Primarolo]

confirm that, in moving from the old procedures under the social security legislation, the Government are seeking to—*[Interruption.]*

Madam Deputy Speaker: Order. May I once again ask all hon. Members to reduce the level of conversation while the Paymaster General is responding to the debate?

Dawn Primarolo: Thank you, Madam Deputy Speaker.

The procedures for civil action against employers are proportionate to the small number who seek not to fulfil their obligations under the legislation—[HON. MEMBERS: "Hear, hear."] Substantial penalties, none the less, can be imposed, although I am not sure whether my hon. Friends were cheering that. The point is to remove inappropriate criminal penalties that have not been working successfully and, by the use of civil penalties, to try to ensure that all employers comply with the legislation from the start.

The hon. Member for Hertford and Stortford (Mr. Prisk) again made a point about why things have taken so long. In the year since transfer, a great deal has been done to align the rules on tax and national insurance. Much has been achieved. The Revenue now operates joint employer compliance reviews covering tax and national insurance; new teams have been introduced for the joint handling of expatriates' tax and national insurance affairs; and we have made changes to regulations—for example, to align the national insurance treatment of foreign travel and foreign travel expenses for overseas employees with that of tax.

The Bill brings those changes together. That required primary legislation. As the hon. Gentleman knows, all Governments have to prioritise the measures that go into their legislative programme. We have been able to deliver those legislative changes at this point.

The hon. Gentleman and the hon. Member for North Norfolk (Norman Lamb)—*[Interruption.]*

Madam Deputy Speaker: Order. Once again, may I make a plea to hon. Members to reduce the level of conversation in the Chamber while the Paymaster General is replying to an important debate?

Dawn Primarolo: The hon. Members for Hertford and Stortford and for North Norfolk raised various queries about the regulations. If the hon. Member for Hertford and Stortford looks again at the regulations, he will see that four sets regarding statutory payment inspection powers are identical, as is required to cover the various jurisdictions. The hon. Member for North Norfolk—

Hon. Members: Hear, hear.

Madam Deputy Speaker: Order.

Dawn Primarolo: I sense that the House would like me to conclude. Therefore, I say to the hon. Member for North Norfolk that I will reply in writing on the points that he has raised about the regulations and ensure that the letter is placed in the Library—those Members who are interested will be able to scrutinise it.

The Bill takes forward the Government's commitments. It makes useful improvements to the administration of national insurance contributions; takes forward the Chancellor's commitment that the Inland Revenue would work with employers' representatives and others on reducing technical differences between the administration of tax and national insurance; builds on the Government's work to promote productivity by encouraging employers to give their employees a financial stake in the company through extending employers' options for meeting national insurance liabilities when paying earnings in the form of shares; and helps to protect employees' rights to statutory sick and maternity pay by improving and tackling employers who fail to meet their obligations.

Clauses 1 and 2 give employers flexibility as to how they recoup employee national insurance liability when employers must pay that liability on behalf of their employees. Clauses 3 and 4 extend the range of securities-based earnings for which employers and employees can agree to transfer unpredictable employer national insurance liability to employees. On both those measures, the Bill contributes to the Government's drive to increase employee share ownership by removing disincentives. Clauses 5 and 6 align the procedures for the collection of national insurance debt owed by the self-employed with those on tax. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Lord Hutton's Report

2.1 pm

The Prime Minister (Mr. Tony Blair): With permission, Mr. Speaker, I will make a statement following Lord Hutton's report into the circumstances surrounding the death of Dr. David Kelly.

I am immensely grateful to Lord Hutton, his team and inquiry staff for the work that they have carried out. The report itself is an extraordinarily thorough, detailed and clear document. It leaves no room for doubt or interpretation. We accept it in full.

Lord Hutton has just finished reading the summary of his findings. Before coming to those, I want to echo one thing that Lord Hutton said about Dr. Kelly himself. Lord Hutton makes his findings about Dr. Kelly's conduct in respect of the matters at issue here, but as he says, nothing should detract from Dr. Kelly's fine record of public service to this country. He was respected here and abroad. I am sorry that as a result of the gravity of the allegations made it was necessary to have this inquiry and that the Kelly family have had to go through reliving this tragedy over the past months. I hope now that it is over, they will be allowed to grieve in peace.

Lord Hutton has given a most comprehensive account of the facts. It is unnecessary for me to repeat them. But let me emphasise why I believed it right to establish such an inquiry. Over the past six or more months, allegations have been made that go to the heart of the integrity of government, our intelligence services and me personally as Prime Minister. There are issues, of course, as to how the case of Dr. Kelly was handled in personnel terms, and I shall come to those.

But those have not sustained the media, public and parliamentary interest over all this time. What has sustained and fuelled that interest has been, to put it bluntly, a claim of lying, of deceit, of duplicity on my part personally and that of the Government. That claim consists of two allegations: first, that I lied over the intelligence that formed part of the Government's case in respect of Iraq and weapons of mass destruction published on 24 September 2002; and secondly, that I lied or was duplicitous in respect of the naming of Dr. Kelly, leaking his name to the press when it should have remained confidential.

In summary, Lord Hutton finds the following. First, contrary to the claim by the BBC that intelligence was put in the dossier against the wishes of the intelligence services, the dossier of 24 September was published with the full approval of the Joint Intelligence Committee, including intelligence about Saddam's readiness to use some weapons of mass destruction within 45 minutes of an order to do so. Secondly, the allegation by the BBC that the Government deliberately inserted this 45-minute claim probably knowing that it was wrong was, to quote Lord Hutton, "unfounded". Thirdly, the allegation by the BBC that the reason for it not being in the original draft of the dossier was that the intelligence agencies did not believe it to be true was also, to quote Lord Hutton, "unfounded". Fourthly, no one, either in the JIC or Downing street, acted improperly in relation to the dossier. Fifthly, the BBC claim that it was "sexed up" in the sense of being embellished with intelligence known or believed to be false was also, to quote Lord Hutton, "unfounded".

Sixthly, Mr. Gilligan's key allegations repeated by the BBC were never in fact said, even by Dr. Kelly himself. Seventhly, there was

> "no dishonourable or underhand or duplicitous strategy by the Government covertly to leak Dr Kelly's name to the media."

Eighthly, on the contrary, it was reasonable for the Government to conclude that there was no practical possibility of keeping his name secret and that the Government behaved properly in relation to naming him. Ninthly, the suggestion that either I or Sir Kevin Tebbit in our evidence were in conflict with each other or that one of us was lying was, to quote Lord Hutton,

> "incorrect and is not supported by the evidence."

Tenthly, and for good measure, he also dismisses the allegations surrounding what I said on a plane to journalists in these terms:

> "Some commentators have referred to answers by the Prime Minister to questions from members of the press travelling with him on an aeroplane to Hong Kong on 22 July and I have read the transcript of that press briefing. As I have stated, I am satisfied that there was not a dishonourable or underhand or duplicitous strategy on the part of the Prime Minister and officials to leak Dr Kelly's name covertly, and I am further satisfied that the decision which was taken by the Prime Minister and his officials in 10 Downing Street on 8 July was confined to issuing a statement that an unnamed civil servant had come forward and that the Question and Answer material was prepared and approved in the MoD and not in 10 Downing Street."

Let me now return to the two central allegations. On 29 May 2003, following the end of the conflict in Iraq, the BBC "Today" programme broadcast a story by its defence correspondent, Andrew Gilligan. It dominated the morning bulletins and reverberates to this day. It alleged that part of the September 2002 dossier—that Saddam could use weapons of mass destruction within 45 minutes of an order to do so—had been inserted into the dossier by Downing Street, contrary to the wishes of the intelligence services. and that moreover we

> "probably knew it was wrong even before we decided to put it in".

There could not be a more serious charge. The source for this extraordinary allegation was said by the BBC to be

> "a senior official in charge of drawing up that dossier"

and an "intelligence service source", implying a member of the JIC or assessments staff who would be in a position to know. If true, it would have meant that I had indeed misled the House on 24 September and the country, that I had done so deliberately, and that I had behaved wholly improperly in respect of the intelligence services.

From that day, 29 May, onwards, that story in one form or another has been replayed many times in the UK, and around the world. It dominated my press conference the next day in Poland, and Prime Minister's questions when I returned. It led that week to the Foreign Affairs Committee deciding to conduct an inquiry into the issue. In particular, on the Sunday following the story, Mr. Gilligan wrote an article in *The Mail on Sunday*, not merely standing by the story but naming Alistair Campbell as the person responsible in Downing street. The headline read:

> "I asked my intelligence source why Blair misled us all over Saddam's weapons. His reply? One word . . . CAMPBELL".

That, again, was completely untrue, and not merely stood up but further inflamed the original allegation of deceit.

[The Prime Minister]

The BBC has never clearly and visibly withdrawn this allegation. This has allowed others to say repeatedly that I lied and misled Parliament over the 24 September dossier. Let me make one thing plain: it is absolutely right that people can question whether the intelligence received was right, and why we have not yet found weapons of mass destruction. There is an entirely legitimate argument about the wisdom of the conflict. I happen to believe now, as I did in March, that removing Saddam has made the world a safer and better place. But others are entirely entitled to disagree.

However, all of this is of a completely different order from a charge of deception, of duplicity, of deceit—a charge that I or anyone else deliberately falsified intelligence. The truth about that charge is now found. No intelligence was inserted into the dossier by Downing street; nothing was put in it against the wishes of the intelligence services; no one, either in Downing street or in the Joint Intelligence Committee, put any intelligence into it,

"probably knowing it was wrong";

and no such claim to the BBC was made by anyone

"in charge of drawing up the dossier".

Indeed, Lord Hutton's findings go further. He finds that the claim was not even made by Dr. Kelly himself.

The allegation that I or anyone else lied to this House or deliberately misled the country by falsifying intelligence on WMD is itself the real lie. I simply ask that those who have made it and repeated it over all these months now withdraw it fully, openly and clearly. *[Interruption.]*

Mr. Speaker: Order. Let the Prime Minister speak.

The Prime Minister: Furthermore, Lord Hutton deals with the issue of the 45 minutes claim. Instead of this, as has been claimed, being disputed by the intelligence services and inserted in the dossier at the behest of Alastair Campbell or Downing street, the true position was that a concern about it and how it was phrased in the dossier was raised by Dr. Jones in the defence intelligence staff, was rejected by the head of defence intelligence and never actually came to the attention of the chairman of the JIC, let alone anyone in Downing street.

In any event, Dr. Jones—again contrary to reports—did not say it should have been omitted from the dossier. On the contrary, Dr. Jones thought it should be included as it was "important intelligence". Dr. Jones told the inquiry that Dr. Kelly thought the dossier was, and I quote, "good" and Mr. A, from the counter-proliferation arms control department, said of himself and Dr. Kelly:

"Both of us believed that if you took the dossier as a whole it was a reasonable and accurate reflection of the intelligence that we had available to us at that time."

Lord Hutton does fairly comment:

"However I consider that the possibility cannot be completely ruled out that the desire of the Prime Minister to have a dossier which, whilst consistent with the available intelligence, was as strong as possible in relation to the threat posed by Saddam Hussein's WMD, may have sub-consciously influenced Mr Scarlett and other members of the JIC to make the wording of the dossier somewhat stronger than it would have been if it had been contained in a normal JIC assessment".

However, he then goes on to say:

"Although this possibility cannot be completely ruled out, I am satisfied that Mr Scarlett, the other members of the JIC, and the members of the assessment staff engaged in the drafting of the dossier were concerned to ensure that the contents of the dossier were consistent with the intelligence available to the JIC."

Lord Hutton also says, in terms, that John Scarlett

"only accepted those suggestions which were consistent with the intelligence known to the JIC and he rejected those suggestions which were not consistent with such intelligence."

I hope that from now on the wholly unjustified attacks on the chairman of the JIC, John Scarlett, and the JIC will cease. Those people are people dedicated to this country and its well-being. The publication of intelligence by the Government—which we did, let me remind the House, because of the clamour for it—was a unique exercise never done before, and difficult for all our agencies. But in the interests of openly sharing intelligence with people, they worked hard in good faith to release it properly.

Let me also remind the House that when this dossier was published, it was routinely described at the time as "low key" and by Mr. Gilligan, no less, on 24 September 2002 as "sensibly cautious and measured"; and actually moved public opinion hardly at all. Only in retrospect has it been elevated into the single thing that conclusively persuaded a reluctant country to war.

The dossier itself reflected independent reports such as that of the International Institute of Strategic Studies published on 9 September. It reflected precisely that evidence which led the UN Security Council unanimously in November 2002 to agree Saddam and his weapons posed a threat to the world. The 45 minutes claim, for the record, was in fact mentioned once by me in my statement in this House on 24 September and not mentioned by me again in any debate, not even in the debate on 18 March or indeed by anyone else in that debate. Again, only in retrospect has history been rewritten to establish it as the one crucial claim that marched the nation into conflict. Lord Hutton establishes clearly why the 45 minutes was put in the dossier, what its provenance was—and whether or not subsequently it turned out to be correct. It finds it was put into the dossier entirely in good faith by the JIC. So much for the first charge of dishonesty over the dossier.

The second charge was over the naming of Dr. Kelly. Again, throughout these past six months, the context in which this has been debated has largely been that Dr. Kelly's name should not have been revealed, it should have remained confidential and therefore anyone, including myself, who discussed or acted upon the issue was acting improperly.

In hindsight, of course, the name of Dr. Kelly and his evidence to the Foreign Affairs Committee has taken on a different and altogether more tragic aspect. Rightly, Lord Hutton puts it back into its proper contemporary context. The truth is that, by early July, the FAC was actively engaged in examining the truth of the Gilligan allegations and due to report on 7 July. The Intelligence and Security Committee was about to begin its

deliberations the same week. The Government had already given evidence to the FAC and all of us, myself included, were due to give evidence to the ISC, beginning with the chairman of the JIC on 9 July.

Suddenly in late June, Dr. Kelly came forward and said to his managers that he believed he might have been at least part of the source for the Gilligan story. That information was given to me personally on 3 July. By Monday 7 July, it was apparent that in all likelihood he was indeed the source of the Gilligan story. The dilemma we were in, therefore, as Lord Hutton accepts, was how we could possibly keep that information secret not just from the FAC, which had just taken evidence on that very point, but also from the ISC, who were about to interview us all about the intelligence relating to Iraq, with the first session on the morning of 9 July.

The evidence, very frankly given, of both my right hon. Friend the Chairman of the FAC, and at least one of the Committee's members, was that if they had been told that the MOD knew the source and had interviewed him, the FAC would have wanted to do the same—as, of course, they did. Indeed, they told the Hutton inquiry that they would have liked to have been told sooner.

The context therefore for the meetings on 7 and 8 July, which I chaired, was how to act properly in relation to those two Committees when we were in possession of information plainly relevant to their inquiries and when one Committee was on the point of publication and another was about to begin proceedings.

The evidence of Sir David Omand to Lord Hutton was that it would be "improper" to keep this information secret and that moreover we were under a duty to reveal it to Parliament. So, as Lord Hutton accepts, the whole basis of the claim that somehow Dr. Kelly should never have been named or that his name was leaked in breach of a duty of confidentiality is based on a false premise. On the contrary, our duty was to disclose his name to the Committees and to allow them to interview him if they so wished; and Lord Hutton finds expressly that our concern at being accused of misleading those Committees was "well-founded".

In any event, again as Lord Hutton finds, no one in fact "leaked" his name— not myself, not the Secretary of State, not the officials. As Lord Hutton finds, the decision by the Ministry of Defence to confirm Dr. Kelly's name, if the correct name was put to it by a journalist, was based on the view that in a matter of such intense public and media interest it would not be sensible to try to conceal it.

So, there was no dishonourable or underhand or duplicitous strategy to name Dr. Kelly. He was named for the reason we gave. And again I ask that those who have repeatedly claimed that I lied over this issue or that Sir Kevin Tebbit lied, now withdraw that allegation also—unequivocally and in full.

Lord Hutton does, however, find that the Ministry of Defence was at fault in not telling Dr. Kelly clearly and immediately that his name would be confirmed to the press if it were put to the MOD. The MOD accepts these findings. However, Lord Hutton goes on to say:

"However these criticisms are subject to the mitigating circumstances that (1) Dr Kelly's exposure to press attention and intrusion, whilst obviously very stressful, was only one of the factors placing him under greater stress; (2) individual officials in the MOD did try to help and support him in the ways which I have described in paragraphs 430 and 431; and (3) because of his intensely private nature, Dr Kelly was not an easy man to help or to whom to give advice."

I believe that the civil servants concerned were acting in good faith, doing their best in difficult and unusual circumstances. Lord Hutton indeed has not criticised any individuals in the MOD. Some have been subject to trenchant media criticisms far beyond anything that they should ever have had to bear. So has Sir Kevin Tebbit and so has my right hon. Friend the Secretary of State. Both are cleared of any allegations of impropriety. My right hon. Friend in particular has been subject to a constant barrage of such claims as parts of the media have alternated between wanting his scalp or mine. I hope that these attacks on him also over this issue now cease.

I come to the final issue: the cause of Dr. Kelly's death; in effect, why he took his own life, since it is now beyond doubt that he did.

Lord Hutton finds that no one could have foreseen that Dr. Kelly would commit suicide. He finds further that, in all probability, he did not decide to do so until the day of his death. He finds that the reason he did so was not for any reason of conspiracy or dark motives. The truth is that Dr. Kelly did speak to Mr Gilligan, and, whatever the distortion, it was an unauthorised meeting, as was his conversation with Susan Watts, the "Newsnight" journalist; and he was surprised to be asked about this at the Foreign Affairs Committee. Lord Hutton finds that the existence of a note of that conversation must have weighed heavily on his mind. Finally, on the day of his death he received notice of a series of parliamentary questions about his contacts, which he was going to have to answer.

Dr. Kelly was a decent man, whose very decency made him feel wretched about the situation in which he found himself.

No one wished this tragedy to happen. All of us felt, and feel still, desperately sorry for Mrs. Kelly and her family. None of us could have foreseen it, because none of us, at that time, knew what Dr. Kelly knew.

Lord Hutton puts it in this way at paragraph 15 of his report:

"I also consider it to be important to state in this early part of the report that I am satisfied that none of the persons whose decisions and actions I later describe ever contemplated that Dr Kelly might take his own life. I am further satisfied that none of those persons was at fault in not contemplating that Dr Kelly might take his own life. Whatever pressures and strains Dr Kelly was subjected to by the decisions and actions taken in the weeks before his death, I am satisfied that no one realised or should have realised that those pressures and strains might drive him to take his own life or contribute to his decision to do so."

In conclusion, I repeat what Lord Hutton said in his summary, at page 322 of his report:

"The communication by the media of information (including information obtained by investigative reporters) on matters of public interest and importance is a vital part of life in a democratic society. However the right to communicate such information is subject to the qualification (which itself exists for the benefit of a democratic society) that false accusations of fact impugning the integrity of others, including politicians, should not be made by the media."

That is how this began: with an accusation that was false then and is false now.

[The Prime Minister]

We can have the debate about the war, about weapons of mass destruction, and about intelligence. But we do not need to conduct it by accusations of lies and deceit. We can respect each other's motives and integrity, even when in disagreement.

Let me repeat the words of Lord Hutton:

"false accusations of fact impugning the integrity of others ... should not be made".

Let those who made them now withdraw them.

Mr. Michael Howard (Folkestone and Hythe) (Con) *rose—*

Hon. Members: Withdraw!

Mr. Speaker: Order. I call the Leader of the Opposition.

Mr. Howard: David Kelly was a fine public servant, who did an immense amount of public good for this country, and I am sure would have done so again in the future. I pay tribute to his memory. I pay tribute, too, to Mrs. Kelly and her family, who have behaved with great dignity throughout the events of the last six months.

I also thank Lord Hutton for his report. We accept his conclusions. The report is about the chain of events which started with the publication of a dossier, led to a feud between the Government and the BBC, and then finally to the death of a distinguished scientist in the Oxfordshire countryside.

The report's findings about the BBC speak for themselves. We have long argued that the board of governors cannot both run and regulate the BBC. Does the Prime Minister agree that the case for independent regulation of the BBC has never been stronger?

At the beginning of his report Lord Hutton refers to the controversy and debate about weapons of mass destruction—whether they exist, and what the Government told the country in the run-up to the war. Lord Hutton is quite clear that these issues are beyond his remit. Will the Prime Minister therefore now undertake to establish—

Hon. Members: Oh.

Mr. Speaker: Order. The Prime Minister was heard. It is only right and proper that the Leader of the Opposition be heard.

Mr. Howard *rose—[Interruption.]*

Mr. Speaker: Order. I will not tolerate anyone shouting, including Ministers.

Mr. Howard: Will the Prime Minister now undertake to establish an independent inquiry into these wider questions? That kind of inquiry took place after the Falklands War. Is not the case for holding such an inquiry now overwhelming?

Lord Hutton finds, in paragraph 228(8) of his report, that on one level the September dossier was indeed sexed up. In paragraph 228(7) he says that he cannot rule out the possibility that the Prime Minister's attitude

"may have subconsciously influenced Mr. Scarlett"—*[Interruption.]*

That is what he says:

"and the other members of the JIC to make the wording of the dossier somewhat stronger than it would have been if it had been contained in a normal JIC assessment."

Is that not a very serious finding indeed? Does it not go to the heart of the reliance which can be placed on any published intelligence material in future—at least while the right hon. Gentleman remains Prime Minister? And does the right hon. Gentleman now agree with the evidence of the head of the Secret Intelligence Service that, with the benefit of hindsight, the 45-minute claim was given undue prominence in the September dossier?

Lord Hutton chooses his words very carefully—*[Interruption.]*

Mr. Speaker: Order. I say again that I will not allow shouting. If I see an hon. Member shouting, I will ask that person to leave the Chamber. The leader of the Opposition must be heard.

Mr. Howard: Lord Hutton expressly finds, at paragraphs 402 and 403 of his report, that there was no conflict between what Sir Kevin Tebitt said to the inquiry and what the Prime Minister said to the inquiry. As the Prime Minister well knows, the questions I have put to him are about what he said on the plane to Hong Kong and eventually repeated in this House. On that, Lord Hutton merely says, in very carefully worded language, at paragraph 411:

"the answers given by the Prime Minister to members of the press in the aeroplane cast no light on the issues about which I have heard a large volume of evidence."

Of course they do not. Lord Hutton never heard evidence about what was said on the aeroplane. The Prime Minister never sent him a transcript of what he said on the aeroplane. If he had not been sent it by one of my right hon. Friends, Lord Hutton might never have even seen that transcript. Lord Hutton says, at paragraph 416 of his report,

"I am satisfied that the decision to issue the statement which said that a civil servant, who was not named, had come forward was taken by the Prime Minister at a meeting in 10 Downing Street on 8 July".

So the Prime Minister chaired the meeting that decided to issue that press release. That press release led inevitably to the naming of David Kelly. David Kelly knew that, and it says so in the report, at paragraph 439. The Ministry of Defence knew that. It says so in the report, at paragraph 409. Alastair Campbell knew that. That is why he wrote in his diary, "That meant do it as a press release." Anyone with any sense would know that if one issues a press release like that, the name will come out. That is why the press got David Kelly's name the very next day.

Is the Prime Minister the only person who thought that issuing that press release would not lead to the naming of David Kelly? Is that what he is asking us to believe? Is he really that naive? Is it not clear to everyone that the release of the statement, authorised by the Prime Minister, led inevitably to the naming of David Kelly? Is the Prime Minister really telling the House that he had no idea that that would happen?

Listen to what Lord Hutton said at paragraph 407. He said:

"The issuing of the statement authorised by the Prime Minister did give rise to the questions by the press as to the identity of the civil servant and these questions led on to the MoD confirming Dr Kelly's name".

It is no wonder that Lord Hutton says that there was no plan or strategy to do this covertly. There did not need to be. It was all going to happen anyway, as night follows day, all because of the decision made by the Prime Minister. The best that can be said about the answer that the Prime Minister gave on the plane, and repeated in this House, is that it is at odds with what Lord Hutton concludes.

When all is said and done, I suspect that what will remain in people's minds is the blinding light that this inquiry has shed on the innermost workings of the Prime Minister and his Government. Is not the picture painted in that evidence an extraordinarily vivid one? Vital meetings are unminuted, crucial telephone calls are unrecorded. In Lord Hutton's words in a letter to my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), the notes made by private secretaries were

"very sparse and of no relevance."

Whatever happened to the recommendations made by the Hammond inquiry into the Hinduja passports affair? *[Interruption.]* Oh, yes—just listen. That report, given to the Prime Minister—*[Interruption.]*

Mr. Speaker: Order.

Mr. Howard: That report, given to the Prime Minister five years ago, recommended that proper records were taken of meetings and telephone conversations between Ministers and their advisers. Why has nothing been done to implement those recommendations? What a picture the evidence to the Hutton inquiry portrayed of the state of mind of the Prime Minister's closest advisers and confidantes.

Alastair Campbell wrote in his diary:

"The biggest thing needed was the source out."

And what was the reason for this? The reason, as he agreed with the Secretary of State for Defence, was that that would stuff Gilligan. "Stuff", of course, was not the word that he used. I cannot repeat in the House the language used by the man hand-picked by the Prime Minister to be his director of communications.

The Secretary of State for Defence said that he had made great efforts to ensure Dr. Kelly's anonymity, yet he agreed to a course of action that he knew would lead to the naming of Dr. Kelly, he did not bother to tell David Kelly what he was going to do, he did not tell David Kelly that he would be named, and he did not give David Kelly the support that he needed as he was thrown into the media frenzy. Is not the Hutton report quite clear on this point? Paragraph 432 says:

"the MoD was at fault in the procedure which it adopted in relation to Dr Kelly after the decision had been taken to release the statement."

The Secretary of State for Defence then went to great lengths to deny what he had done. He denied it on television immediately afterwards and he denied it to the inquiry. He said that he had made great efforts to ensure Dr. Kelly's anonymity.

Is not there the starkest contrast between David Kelly, the dedicated scientist and weapons inspector who had done so much for our country, and the cabal of Ministers and advisers, including the Prime Minister himself, which was so obsessed with its war with the BBC that it gave scant attention to his welfare? Is not there the starkest contrast between the hours and days that it spent working out different ways of releasing his name to the media, and the two and half minutes that it spent informing him of the consequences of its actions?

No one in Government can look back on this episode with pride. The nation will in due course deliver its verdict. *[Interruption.]*

Mr. Speaker: Order. If this conduct continues, there is a danger that I will have to suspend the House, and I do not want to have to do that. Nor do I want hissing throughout the Chamber. I can tell some hon. Ladies that they are close to being asked to withdraw from the Chamber. The behaviour of this gathering is important, particularly to the Kelly family.

The Prime Minister: Let me first deal with one or two points of detail. First, as the right hon. and learned Member knows, there will be a thorough review of the BBC's charter and all these issues should be considered in the course of that.

Secondly, I have nothing to add to what I said to the right hon. and learned Gentleman earlier in the day on the inquiry, other than to say also that the Iraq survey group should be able to complete its work.

Thirdly, the right hon. and learned Gentleman referred to the subconscious of the chairman of the JIC, which was mentioned in paragraph 228(8). The report goes on to say that Lord Hutton finds specifically that there was no improper interference, nor was any intelligence put in the dossier that should not have been.

As for the 45-minute claim, Lord Hutton finds specifically, as he was bound to do from the evidence, that any doubt that occurred in one part of the Defence Intelligence Staff was never actually put to the JIC chairman, never mind to myself as Prime Minister.

In relation to the plane and the naming of Dr. Kelly, let me read the rather fuller version of what Lord Hutton says. On page 323, he says:

"On the issue whether the Government behaved in a way which was dishonourable or underhand or duplicitous in revealing Dr Kelly's name to the media my conclusions are as follows:

(i) There was no dishonourable or underhand or duplicitous strategy by the Government covertly to leak Dr Kelly's name to the media."

If the right hon. and learned Gentleman says that he agrees with the report's conclusions, how on earth could he make the allegations that he does?

Lord Hutton goes on to say:

"I consider that in the midst of a major controversy relating to Mr Gilligan's broadcasts which had contained very grave allegations against the integrity of the Government and fearing that Dr Kelly's name as the source for those broadcasts would be disclosed by the media at any time, the Government's main concern was that it would be charged with a serious cover up if it did not reveal that a civil servant had come forward."

He concludes by saying:

"It was reasonable for the Government to take the view that, even if it sought to keep confidential the fact that Dr Kelly had come forward, the controversy surrounding Mr. Gilligan's

[The Prime Minister]

broadcasts was so great and the level of media interest was so intense that Dr. Kelly's name as Mr Gilligan's source was bound to become known to the public and that it was not a practical possibility to keep his name secret."

I was going to say that I expected, but actually I did not expect, the right hon. and learned Gentleman to respond to this in a measured and sensible way. It is a severe lack of judgment that he did not. As he knows perfectly well, the allegations of impropriety or dishonesty have been found not to be true. That is absolutely clear from Lord Hutton's findings. The right hon. and learned Gentleman might therefore have had the decency to come to the Dispatch Box and withdraw the allegation about lying to the House over weapons of mass destruction which he made last August, and his statement that I or Sir Kevin Tebbit lied, which he made when he questioned me in the House a few weeks ago.

If the right hon. and learned Gentleman had really wanted to respond to this in a sensible way, he would have done so. I simply say to him that yesterday was test of policy for him, and he failed it, and today is a test of character, and he has failed that too. What he should understand is that being nasty is not the same as being effective, and opportunism is not the same as leadership.

Mr. Charles Kennedy (Ross, Skye and Inverness, West) (LD): We express our gratitude to Lord Hutton and his colleagues for their very thorough work, and we extend our sympathy to the family of the late Dr. David Kelly.

The Prime Minister has acknowledged that several constructive lessons emerge from the inquiry's completion, and it is surely sensible, therefore, to reflect on the need for the actions that need to flow from those lessons. Lord Hutton's report, without doubt, sheds considerable light on the key workings at the top of this Government. Lord Hutton acknowledges in paragraph 9 the tightness of the remit set for him by the Government which excludes, for example, specific consideration of matters ranging from the reliability of the intelligence material to the 45-minute assertion. Lord Hutton is therefore explicit, at the beginning of the report, about the fact that it necessarily leaves unanswered the most fundamental question of all, which is of course the basis on which this country went to that war in Iraq.

Incidentally, listening to what has just been said, I have to reflect and remark on the fact that, if I may put this in the terms used by Lord Hutton in a different context, the leader of the Conservative party almost seems to have subconsciously forgotten the support that he expressed for that war at the time.

The question for the House, surely, is whether there was adequate justification for the Government to seek the endorsement of the House of Commons on the basis that they did for our forces to go to war in Iraq without the express approval of the United Nations. In the absence of the discovery of weapons of mass destruction, surely as things stand today the decision and judgment on that question would have to be no. The Prime Minister, as he himself said in his statement, cannot therefore dodge or escape profound questions about the basis on which his judgment was made.

The Prime Minister referred to the relationship between the intelligence services and Downing street, and he read those carefully crafted words of Lord Hutton about that. Surely the way in which business has been done on this issue between the intelligence services and No. 10 will have to lead to some reassessment as a result of what has been learned through the inquiry. A prime lesson in the middle of all this has to be that the independence of the Joint Intelligence Committee has to remain sacrosanct and must not be seen to be compromised, and the JIC must not become embroiled in the presentation of a policy of the Government of the day, as opposed to informing the intelligence basis on which that policy is arrived at. That is a most important principle.

There are also big questions over the way in which Downing street is now seen to operate, as a result of what has come out. In the report, the role of the Cabinet Secretary as all these vital decisions are arrived at seems almost to have been supplanted by the role of Alastair Campbell. Is that something that the House can be sanguine about? Is that something that should ever be allowed to happen again?

The Prime Minister has acknowledged the fair criticisms of the role of the Ministry of Defence in paragraph 432 of the report. He used the word "mitigation" of the description of the MOD's role. Let us remind ourselves specifically of what Lord Hutton said. He said three things. First, it would have been better to name Dr. Kelly with his consent. Secondly, it would have been better to tell him to his face that it was the intention of the MOD and the Government generally to do so. Thirdly, that decision, having been conveyed to Dr. Kelly, should have been delayed for 24 hours to give time to advise him about the intense press interest that was likely to arise, and to allow to him to consider whether he wished to move house or wanted a press officer sent to his home. Does the Prime Minister really think that sufficient duty of care was extended to Dr. Kelly on that basis?

On the position of the BBC, Lord Hutton confirms serious management failures at senior levels within the corporation. The BBC is a globally respected organisation, and many of us would argue, deservedly so. However, trust must be an essential element of its trade, and on this issue it is clear that senior personnel failed in that respect. Does the Prime Minister therefore agree that as a result of the report we require reassurance that BBC management are putting in place mechanisms to ensure that the editorial shortcomings to which the report refers are not repeated? In the light of what he said a moment ago, can he also reassure all of us who value the integrity of the BBC that this matter should not be used by those who seek to undermine the integrity or independence of the BBC when it comes to licence fee renewal and its independence of funding and function?

At the time of the publication of the dossier that gave rise to the high-profile recall of Parliament, the Prime Minister wrote in his introduction to that dossier about the

"current and serious threat to the UK national interest"

posed by Saddam and his possession of weapons of mass destruction. For those of us who were less than convinced at that point—that does not include either the

previous or the current leadership of the Conservative party—the key questions remain outstanding. Why was the decision to go to war at that point taken on the available information? Should not the United Nations weapons inspectorate have been given more time? Does not the case for an independent inquiry remain paramount?

On 18 March 2003, this House debated an all-party amendment to which my party put all our names. It stated that the House

"believes that the case for war... has not yet been established",—[*Official Report*, 18 March 2003; Vol. 401, c. 779.]

The sad truth of the outcome of the Hutton inquiry is that as of today—nearly one year later—nothing fundamental has changed.

The Prime Minister: To be fair to the right hon. Gentleman, he has not made allegations of lying against me personally throughout the past few months. Because of the position that he took on the war, he is obviously in a stronger position to ask some of those questions than the Leader of the Opposition.

Nobody was actually in any doubt about the threat that Saddam posed, and I shall quote the Liberal Democrat spokesman, the hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Moore):

"Saddam must be disarmed and his evil regime with it. Nobody disputes that."—[*Official Report*, 26 February 2003; Vol. 400, c. 288.]

I appreciate that the right hon. Gentleman's view was that the matter should have been dealt with differently, but we should not rewrite history by saying that it was only this side, or even only this and that side, who said that Saddam Hussein posed a threat—everybody accepted that he posed a threat.

Of course, we will reflect very carefully on the lessons that the report outlines for us, and that is absolutely right. Incidentally, the term "mitigation" in relation to the Ministry of Defence personnel who handled Dr. Kelly is Lord Hutton's term.

On the Joint Intelligence Committee, I agree that its independence should be fully upheld, but I point out that Lord Hutton's report makes it clear that that independence was not compromised by the Government and that no intelligence was inserted in the dossier against the committee's wishes.

I want to draw attention to this issue: the right hon. Gentleman is right to say that at one point the report—Alastair Campbell accepted this in his evidence—states that in hindsight it might well have been better to name Dr. Kelly in the statement or 24 hours later. However, the crucial point is that the whole of the allegation about the naming of Dr. Kelly has proceeded on the basis that his name should have been kept confidential. The important finding that Lord Hutton makes is that his name should not have been kept confidential. That puts the issue in an entirely different context.

Finally, I am sure that the BBC will make its own response. I want to make it clear that I have never questioned and would never question the independence of the BBC, but it is not inconsistent with its independence also to exercise proper editorial control over serious allegations.

Donald Anderson (Swansea, East) (Lab): Was it not a sad sight to see the Leader of the Opposition scratching around for minor qualifications in a report that on any objective analysis exonerates my right hon. Friend the Prime Minister and undermines those who, for many months, have sought to impugn his integrity? Would it not now be more constructive for press, public and Parliament to concentrate on reconciliation and reconstruction in Iraq, with a new focus that could transform that country from being a danger to its neighbours, the world and its own people into a model for its region?

The Prime Minister: I entirely agree with what my right hon. Friend says. I would add only that we should once again state the House's pride in the work that British troops and civilians are doing in Iraq alongside troops and civilians from some 30 different countries to rebuild that country, giving its people every day an increasingly better chance of prosperity and stability in the future.

Sir Teddy Taylor (Rochford and Southend, East) (Con): While the Prime Minister is correct in saying that the words were carefully chosen and there were mitigating factors, does he not genuinely think that somebody should accept some responsibility for the clear accusation on page 324 of the report that

"the MoD was at fault and is to be criticised for not informing Dr Kelly that its press office would confirm his name"?

It also says that that

"must have been a great shock and very upsetting for him".

Surely the right thing is for the Prime Minister to say clearly and precisely that the Ministry of Defence was wrong and made a mistake, and that somebody should accept some responsibility.

The Prime Minister: We accept entirely those findings, and the Ministry of Defence has made that clear and is obviously sorry for the distress that was caused to Dr. Kelly as a result. What is important, however, is also to draw attention to what Lord Hutton says are the three mitigating circumstances, and it is therefore right that the Ministry of Defence accepts full responsibility—as indeed do the Government—but that we recognise the mitigating circumstances. Lord Hutton expressly found that it was not wrong, but was actually right that the name came out.

Ann Taylor (Dewsbury) (Lab): Does my right hon. Friend accept that the vast majority of Members of Parliament are grateful for the thorough work that Lord Hutton has done and that the public will set more store by his judgments than the wriggling comments from the Leader of the Opposition? Does my right hon. Friend accept that that the findings of Lord Hutton parallel closely the findings of the report of the Intelligence and Security Committee, and will he confirm that the Government will be able to produce their response to that report in advance of the debate next Wednesday, because it is clearly relevant? Will he also recommend to

[Ann Taylor]

the House that all Members who consider themselves informed on the matter should read the report by the Intelligence and Security Committee, which confirms what Lord Hutton said—that the dossier was not sexed up by anyone and that there was no political pressure whatever on the Joint Intelligence Committee?

The Prime Minister: I thank my right hon. Friend for the work that she does as Chairman of the Intelligence and Security Committee. I hope and believe that we will produce our response to her report prior to the debate next week. Of course she is right to draw attention to the fact that Lord Hutton's report confirms the findings of her Committee, which is no doubt why those findings received publicity for other reasons on the day that they were published. It is right that everybody who has considered the issue has concluded, as they were bound to do from the evidence, that the original claim made against the Government was false.

Mr. Robert Jackson (Wantage) (Con): Lord Hutton deserves all our thanks for the incisive conclusions that he has reached, which I hope will achieve closure on the matter, not least for my constituents, the Kelly family, to whom all our hearts go out. On the question of the cause or causes of Dr. Kelly's death, which do not in my view include the disclosure of his name—which he knew to be inevitable and inescapable—the BBC has admitted that Mr. Gilligan's broadcast was wrong, and Lord Hutton has concluded that the BBC did not exercise proper editorial control. Does the Prime Minister agree that if Mr. Gilligan had not felt encouraged to make the gravest allegations as a matter of routine, my constituent Dr. Kelly would still be alive today?

The Prime Minister: I agree entirely with what the hon. Gentleman said about Mrs. Kelly and the Kelly family. I also agree with what he said at the conclusion of his question. It is important that there be reflection on how such allegations come to be routinely made, as there is absolutely no need for that. As I said earlier, a perfectly sensible debate can be had; it is one to which I think the public would respond with rather greater enjoyment and depth, if it was conducted on the basis that there can be two views about Iraq and the justification for the conflict. I have never disrespected anyone who took a different view, and I certainly do not disrespect those people who ask searching and proper questions about what has happened to weapons of mass destruction. I entirely accept that, but it has always been a completely different issue from suggesting that I, the intelligence services, or anyone else in government deliberately set out to mislead people. It simply is not necessary for the debate to be conducted in those terms. Frankly, if I may put it like this: the contrast between the journalism exemplified by Mr. Gilligan and that exemplified by Susan Watts tells its own tale.

Mr. Ernie Ross (Dundee, West) (Lab): Does my right hon. Friend share the concern, at least on the Labour Benches, that the Leader of the Opposition did not find it within himself today to come to the House and apologise—*[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman should put a question on the report. This is not a time to attack any Member of the House. He must put a question regarding the report.

Mr. Ross: Does my right hon. Friend agree that, following the publication of the report, it is time to stop arguing about whether a document was right or wrong? The responsibility of the House is to help to rebuild Iraq.

The Prime Minister: I agree. Whatever the questions, I hope that at least the major part of our focus is on the reconstruction of Iraq and I thank my hon. Friend for his support.

Mr. Alex Salmond (Banff and Buchan) (SNP): As Lord Hutton makes clear on pages 2 and 3, he was asked to investigate the circumstances of a personal tragedy, not the issue of weapons of mass destruction, so when the Prime Minister's chief of staff wrote to John Scarlett on 17 September 2002 that

"We will need to make it clear in launching the document that we do not claim that we have evidence that he"—

Saddam Hussein—

"is an imminent threat",

does the Prime Minister feel that, in the words he chose when speaking to the House about the foreword one week later, he followed that sensible advice?

The Prime Minister: I do believe that I followed entirely the right and proper course in the statement that I made to the House. I point out to the hon. Gentleman that, in relation not just to the dossier itself but also to its foreword, Lord Hutton specifically finds that no improper pressure was put on the Joint Intelligence Committee and that it was satisfied not only with the document but also that the foreword properly reflected the intelligence evidence it had received. I would have hoped that the hon. Gentleman would recognise that Lord Hutton found the accusations of lack of integrity not to be true.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Now that my right hon. Friend has been exonerated from any allegation of impropriety, untruth or dishonour, does he not believe—along with me—that the public will draw a stark contrast between his measured response in the Chamber today and the response of those who have made such allegations in this place, who have tried today to wriggle and squirm around the report, have lifted sections of it out of context and have shown that they—*[Interruption.]*

Mr. Speaker: Order. I do not want the Prime Minister to respond to that. The Prime Minister has made a statement and the questions should be on that statement.

Sir Patrick Cormack (South Staffordshire) (Con): Does the Prime Minister agree that Lord Hutton, in his

long statement earlier today and in his report, makes two things abundantly plain? The first is that the death of Dr. Kelly was a great personal tragedy, but not a great public scandal. The other is that those who have charge of our public service broadcasting should really consider their position.

The Prime Minister: I want to add only this to what the hon. Gentleman has said: he has been exemplary throughout in drawing the right distinction between legitimate questions about the conflict and accusations of impropriety that should never have been made.

Mrs. Lorna Fitzsimons (Rochdale) (Lab): In the Prime Minister's statement he referred to page 19 of Lord Hutton's report, which specifically refers to the editorial systems needed to ensure that what we believe to be in the best interests of a democracy—that is, not impugning anyone's integrity, especially that of our Government and the Prime Minister—are in place. What does the Prime Minister believe that the governors of the BBC and the rest of the British media should now do to ensure that that happens?

The Prime Minister: I am sure that the lessons of this will be reflected on carefully by the BBC. It is important, in all the focus that there will inevitably be on the procedures of the BBC, that we make it clear that there is sometimes a strain of journalism—certainly not shared by all journalists or all parts of the media—that is willing to make some of these accusations far too readily. I hope that that reflection will go a little bit broader than the BBC.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Once the decision was made to name Dr. Kelly, did not the Prime Minister share the great unease about the cat-and-mouse process involving the 20 questions asked by *The Times* newspaper, for example, in order to identify a public servant? It does not seem straightforward, and it leaves unease in one's mind.

The Prime Minister: The hon. Gentleman should study the part of Lord Hutton's report in which he says that he first came to this issue asking precisely that question, and heard the evidence explaining exactly why this was done. Let me go back to the situation on 7 and 8 July, because the context is extremely important. What had happened was, we had known literally at the very last minute that someone had come forward saying that they might be the source. We did not in fact know whether they were, but we increasingly believed as the days went on that they were. We had the Foreign Affairs Committee literally about to report on 7 July. On 9 July, the Chairman of the Joint Intelligence Committee, John Scarlett, was due to give evidence. I was due to give evidence, too. I was also in front of the Liaison Committee on 8 July.

As was described not merely by me but by the civil servants, Sir David Omand and Sir Kevin Tebbit, there was a dilemma as to whether to name somebody in circumstances in which we could not at that stage be absolutely sure—because the BBC was refusing to confirm even whether it was not the source, which would have cleared the matter entirely—or whether we had to be careful about naming someone when we were not sure, and indeed given that other people then could be speculated upon.

The reason for this way of proceeding, as was explained in the evidence, was that it became increasingly clear that there was a risk of the name leaking out in any event, and that there were other Ministry of Defence officials being harassed as the potential source. So that was the reason why it was done in that way. What Lord Hutton describes in the end is that process, and he concludes that it was conducted in good faith. I entirely accept what he says, that in retrospect it could have been done in a number of different ways. But in the end, one thing was for sure: the name was bound to come out because it would have been wholly improper for us to have realised that we had the person within the Ministry of Defence who was supposed to be the source of this story and not once disclose the fact that we knew that someone had come forward and admitted that, given that we had two Committees looking into it and we were going to go and give evidence to those Committees, and they were focusing on the truth or otherwise of the Gilligan claim. That is the reason for it. I think that the hon. Gentleman is a fair-minded person, and I would just ask him to read what Lord Hutton says about this in detail. I think that he will find it properly described.

Mr. Gerald Kaufman (Manchester, Gorton) (Lab): Does not the Hutton report confirm what some of us have been reviled for saying for months, namely that the BBC broadcast a lie, that the chairman of the BBC railroaded an acquiescent board of governors into endorsing the lie, that Richard Sambrook withheld from the board of governors information showing it to be a lie, and that Kevin Marsh and John Humphrys endorsed and built on the lie? How can the BBC continue as a public service broadcasting organisation, funded by a tax, unless these people are cleared out and a new regime appointed?

The Prime Minister: Well—[HON. MEMBERS: "Make him chairman!"] No, I shall not do that. I will simply say that I am sure that the BBC will reflect on the findings of the Hutton report. I also say to my right hon. Friend and to other hon. Members that there are some wider lessons, as well as those for the BBC. Although I am sure that the BBC will reflect on those lessons, there may be too great a willingness to focus only on the BBC, because it is not only particular journalists there who make such allegations at the drop of a hat and do not really bother to correct them once they are found to be untrue.

Rev. Ian Paisley (North Antrim) (DUP): As the leader of the largest party from Ulster, I should like to pay tribute to Lord Hutton, an Ulsterman. I congratulate him on the speed with which he brought his findings to this House and on the fact that one does not need to get a dictionary to understand what he is saying.

The Prime Minister finished his speech by quoting Lord Hutton, who said:

"false accusations of fact impugning the integrity of others . . . should not be made".

[Rev. Ian Paisley]

All right-thinking people in this House will agree with that. The Prime Minister finished his own statement by saying, "Let those who made them now withdraw them." No right-thinking person could disagree with that.

The Prime Minister knows of the turmoil and division in the nation that this matter has caused, and now is the appropriate time for him to discuss with Her Majesty the Queen a national day of prayer that we may return to the old paths and remember this: that justice and judgment are an honour to a nation, but sin is a reproach to any people.

The Prime Minister: In relation to the hon. Gentleman's first point about his party, if he talks to the Conservative party he will discover that a large party can become smaller in time.

In respect of the day of prayer, I do not think that I shall be suggesting that to Her Majesty, but what he says about the importance of allegations of impropriety being properly sustained or withdrawn must indeed be correct. We do not need to engage in a great deal of prayer to achieve that: we could achieve it perfectly simply if we merely acted on it.

Mrs. Alice Mahon (Halifax) (Lab): A great deal of time has rightly been spent on producing this report, because, tragically, a very well-respected civil servant died. Given the thousands who have died in Iraq since the invasion, and given the weight of evidence that we now have that Iraq did not have weapons of mass destruction, will the Prime Minister now undertake to call an independent and non-partisan inquiry with terms of reference wide enough to allow us to discover why we went to war with Iraq? Millions of people opposed this illegal war. Do we not owe it to our democracy and to the citizens of this country to find out exactly why we went?

The Prime Minister: I am afraid that I cannot agree with the last part of what my hon. Friend said.

In relation to the first part, it is not the case that thousands of people are dying in Iraq, nor that anyone is dying in Iraq as a result of the way in which the coalition forces and the Iraqi civilian authority are behaving—on the contrary, they are doing their best to reconstruct that country. It is former Saddam sympathisers and assorted terrorist groups who are conducting terrorist operations and killing wholly innocent people, including members of the United Nations and, in particular, large numbers of Iraq citizens. Whatever my hon. Friend's thoughts about the war, I should think that she would agree that Iraq is a better place without Saddam, that the region is a better place without Saddam, and that the world is a better place without Saddam; and that we should now get on and help that country.

Peter Bottomley (Worthing, West) (Con): Lord Hutton ends his report by quoting Dr. Kelly's obituary on page 328. I think we should keep that in mind.

May I now raise what appears to be a slightly unpopular subject in the Chamber today, that of journalists' standards and the BBC? May I ask the Prime Minister to reflect on the BBC's letter of 30 May last year, which was sent in reply to a letter from the Downing street press office? It gives a clear summary of the BBC's response.

May I also point out that the words of Andrew Gilligan at seven minutes past 6 o' clock, which he has not defended in full, seem to have led to the controversy? Does the Prime Minister accept that No. 10 could have calmed the whole thing down if it had not over-reacted, especially after the letter of 30 May?

The Prime Minister: I am afraid I do not accept that. I do not accept that this was not a claim that was not substantiated and was sustained over a long period by the BBC. The BBC did that, and the claim was then repeated and then taken up by newspapers. The truth is that it went very much into the public consciousness, and became virtually part of the accepted truth when in fact it was a complete untruth. If the hon. Gentleman looks in detail at what Lord Hutton says about these things, I think he will find a complete answer to the points he has made.

Peter Bottomley *indicated dissent.*

The Prime Minister: The hon. Gentleman shakes his head. I suggest he read the report as a whole. It is quite plain what Lord Hutton thinks.

Alan Howarth (Newport, East) (Lab): The public will indeed expect a significant response from the governors to Lord Hutton's serious criticisms of the BBC, but—saving the presence of my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) beside me—can my right hon. Friend assure the House that Lord Hutton's strictures against the BBC will not bias the Government in their consideration of the future of the charter and licence fee?

The Prime Minister: I can give that assurance completely.

Sir Nicholas Winterton (Macclesfield) (Con): The whole House mourns the loss of an outstanding servant of the nation, but many of us also greatly value the honour and integrity of the House. I am delighted that the Prime Minister will be pleased with the outcome of the Hutton report—it is a good thing to have this put behind us—but will he work with all Members, and particularly with the leaders of all political parties in the House, to uphold the honour and integrity of Parliament; otherwise people will lose confidence in this place? If there is one thing that I wish to do during my remaining time here, it is to enhance the honour and integrity of the House of Commons.

The Prime Minister: I entirely agree with what the hon. Gentleman has said, and I think that the vast majority of the House will agree with it. I only wish that the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) had said the same in responding to my statement. It would have been perfectly simple for him to say "We accept these questions about the Prime Minister's integrity being removed; now let us debate other issues." It is unfortunate that he did not do so,

because he left the impression—and meant to leave the impression—that there were still doubts about my integrity over this issue.

Sir Stuart Bell (Middlesbrough) (Lab): May I build on the question asked by the hon. Member for Macclesfield (Sir Nicholas Winterton)? Is not the kernel of the 740-page report contained in what Lord Hutton says about the best elements of democracy? Is it not the case that the bridge between the public servant and the public is the press? If that bridge is destroyed by falsehood, innuendo, unfounded allegations and attacks on the impunity of public servants, are not the public worse served? Is it not appropriate for the sections of the press that indulge in such odious practices to cease to do so, so that our democracy can be stronger and that bridge between the public servant and the public can be restored?

The Prime Minister: I am sure that people will reflect on what Lord Hutton has said. Let me make it clear that I believe a vibrant, healthy and investigative press is precisely what a democracy like ours needs and should have. That is perfectly compatible with making allegations of impropriety only when they can be substantiated.

Mr. David Trimble (Upper Bann) (UUP): I am sure the House will agree that the inquiry and the report are the very model of what a judicial inquiry should be, and that Lord Hutton deserves our thanks. I also agree with Labour Members that there is a clear need for a radical response from the BBC to the cogent criticisms that have been made. I am sure the House will return to that on Wednesday.

The Prime Minister and the Defence Secretary can rightly feel that they have been vindicated in the report because it is clear that they acted properly in handling the dossier and the intelligence material. I have no regrets about my support and that of my colleagues for the war. It was the right thing to do and events since the war have, if anything, vindicated that.

However, I have a concern about the intelligence material. I appreciate that other intelligence agencies and the Security Council were of the same view as our intelligence services, but there must be serious concern about whether the intelligence services had an accurate picture of the position at the time. I suggest to the Prime Minister that it would be a good idea to examine the way in which we could have some sort of consideration of or inquiry into the accuracy of the intelligence that our intelligence services gave him. I do not suggest any impropriety, but there must be a lingering anxiety about the reliability of the intelligence and we need to consider the way in which we can ensure that we get the best possible intelligence in future.

The Prime Minister: The right hon. Gentleman has put his comments moderately and sensibly. I agree that there must be consideration of such issues, which I think will be informed by the final report of the Iraq survey group because it will say, "This is what we have found in Iraq." The information that has already come out is more balanced than people are saying. However, I agree that, at that point, it will be sensible to consider the lessons that can be learned.

Several hon. Members *rose—*

Mr. Speaker: Order. There will be a debate on the matter next week.

Hugh Bayley (City of York) (Lab): On a point of order, Mr. Speaker. Inaccurate and sloppy media reporting, sometimes provoked by hon. Members' inaccurate and sloppy statements, has not only falsely impugned the integrity of a Prime Minister but called into question the effectiveness of the House and the quality of the scrutiny of the Government by our Committees and hon. Members. When you have the opportunity to read the report, will you ask your staff to compare Lord Hutton's conclusions with statements by hon. Members? If there is any case in which an hon. Member appears to have misled the House, will you have a private conversation with that Member about the advisability of making a personal statement?

Mr. Speaker: I shall look into the matter.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Thursday 29th January, the Speaker shall put the Questions necessary to dispose of proceedings on the Motions in the name of Mr Peter Hain relating to the House of Commons Members Estimate and Bicycle and Motorcycle Mileage Allowances not later than Six o'clock; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; the Questions may be put after the moment of interruption; and the Orders of the House of 28th June 2001 and 6th November 2003 relating to deferred Divisions shall not apply.—*[Mr. Ainger.]*

Brain Injury Rehabilitation (Funding)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Ainger.]*

3.17 pm

Mrs. Iris Robinson (Strangford) (DUP): I welcome the opportunity to have the debate this afternoon—albeit a little earlier than I expected; indeed, I believe that the Minister too was caught unawares.

The most recent statistics available show that 7,826 individuals presented with head injuries at the accident and emergency department of one of our major hospitals in Northern Ireland in 12 months. In that total, 2,417 adults, of whom three quarters were male, and 871 children required admission. Fifty-two per cent. of their head injuries were from falls, another 21 per cent. were from road traffic accidents and 18 per cent. were from assaults. Annual figures are not available for the entire Province, but those from the Royal Victoria hospital in Belfast give us an indication of the large number of head injuries that occur.

Acquired brain injury is responsible for 30 per cent. of all trauma-related deaths. We tend not to consider traumatic injuries in the same way as viruses, cancer or cardiac deaths, for instance, yet acquired brain injury is the leading cause of death in young males in developed countries. Two thirds of those affected are aged between 14 and 39. When a brain injury occurs, it can change the way in which a person thinks, acts, feels and moves his or her body. Brain injury can also change the complex internal functions of the body, such as regulating body temperature, blood pressure and bile, and bladder control. Those changes can be temporary or permanent. They may cause impairment or a complete inability to perform a function.

An acquired brain injury occurs when an outside force impacts on the head hard enough to cause the brain to move in the skull, or when the brain is hurt directly if the force causes the skull to break. That type of injury can be caused by motor vehicle crashes, firearms, falls, sports and physical violence, such as being struck with an object. A rapid acceleration and deceleration of the head can force the brain to move back and forth across the inside of the skull. The stress from those rapid movements pulls apart nerve fibres and causes damage to brain tissue. Acquired brain injury takes place at cellular level in the brain, so it can affect cells throughout the entire brain, instead of just in specific areas.

An acquired brain injury cannot be hereditary, congenital, degenerative or induced by brain trauma. It has occurred after birth and causes can include trauma to the head or neck, heart attack, stroke, intracranial surgery, airway obstruction, crush injuries, choking, strangulation, near-drowning, electrical shock, lightning strike, infectious disease, intracranial tumours, metabolic disorders, meningitis, certain venereal diseases, AIDS, insect-borne diseases, seizures, or toxic exposure to chemicals or gases, such as carbon monoxide poisoning.

Reconnect is an organisation in Northern Ireland that provides training for those with complex neurological disability resulting from acquired brain injury. It aims to provide access of opportunity for that group of people. Reconnect's mission is "to enable people with an acquired brain injury to realise their maximum potential for social and vocational reintegration, through structured training programmes based on the needs of the individual."

I have had personal involvement in the case of one young man who suffered a severe head injury and benefited from the input of Reconnect. He was a civil servant in his 20s living my constituency, who suffered a head injury at a football match that led to him spending three weeks in a coma. He spent some time at the Joss Cardwell rehabilitation unit on Holywood road in Belfast. My office assisted him in securing benefits. His subsequent experience at Reconnect proved invaluable not just for himself, but for his young wife and their very young children. He continues to experience some difficulties, but manages to function at a reasonably high level today. If he had not had access to Reconnect at that time, his quality of life would have deteriorated owing to lack of stimulation.

Reconnect came into existence under the name Garden Reach in 1991. Based on the Ormeau embankment in Belfast, it operated in modest surroundings and provided training and rehabilitation for those with acquired brain injury from two simple glasshouses and another two portakabins. That was the extent of its facilities.

The original idea came from a physiotherapist who recognised that when patients in Northern Ireland left hospital after a traumatic head injury, no service was available to help them to piece their lives back together again. Sufferers from complex neurological disability therefore became socially excluded and lacking in confidence. As a result, they could not gain access to any of the limited services available and tended simply to sit in the house all day. Those who did gain access to services were likely to attend a day centre, where they had only limited interaction with elderly individuals. One important consequence of a lack of stimulation is regression from what has been achieved through the good work carried out by dedicated hospital rehab teams.

Rev. Martin Smyth (Belfast, South) (UUP): I am grateful to the hon. Lady for giving way on that point, because Garden Reach operated in my constituency until redevelopment meant that it had to move. Does she agree—indeed, this is the very point that she is making—that it is vital that after the acute sector has done its immediate work, we should not leave people without the back-up that is needed to give them the quality of life that the rest of us would like to have, and also that what is done should be done at minimum expense to the state?

Mrs. Robinson: I thank the hon. Gentleman for his comments and totally concur with them. I shall deal with that point later in my speech.

We could consider the victims of road traffic accidents as examples. They will probably be admitted to intensive care after assessment in accident and emergency. Their gradual recovery will continue in one of the general hospital wards, and then the new regional brain injury unit at Musgrave Park hospital, where they will re-learn how to walk, talk and swallow. They will be attended by a rehab team of physiotherapists and speech and language therapists, and I pay tribute to the work

undertaken by staff at the hospital. However, after patients are discharged home, Reconnect represents the final stage for those with head injuries to get their lives back together again. Reconnect assists patients to return to work, or simply to function to the maximum as a normal human beings again through structured training programmes.

With head injuries, a person's life can change dramatically in an instant. With a severe brain injury, an individual goes from being independent to being totally dependent, and from being capable to being incapable; everything about their lives becomes different. During the recovery period, there is a need not only to reconnect neurological paths, but at a deeper level, for people to reconnect socially and emotionally with their friends, families, therapists and society at large.

Training and rehabilitation focus on reconnecting lost skills and learning ways to compensate for abilities that have been permanently changed because of a brain injury. The brain is a dynamic organ, and as long as it receives repeated stimulation, chemical and physical changes occur to ensure that cells will react to that same stimulation in the future. Following a brain injury, the remaining tissue may set up new connections and pathways. The surrounding tissues in the brain try to take over the functions that were lost in the area of injury, so the brain tries to reconnect to the old pathways. That can occur only if a person is active. The brain does not adapt or try to recover if it is inactive—it must be stimulated. Rehabilitation involves stimulation, and that happens at Reconnect using information technology, office skills, horticulture and many other essential social skills.

Reconnect is a voluntary organisation that has been supported since 1995 by the European social fund. In 2002 the ESF doubled its funding, which allowed it to embark on plans to move away from its dilapidated premises on the Ormeau embankment and source new land to build the first purpose-built training facility for people with acquired brain injury in Northern Ireland. As a result of heavy capital investment from the European regional development fund, the European capital programme, a brand-new £750,000 training facility sits in the Castlereagh hills overlooking the city of Belfast. The new facility is greatly expanded from the old premises and can accommodate up to 15 staff and more than 60 trainees at any one time. On any day, it is likely to hold the highest concentration of people with an acquired brain injury under any one roof in the Province.

The facility is unique because it can train brain injury sufferers on site in areas as diverse as catering, in the kitchen and preparation areas; information technology, media and communications, in the computer suite; office and administration work, in the large, specially designed secretarial areas; and horticulture, in its specifically designed climate-controlled glasshouses, seeding area and polytunnels. It has numerous other training facilities in the large boardroom, the therapy room and additional offices.

In September 2003 staff numbers increased to 15, and in November the organisation was officially relaunched as Reconnect, bringing with it new corporate branding and a strategic vision for the future. The strategic plan was a realistic achievable vision that would enable the organisation to become a centre of excellence in the provision of community-based training and the rehabilitation of people with acquired brain injury. Through a commitment to person-centred planning and an ethos of "whatever it takes", Reconnect set out to provide each trainee with their own training package based on their skills and desires, which is essential to attaining a positive outcome for someone with an acquired brain injury.

Unfortunately, in December 2003 Reconnect received a letter stating that its application for core funding from the European social fund programme "Building Sustainable Prosperity", administered by the Department for Employment and Learning, had been unsuccessful. That occurred despite the fact that the organisation had surpassed the ESF's criteria for a quality organisation, thereby reaching the threshold for acceptance for funding. The decision to stop funding was taken by two civil servants and an independent member, and was based on information identical to that in previous successful applications. As the ESF provided more than 65 per cent. of Reconnect's core costs, which was match funded by other organisations, such as the disablement advisory service in the Department for Employment and Learning, Reconnect now faces closure on 30 March 2004. Up to 48 trainees will be denied access to training, 15 experienced and highly specialised staff face redundancy, and a brand new £750,000 ESF-supported purpose-built facility will be left derelict and unused.

One reason given for the failure of the application, apart from an overall reduction in European funding, is that Reconnect's services cut across the remit of several Government Departments. It appears that it has fallen between two stools. No service equivalent to Reconnect is currently provided by the statutory sector in Northern Ireland. In current circumstances, Reconnect simply does not have the finances to continue. It is ludicrous to end funding at this critical phase in its development, as it has received extensive support thus far. I therefore urge the Under-Secretary of State for Northern Ireland, the hon. Member for Basildon (Angela Smith), to intervene and support Reconnect in its appeal against the decision. I also encourage her to consider mainstreaming the organisation to allow its services to continue. Co-operation between Ministers with responsibilities for health and for employment and learning may be required.

Anecdotal evidence suggests that across the Province, 500 people a year sustain a head injury and would benefit from a service such as Reconnect. I trust that the Minister agrees that the organisation fulfils an important role and offers an invaluable service to many people across Northern Ireland. For that reason, I decided to seek this Adjournment debate, and I hope for her support in maintaining and optimising this critical service.

3.33 pm

Rev. Martin Smyth (Belfast, South) (UUP): Circumstances are fortuitous, because the hon. Member for Strangford (Mrs. Robinson) and the Minister would originally have had to wait until 7 o'clock for a half-hour debate. We could now have a debate lasting until 7 o'clock—although I have no intention of making my speech last until then. None the less, I shall take the opportunity to say a few things in support of the hon. Lady's request.

[Rev. Martin Smyth]

We hoped to have a meeting with the Minister to argue the case for supporting Reconnect. It is unfortunate that it has not been arranged yet, because there are time pressures and a decision could be made by the end of the week. However, this is a timely occasion for an Adjournment debate on the subject, and I congratulate the hon. Lady on securing it. She mentioned the work that is done and said that the figures would not tell us how many were injured in other parts of the Province. That is partly because the Royal Victoria hospital is the major trauma centre in Northern Ireland, and the Musgrave Park hospital in my constituency is the rehabilitation centre, which does a great deal of work for people throughout the Province.

Now we must deal with onward development. Even in speech therapy, there have been changes in recent years with growing recognition of the importance of stimulating people who have had strokes and lost the power of communication. It is fantastic to see some of the work being done.

One of the saddest statements that the hon. Lady made was about the concept of prosperity. So often that concept is used only in relation to finance, and takes no account of the physical, mental and social prosperity of people who have been so handicapped. There is a case to be made. I pay tribute to the work done at Musgrave Park and to the work of Reconnect. I hope the Minister will take the matter on board. Even though she spells her surname differently from mine, I believe we have a similar understanding of human nature.

We are talking about the seamless robe of Government and the fact that Government Departments have been reconnected. I hope that money can be found in the Department to keep that excellent work going on. It is strange that two civil servants and an external person acknowledged that money was needed in the past, but they say that there is no money now. There must be some way to find extra money, because the need still exists. The facilities are better than in the past and it would be tragic to lose them. I plead with the Minister to use her influence with her colleagues. If we can help her to put pressure on them, we shall be glad to do so.

3.37 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Angela Smith): I congratulate the hon. Member for Strangford (Mrs. Robinson) on securing the debate. The subject is obviously close to her heart and I commend her for the way she made her case; it is one with which I have considerable sympathy. I welcome the support of the hon. Member for Belfast, South (Rev. Martin Smyth).

In the time remaining this afternoon, it may be helpful if I explain the background. I understand the hon. Lady's concerns for her constituents, and I am very much aware of the pressures on individuals and families when a member of the family suffers an injury that leads to acquired brain injury. The hon. Lady outlined the random nature of such an event and the traumatic effect that it can have on the life of the person with the injury and on friends and families, who often bear the brunt of dealing with a very different person, in some cases, and caring responsibilities.

Brain injury is a complex and difficult area of medicine. The Government recognise the seriousness of the issue and the need to find ways to combat the effects of such injury on victims. As the hon. Lady said, brain injury can arise through traumatic events such as accidents, or be acquired through brain damage as a result of tumours or chronic illnesses. Initial treatment usually takes place in hospital neurosurgery or neurology departments. Following hospitalisation, a patient may recover sufficiently to return home, although some may require considerable support.

Investment in the health service in Northern Ireland is central to our Government's policies and is bringing improvement to Northern Ireland for the benefit of patients and their families. This commitment is reflected in the fact that almost 41.5 per cent. of the Northern Ireland departmental expenditure limit for 2003–04 is devoted to health issues. The figure will rise by 7.8 per cent. in the next financial year, amounting to more than £3 billion.

The Department for Employment and Learning, not my Department, is responsible for administering the European social fund for projects such as Reconnect which, as she described, provides rehabilitation for people with head injuries. Eligible projects are those that provide training and skills development for people seeking employment or advancement in employment. Some supported projects seek to meet the employment and training needs of those with health problems or disabilities, as in the case of Reconnect.

The primary focus of the European social fund is to provide individuals with the necessary skills to gain employment. The general rehabilitation of those with health problems or other disabilities is not the primary objective of the European social fund, but, of course, the building of confidence and of the skills required to enter employment are an important contribution to rehabilitation.

There are some misconceptions about the reasons for Reconnect not succeeding this time. There is a substantial but finite amount in the European social fund available to projects for the two years from 1 April 2004 to 31 March 2006. That amount is £22 million. I understand that that is not a reduction, but the reasons for the application's failure have nothing to do with it crossing two Departments. Each application is considered on its merits.

One problem is that there is extensive competition for the funds: 95 applicants sought a total of £36 million, which the fund could not meet. The result was that there were more deserving projects than could be dealt with by the funds available. That is one reason why, on this occasion, Reconnect was not successful.

I understand that Reconnect was supported previously by the European social fund, but that in itself is not a criterion for future support. I am told that that would be unfair to new applicants, which is understandable. However, that causes a problem for organisations on the ground of sustainability, so perhaps we ought to work across Departments and with the organisations that might be involved to see whether more can be done to help to develop exit strategies or alternative funding streams.

Unfortunately, the timing is difficult, because often when organisations are notified that they are to lose their funding there is not always enough time to put

other funding in place. However, the Department for Employment and Learning, as well as my own Department, the Department of Health, Social Services and Public Safety, very much recognise the seriousness of brain injury and its effects on the victims.

I understand the disappointment felt by Reconnect at its recent unsuccessful application. It has decided to appeal against that decision—I am told that the review panel is meeting on 4 February—but the difficulty is that Reconnect was not the next organisation on the list for gaining funding. Other organisations, which are also extremely worthy and extremely important, were ahead of it. We await the outcome of that appeal. In the meantime, I can assure the hon. Members for Strangford and for Belfast, South that the discussions are ongoing between the organisation, the South and East Belfast trust and the Eastern board to see whether any interim measures can be taken. I will say more about that later.

In a moment, I will come to the discussions that are taking place and what steps we are considering to see how the Department of Health, Social Services and Public Safety can help. First, I want to talk about the Department's work in this area of health.

Rev. Martin Smyth: I may be coming in too soon on this one and the Minister may be about to answer my question. I understand her reference to the South and East Belfast trust and the Eastern board, but are no folk in other board areas benefiting from Reconnect's work? Has the Department taken that point into consideration?

Angela Smith: Unfortunately, Reconnect's work takes place only in the Eastern board area, not in others. Therefore, it would be difficult to ask other boards to assist in funding activities that do not take place in their areas. There is a problem here—my Department would fund work that happens across all four boards, but this organisation's work does not do that.

Mr. Roy Beggs (East Antrim) (UUP): The point made by my hon. Friend the Member for Belfast, South (Rev. Martin Smyth) is that we have only one centre in Northern Ireland that does not deal exclusively with those who require assistance in the Belfast area. Obviously, others who require support must travel to that centre.

Angela Smith: Perhaps the hon. Gentleman will be patient for a moment. He is not correct because, as I will explain, considerable other work is going on across Northern Ireland to assist people with acquired brain injury. I shall outline some of what my Department is doing.

The Department recognises that people with a brain injury require a continuum of care—this was also acknowledged by the hon. Members for Strangford and for Belfast, South—in respect of acute care, which is followed by community care and support. As a result, we are establishing a new regional acquired brain injury unit on the Musgrave Park hospital site. That will provide state-of-the-art in-patient rehabilitation services, and is due to open in 2006. I am sure that that will be welcomed across Northern Ireland and by all in the Chamber. The £8.5 million cost of that represents a considerable investment in brain injury rehabilitation services.

The development of community brain injury services to complement the new unit is also essential. These will provide rehabilitation and support for those with brain injury already living in the community and provide a "step down" service for the new unit, the importance of which both hon. Members specified. It is envisaged that community services will be provided by teams comprising psychiatry, psychology, therapy, nursing and social work input. In 2004–05, an additional £500,000 will be provided for that purpose.

The third aspect of support for people with brain injuries and their carers is also provided by voluntary organisations. Currently, my Department provides funds amounting to £120,000 to the Cedar Foundation, which provides rehabilitation and vocational training. Cedar provides socio-vocational brain injury services at six centres across Northern Ireland—Belfast, Ballymena, Lisburn, Londonderry, Newry and Enniskillen. The Cedar Foundation was successful in its recent application for funding from the European social fund, and it plans to expand its brain injury services. Headway also provides support and services for people with brain injury and their families. That organisation received project funding until March 2003.

A new organisation, the Northern Ireland traumatic brain injury forum, was established in 2002 to bring together people with a brain injury, their carers and professionals in the field to lobby for better services. My Department provided funding for the organisation's inaugural conference in 2002 and an application for recurrent funding is currently being considered. The forum also organised a seminar in November 2002 on the needs of children with a head injury, which my Department funded. A report of the recommendations of the seminar is awaited, and that will assist in planning for future service development. In addition, an inspection of services for disabled children is being undertaken by the social services inspectorate, which will advise my Department of any current gaps in service provision.

Work is also being undertaken by the Department for Employment and Learning through its disablement advisory service, which provides advice, guidance, training and a placing service for people with disabilities and health issues. The service is available for those who wish to obtain or retain employment and can be accessed through a specialist team of disablement employment advisers across Northern Ireland.

The disablement advisory service also offers a range of practical and financial support to employers recruiting and retaining disabled employees, as well as a professional assessment system. The disablement advisory service administers four main employment programmes to help people with disabilities enter or remain in work: the job introduction scheme, access to work, employment support and the new deal for disabled people. The job introduction scheme is a job trial facility, which offers both the employer and the disabled jobseeker an excellent opportunity to find out if the job and the person match. The disablement advisory service helps the employer with a contribution towards

[Angela Smith]

employment costs for the first few weeks, and the trial period usually lasts for about six weeks. Employment support gives people with more severe disabilities the opportunity of working alongside non-disabled employees in a wide variety of jobs. That enables people who cannot reach standard output levels, because of their disability, to work in real jobs and earn the full rate of pay for the job that they are doing. I have mentioned the work of the new deal for disabled people.

Projects such as Reconnect, which were already receiving European social fund assistance, were aware that further assistance, as previously, is subject to competition with other organisations. That, however, does not lessen the threat to Reconnect's services. Clearly, health is a priority for Northern Ireland and is central to Government policies. As I indicated earlier, the priority is reflected in the high proportion of expenditure devoted to health issues in Northern Ireland, and I have outlined some of the important work that is going on to assist people who have disabilities and acquired brain injuries. We do as much of that work as we can, as this is a very complex and distressing area of medicine, and patients, carers and their families need support, as I outlined at the beginning of my speech. However, I have to recognise that, within the budget limits that apply, we cannot meet every need in medicine.

I want to comment on the specific action that we are taking to try to help Reconnect. I apologise to the hon. Member for Belfast, South if he has not had a response about meeting me. I understand that my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy) is the Minister with responsibility for employment and learning. If the funding falls under that Department, the request would not have come to me at this stage.

I understand that 33 people are currently using Reconnect services and I am most concerned that they continue to receive the care and support that they need. I am sure that the hon. Lady appreciates that it is quite difficult for the Health Department and health boards to pick up the drop in expenditure from the Department for Employment and Learning. I can say that the trusts that use Reconnect services have advised the board that they have contingency plans to absorb current users into alternative provision if the need arises. For those currently accessing the services of Reconnect, every effort has been made to ensure that there is no lack of provision of service for them.

The Eastern health and social services board and the four community trusts are working together to find a means of supporting Reconnect beyond 31 March 2004. What we would like to do then is collectively to review the longer-term funding of the organisation to establish how it can be supported. I am pretty confident that we will be able to achieve that. There will be further formal discussions with Reconnect in the very near future, but its longer-term future must be viewed in the context of other services being provided across Northern Ireland for people with brain injury. The commitment to building community services for people is also important.

I assure the hon. Lady that I take a personal interest in this matter and I have asked to be kept informed of what happens in future. I hope that I have dealt with the points that she raised and I thank her for the way in which she raised them today. I hope that we can find a way to continue these services, which are so important.

Question put and agreed to.

Adjourned accordingly at nine minutes to Four o'clock.

House of Commons

Thursday 29 January 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

MEDWAY COUNCIL BILL

IPSWICH MARKET BILL

Read a Second time, and committed.

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

World Debt

1. **Rob Marris** (Wolverhampton, South-West) (Lab): If he will raise measures to address world debt at the G7 meeting next month. [151542]

10. **Mr. Mark Lazarowicz** (Edinburgh, North and Leith) (Lab): When he will next discuss the proposed international finance facility with his counterparts in the other G8 countries. [151551]

The Chancellor of the Exchequer (Mr. Gordon Brown): I am pleased to say that next week in America the G7 group of Ministers will consider the issues of debt sustainability and the British proposal to tackle ill health, illiteracy and poverty, and to raise the necessary finance for aid and debt relief through the international finance facility. We will hold a conference on these issues with the Churches and non-governmental organisations on 16 February in London, and a Paris conference to heighten support for the facility, with more than 60 countries invited, will be held in April.

With your permission, Mr. Speaker, I can also inform the House that the date of the Budget statement will be 17 March.

Rob Marris: I thank my right hon. Friend for that answer and for the steps that he is taking to tackle world debt, particularly as I know that he has been very busy in recent days.

The HIV/AIDS epidemic is a human catastrophe worldwide, especially in Africa; it retards economic and social development and so contributes to world debt problems. Will my right hon. Friend outline what steps the United Kingdom Government are taking to support the global fund to fight AIDS, tuberculosis and malaria?

Mr. Brown: I am grateful to my hon. Friend; I know that he has taken a long-term interest in these matters. Twenty million people have already died from HIV/AIDS and 40 million people are infected with it. We are the second-biggest contributor to the global fund, which is investing not only in the prevention of AIDS, but also in tackling tuberculosis and malaria. We spent £270 million last year directly on fighting AIDS around the world. At the same time, we are a contributor to GAVI—the Global Alliance for Vaccines and Immunisation—which is a private-public partnership, with Bill Gates and the Gates Foundation in particular. I talked to him in London only this week about these matters. We shall continue to do more to tackle a scourge that requires extra resources, treatments at cheaper prices and the build-up of capacity in health care systems. We have spent £1.5 billion in all those areas since we came to power.

Mr. Lazarowicz: I welcome the steps that the Chancellor is taking to take the international financing facility further forward, but will he assure the House that that will not detract from the UK's continuing efforts to increase the percentage of our gross domestic product that we allocate to international aid? In the spending review this year, will he consider taking further steps to increase the percentage of UK GDP allocated in that way up to the 0.7 per cent. target called for by the United Nations?

Mr. Brown: This could be a very expensive Question Time indeed. I shall look into my hon. Friend's representations. He knows that we shall have increased the percentage of aid from 0.27 per cent., which is what we inherited, to 0.4 per cent. by 2006. He knows, too, that we are part of the Monterrey consensus, where the European Union has agreed that collectively the amounts of aid would be 0.39 per cent. by 2006 and where America has pledged an extra $5 billion to $7 billion to raise the amount of aid.

Because the issue of AIDS demands something in the order of £10 billion and because to get every child into education and meet the millennium development goals requires another £10 billion, there can be no solution to the problem purely as a result of a few countries raising the amount of development aid. In my view, the only way forward is for us, collectively, to bring our resources together in the international finance facility, as we have proposed, and I am pleased to say that we have received support from all parties in the House for that. We have support from the Churches in this country and, only a few days ago, the Vatican made a statement supporting our facility. The conference in Paris will bring together 60 countries.

Sir Peter Tapsell (Louth and Horncastle) (Con): What will be the likely cost to British banks of the proposal to write off Iraqi debt, consequent on our invasion of that country?

Mr. Brown: This relates to question 4, which deals with the issue of Iraqi debt and I shall come to that when

that question is called. I can tell the hon. Gentleman, however, that Iraqi debt is in the order of $120 billion and only about $1 billion of that is owed to Britain. Under the Paris Club terms, much of that would be written off. Iraq owes money mainly to Russia, Germany and France, not to Britain.

Mr. John Redwood (Wokingham) (Con): In view of the great importance of this work to many sections of the House, would the Chancellor like to express his pleasure at the remarkable change in fortune this week of the Prime Minister, which means that, in all probability, the Chancellor will be able to stay in his present post for the rest of this Government in order to see it through?

Hon. Members: Silly question.

Mr. Brown: Absolutely. But is it not typical of the Opposition that when we are discussing world debt and the international finance facility, the right hon. Gentleman, who knows better, should reduce it purely to matters of personalities?

Mr. Peter Pike (Burnley) (Lab): My right hon. Friend knows that I believe that the Labour Government's record on world debt has been excellent during his period as Chancellor of the Exchequer. Does he believe that we can now make real progress with the G7 in not only continuing what this country has been doing so positively, but tackling the issues of fair trade? It is very important indeed that we not only relieve debt but give those countries an opportunity to participate in fair trade in the world.

Mr. Brown: I am grateful to my hon. Friend. He, too, has taken a great interest in these matters in recent years. At the G7 meeting next week in Florida in America—where I understand the weather is a bit warmer—we shall be discussing not only debt and the international finance facility, but trade. It is imperative that the main developed countries relaunch the world trade talks. That is in the interests of Europe and America, and of the developing countries. It is imperative also that we clear away the difficulties that arose from what were called the Singapore clauses. It is imperative too that steps are taken to deal with agricultural protectionism. I shall press my G7 colleagues and propose that we take an initiative to show that we are serious in persuading people that these trade talks, which have been stalled for too long, should get going quickly; and I believe that I shall have all-party support for that.

Mr. Laurence Robertson (Tewkesbury) (Con): I understand that to qualify for debt relief under the initiative it is necessary for third world countries to increase the amount that they spend on poverty reduction, so there is a bit of a paradox there. I understand that they get quite a bit of that money from donor countries, but I further understand from a written answer that the Chancellor gave me a few days ago that there is a shortage of supply in the money coming from those donor countries. What can he do to increase that supply?

Mr. Brown: For the heavily indebted poor countries initiative conditions to work, the debt that has to be paid must be reduced substantially. I believe that the average payment of debt by those countries was 27 per cent. before the HIPC initiative and it is now 11 per cent., so there is a huge reduction in the amount of debt interest payments that those countries have to pay, and obviously it is a result of $70 billion of debt being wiped out under the initiative. It is not a requirement but it is morally, economically and socially right that those countries direct the resources to education and health. Sixty-five per cent. of the money that is obtained as a result of reduced interest payments goes to education and health—the vast majority to education. Uganda, for example, can now say that every young child will get primary education and that there will be schools for them to go to.

I would therefore say to the hon. Gentleman that it is right that the amount of debt interest payments is reduced, but it is also morally, economically and socially right that the money does go to education and health, and to anti-poverty programmes that are part of the key to those countries' recovery.

Myners and Sandler Reports

3. **Mr. Nigel Beard** (Bexleyheath and Crayford) (Lab): If he will make a statement on progress towards implementing the recommendations of the Myners and Sandler reports. [151544]

The Financial Secretary to the Treasury (Ruth Kelly): The Government are currently reviewing the progress that the occupational pension industry has made in implementing the recommendations of the Myners report. We are continuing to implement the recommendations that Ron Sandler proposed.

Mr. Beard: I thank my hon. Friend for that reply. I recognise the Government's policy to encourage saving, and both the Myners and the Sandler reports contained proposals for reducing obstacles to saving and making it easier. Cash individual savings accounts have proved to be very popular, especially with low-income savers who are reluctant to part company with their savings in case of emergencies. Why, therefore, does the pre-Budget report reduce the annual ceiling on ISAs from £3,000 to £1,000? Is that not inconsistent with general policy?

Ruth Kelly: I am glad that my hon. Friend draws attention to the success that ISAs have been, both in widening access and in encouraging low-income groups to hold savings in that form. I can confirm to him, however, that the Government announce in the pre-Budget report that we intend to review the treatment of ISAs so that all Sandler's stakeholder medium-term products and life insurance products will be brought into the stocks and shares component of ISAs from 2005. My hon. Friend makes a representation on the limits, and of course my right hon. Friend the Chancellor will have heard what he says and I am sure will reflect on it.

Angela Eagle (Wallasey) (Lab): Will my hon. Friend reflect on the recent evidence by both Myners and Sandler to the Treasury Select Committee about the current structure of the financial services industry? They

both characterised it as having excessively weak consumer power, because of the lack of transparency in the products and the fact that there are too many complex products, so that it is almost impossible for anyone to discern any meaning from the information about them. Moreover, those who make the products are far too concerned about distribution mechanisms and sales, and therefore leave consumers no power. That is a form of market failure. Will my hon. Friend look at that and see what the Treasury could do to restructure the market, in order to make it much simpler and easier for people to put their money into some of those products and make the products more trustworthy?

Ruth Kelly: My hon. Friend makes an extremely important point. We asked Ron Sandler to look at the structure of the retail savings industry to see how it could be made more efficient and transparent. He concluded that the current structure of the market was far too opaque and complex for consumers to be properly served. That is why we are now working with the Financial Services Authority to introduce the suite of Sandler stakeholder products, which would shift the burden away from the sales process and protect the consumer by building that protection into the product itself. I believe that the consumer will be much better served once those products are introduced.

Iraq

4. **Mr. David Stewart** (Inverness, East, Nairn and Lochaber) (Lab): What discussions are being held with European Union Finance Ministers about providing debt relief to Iraq. [151545]

The Chancellor of the Exchequer (Mr. Gordon Brown): Iraq's debt to the international community stands at approximately $120 billion. In a country that is oil rich, with approximately 100 billion barrels of oil, the population has an average income per head of less than $2 a day. The United Kingdom view is that creditors will have to write off the vast majority of Iraq's debt to restore economic sustainability, and we are in discussion with many of our international partners, who share that view.

Mr. Stewart: Does my right hon. Friend share my view that debt relief is a vital ingredient in rebuilding the Iraqi economy? The loans to Saddam financed his wars, his palaces and the oppression of ordinary Iraqis. Is not Iraq's reconstruction crucial, and must we not get rid of the millstone of Iraqi debt?

Mr. Brown: I am grateful to my hon. Friend, who I know has taken an interest in the matter of Iraqi debt. Iraq has the second largest reserves of oil in the world, so it is potentially very rich. It is also true, however, that the population's average income is less than $500 a year, which is less than $2 a day. Because of that, we need to take action to correct the position of Iraq. Not only does Iraq have $120 billion of outstanding debt, but it also has compensation claims to honour in relation to Kuwait approaching $80 billion. That is why we propose that, through the Paris Club, debt be written off, and why we have also said that it should be the vast majority of Iraq's debt.

Mr. Tam Dalyell (Linlithgow) (Lab): My right hon. Friend the Chancellor rightly said a few minutes ago that there is a huge Russian debt. In the circumstance that much of the Iraqi oil industry is out of date and has Russian equipment—as indeed is true of the water facilities—if the oil industry is to be modernised, what discussions are going on with the Russians as to how we can co-operate to get it moving again?

Mr. Brown: I believe that when the G7 meets next week in Florida and becomes the G8, with Russia present, we shall have a discussion on issues related to Iraq and reconstruction. More partners are being drawn in to try to help with reconstruction. I shall write to my hon. Friend after the G8 summit in Florida. It is also true that the backlog of repairs—whether in health, education or water, or generally in infrastructure—is, as my hon. Friend suggested, massive. That is why we cannot wait, and the Government have already set aside some $800 million as our contribution to reconstruction.

Financial Services Authority

5. **Mr. Alex Salmond** (Banff and Buchan) (SNP): What representations he has received on the performance of the Financial Services Authority; and if he will make a statement. [151546]

The Financial Secretary to the Treasury (Ruth Kelly): Treasury Ministers have received a large number of representations, particularly in the context of the two-year review of the Financial Services and Markets Act 2000, on the performance of the FSA.

Mr. Salmond: Is the hon. Lady fully satisfied with the performance of the Financial Services Authority in terms of its recent and ongoing discussions with Standard Life? First, is any credence at all to be given to suggestions that information about those discussions was briefed to the press by sources within the FSA? Secondly, has she considered whether there is anything inherently anti-mutual in the new liquidity requirements that are part of those discussions? Do the Government have a position on whether companies should be in mutual ownership or be plcs?

Ruth Kelly: The hon. Gentleman makes a number of detailed points. As I set out in my written answer to Parliament, the FSA has total operational responsibility for regulatory decisions and independence under the Financial Services and Markets Act 2000. However, the FSA has kept the Treasury regularly informed of developments at Standard Life, under the terms of the memorandum of understanding between the Treasury, the FSA and the Bank of England. Of course I cannot comment on press speculation, but I can confirm to the hon. Gentleman that the Treasury has consistently supported the development of the mutuals sector by supporting private Member's Bills, which updated the legislation for industrial and provident societies. The new realistic accounting rules have been widely welcomed by the industry—by mutuals and non-mutuals alike.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend agree that the FSA should take a lead on personal finance education and that even the

increased amount, £120,000—out of a budget of £200 million—is not very much? As it is a priority identified by the FSA, surely the industry and the FSA should be putting serious money into educating the people of this country about personal finance.

Ruth Kelly: My hon. Friend makes an important point. Indeed, that was one of the issues raised by Rob Sandler when he looked at the functioning of the long-term retail savings market. The FSA has taken his recommendation seriously. It has set up a financial capability steering group, of which I am a member, to look at such issues from first principles. I am sure that the FSA will now take forward a proactive agenda on those issues.

Dr. Vincent Cable (Twickenham) (LD): Did the Minister see the comments last week by Callum McCarthy, the chairman of the FSA, who talked about what he called dangerous levels of household debt? Can the Minister say precisely who is responsible for determining sustainable levels of household debt and new flows of credit? Is it the FSA, which has identified the problem but disclaims responsibility? Is it the Bank of England, which meets next week and has also disclaimed responsibility for asset markets and debt? Who is responsible for the problem?

Ruth Kelly: The Treasury and the Government have responsibility for the macro-economic environment in which consumers and the industry operate. The FSA has a specific responsibility for financial stability, but the Government's record on economic matters is one of which I am proud.

Climate Change Levy

6. **Mr. Bill Tynan** (Hamilton, South) (Lab): What the revenues to the Exchequer were from the climate change levy in (*a*) 2002 and (*b*) 2003. [151547]

The Economic Secretary to the Treasury (John Healey): The climate change levy raised £863 million for the Exchequer in 2002. Provisional receipts for the whole of 2003 will be published by the Office for National Statistics in February's "Financial Statistics".

Mr. Tynan: I thank my hon. Friend for that response. In 1999, the reason that we introduced the climate change levy was to meet the obligations under the Kyoto agreement. Will he explain to the House why we apply the climate change levy to the nuclear power industry, which does not produce CO_2? Will he consider removing that unfair burden from the nuclear industry, because it is a major problem for that industry at the present time?

John Healey: I pay tribute to my hon. Friend, particularly for his role as chairman of the all-party parliamentary group on nuclear energy, but I have to disappoint him. He is right to say that we announced the introduction of the climate change levy in 1999, but we made it clear that nuclear generation would not be exempt from the levy, and we have no plans to change that position now. The reason is that the levy is not a carbon tax; it is a tax on energy use, designed to encourage not only greater energy efficiency, but the development of new renewable forms of energy generation, such as solar, wind and wave power, which is why those are exempt from the levy and why the nuclear industry is not.

Mr. Henry Bellingham (North-West Norfolk) (Con): When the Government introduced the levy, they said that it would almost certainly be fiscally neutral. Why is the CBI now saying that the net annual cost to manufacturing is running at £142 million? That is hitting smaller firms particularly hard, and with offshoring growing apace, can the Minister do anything to make the levy fiscally neutral?

John Healey: From the start, the levy was designed to be fiscally neutral to the Exchequer, but it is not possible to make it fiscally neutral for each and every sector. Let me make it clear that there is no financial gain to the Exchequer from the climate change levy. All revenues are recycled back: first, through the 0.3 per cent. cut in national insurance contributions that benefited all employers; and, secondly, through a series of energy efficiency programmes and support, ranging from enhanced capital allowances to the work of the Carbon Trust. The hon. Gentleman is concerned about the position of businesses in competition with those in other countries. There is an 80 per cent. discount on the levy for those that are exposed to international competition and that are intensive energy users in sectors that are willing to negotiate with the Government to improve energy efficiency.

Dr. Alan Whitehead (Southampton, Test) (Lab): In line with the principles of green taxation that my hon. Friend's Department set out in last year's publication, does he intend to review further the operation of the climate change levy to ensure that its proceeds add positive leverage to the reduction of industrial CO_2 emissions by supporting more directly the development of lower-emission and renewable industrial energy practices?

John Healey: I can tell my hon. Friend that we keep all taxes constantly monitored and under review. Above that, we are undertaking a full review of the first couple of years of the operation and impact of the climate change levy. That review is being led by Customs and it will indeed take account of the kind of factors about which he is concerned.

Equitable Life

7. **Ann Winterton** (Congleton) (Con): If he will compensate Equitable Life policy holders. [151548]

The Financial Secretary to the Treasury (Ruth Kelly): As I said in my written answer of 26 January, the Treasury intends to publish Lord Penrose's report in full as soon as possible. I shall make a full statement to the House at that time.

Ann Winterton: Does the Minister recall the Chancellor, when he was in opposition, criticising the then Government for delaying payments to elderly, distressed savers following the failure of financial regulators in the Barlow Clowes case? If Lord Penrose

reports that regulators failed investors in Equitable Life, will the Chancellor take the very same action that he advocated so vociferously when he was shadow Chancellor?

Ruth Kelly: The hon. Lady may choose to prejudge Lord Penrose's report, but I will not. I am afraid that she must be patient and wait until it is published.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Does the Minister agree that the problems with Equitable Life stem from bad management and a loose regulatory regime under the previous Conservative Government? Would she care to outline what steps this Government have taken to avoid any repetition of the situation?

Ruth Kelly: My hon. Friend will know that the Government took action to set up the Financial Services Authority, the financial services compensation scheme and the financial services ombudsman. On the detailed matter of Equitable Life, I am afraid that he, too, will have to await Lord Penrose's report.

Mr. Andrew Tyrie (Chichester) (Con): Lord Penrose's report will deal with whether the Treasury has fallen down in its job as regulator of the industry. However, we have the extraordinary situation in which the Treasury has the power to edit the report before it is published. The Financial Secretary says that it will be published in full, but she has also made it clear that it will be edited for legal reasons—as she puts it. I do not think that that will do. The situation is worrying hundreds of thousands of Equitable Life policyholders and annuitants, for whom the report is the only hope of justice. Some of them have told me that what is going on is like handing the man in the dock an advance copy of the judge's summing up for him to edit. A fortnight ago, I told the Financial Secretary that she could allay those concerns easily by handing the full report to the Chairman of the Select Committee on the Treasury—he is in the Chamber now—who could check whether the editing would be reasonable. I ask her once again: why will she not hand the full report to the Chairman of the Treasury Committee?

Ruth Kelly: I am afraid that the hon. Gentleman is making allegations that he cannot sustain; he is also prejudging the content of the report. I have informed the House on several occasions that we intend to publish the report in full at the earliest opportunity. He must await the publication of the report.

Miss Anne Begg (Aberdeen, South) (Lab): It is perhaps a reflection on my constituency that I have many constituents who have been caught up in the whole Equitable Life debacle. They, too, are awaiting the publication of the Penrose report. I hope that the Minister will accept that my constituents are concerned because they are not especially well off and several have lost a great deal of money. Could the whole process be speeded up so that they can get a resolution to the difficulties that they face?

Ruth Kelly: I understand the point that my hon. Friend makes, and of course I sympathise with the distress suffered by many Equitable Life policyholders. Naturally, we will publish the report as soon as possible.

Public Sector Deficit

8. **Brian Cotter** (Weston-super-Mare) (LD): Whether he expects to meet his public sector deficit forecast this fiscal year; and if he will make a statement. [151549]

The Chief Secretary to the Treasury (Mr. Paul Boateng): An updated assessment of public finance projections will be available as usual in the forthcoming Budget on 17 March.

Brian Cotter: Does the right hon. Gentleman agree with yesterday's statement by the Institute for Fiscal Studies that, because of current deficits, the Government must increase taxation or reduce growth by 2006–07?

Mr. Boateng: No, I do not agree, and I do not believe that the hon. Gentleman has studied fully the IFS green budget. Had he done so, he would have seen that it confirms the sustainability of UK public finances when underpinned by low levels of debt. We would never be able to enjoy those low debt levels if we had adopted the tax-and-spend policies espoused by the Liberal Democrats.

Hugh Bayley (City of York) (Lab): What assessment have Treasury officials made of Liberal Democrat proposals for tax commitments on the one hand and spending commitments on the other? What effect would they have on the deficit? If the deficit increased, what reduction in public expenditure on health and education would be necessary, given the amount of public expenditure that would go on debt repayment?

Mr. Speaker: Order. The hon. Gentleman should not ask the Minister questions about Liberal Democrat policy—*[Interruption.]* Well, perhaps it would be better for him to write to the Liberal Democrats to find out.

Mr. Oliver Letwin (West Dorset) (Con): I certainly would not want to ask any hon. Member to wait that long.

I begin by thanking the Chancellor for his courtesy in letting us know the date of the Budget. Does the Chief Secretary acknowledge that the hon. Member for Weston-super-Mare (Brian Cotter) asked a sensible question? The IFS has produced a series of calculations that suggest that, in the next cycle, the Government will need to raise taxes to meet their own rules. Is that not true?

Mr. Boateng: The right hon. Gentleman really ought to reflect on his own party's record in government. Under the stewardship of a Tory Chancellor of the Exchequer, net debt was about 44 per cent. of GDP. The reality is that the Government remain on track to meet their fiscal rules over the economic cycle on the basis of our cautious assumptions, which were clearly stated in the pre-Budget report. IFS projections confirm that the golden rule will be met in the current economic cycle.

Mr. Letwin: That was a wonderful assembly of unanswers to my question. Let me put it to the Chief Secretary another way. He will have noticed, as we have, that it is not just the IFS that is on to this. The

International Monetary Fund and the Organisation for Economic Co-operation and Development, which are not employees of the Conservative party, the Liberal Democrats or anyone else in the House, have also come to the conclusion that the Chancellor's present level of borrowing and his present path of spending will mean—not in this cycle, to which the Chief Secretary referred, but in the next cycle—that he will need to raise taxes if the Government are re-elected. Is the Chief Secretary arguing that that is not the case?

Mr. Boateng: I am glad that the right hon. Gentleman now admits that we will meet the golden rule in this cycle. That is a new departure for him—he has urged us to introduce policies that would involve a cut in our current spending plans and that would move us towards 35 per cent. of GDP, which would be disastrous for the economy and the country at a time when we are investing in the very public services that were grossly run down when his party had stewardship of the economy.

Mr. Letwin: I do not know whether I will be able to persuade the Chief Secretary to engage in a genuine discussion of an important matter; he is so attached to policy-based evidence making that he is reluctant to engage in evidence-based policy making. Would it not be simpler for the Government to admit that the IMF, the OECD and the IFS have all concluded that in the next cycle—that is, after the election—the Government, if they are re-elected, will have to raise taxes? That is a serious problem that needs to be debated. Does he accept that it would be better if he admitted it, so that the public out there, who want us to have a serious and rational debate, could see us having a debate about whether it is in the interests of this country to raise taxes?

Mr. Boateng: I shall resist the right hon. Gentleman's blandishments, but I urge him to have a serious and rational debate posited on the fact that we will meet our fiscal rules—fiscal rules to which he was never prepared to submit his party when it was in government. If he had done so, his party would never have met them, but if it had tried, at least we would not have had the net debt of about 44 per cent. of GDP that we inherited. We were paying back the debt that the Conservative Government had accumulated. They were paying more on interest than on health, education and transport, and we have had to deal with all that they abysmally failed to do.

Mr. Russell Brown (Dumfries) (Lab): Will my right hon. Friend confirm that the largest number of public sector jobs involve nursery staff, doctors, teachers and teaching assistants, and that the real route to dealing with the matter is by cutting the share of administration costs?

Mr. Boateng: My hon. Friend makes a good point. He will welcome the steps taken by my right hon. Friend the Secretary of State for Health to cut administration costs and headquarters costs. My hon. Friend will also welcome the steps that we are taking as a Government, using the good offices of Sir Peter Gershon, to make sure we build that into the up-coming efficiency review.

Stamp Duty Land Tax

9. **Mr. Tim Boswell** (Daventry) (Con): What recent discussions he has had with business representatives regarding the potential for reform of stamp duty land tax on leases. [151550]

13. **Mr. Julian Brazier** (Canterbury) (Con): What steps he is taking to alleviate the effect of the new stamp duty land tax on leases on businesses. [151554]

The Paymaster General (Dawn Primarolo): Following consultation with representatives of interested parties, substantial changes were made to the stamp duty land tax charge on the rental element of new leases, which will be of special benefit to small and medium-sized businesses. This means that all commercial leases, which would have been liable to stamp duty land tax under the original proposals, have now benefited from a £1,500 reduction.

Mr. Boswell: Yes, but independent evidence suggests that the average pub licensee will face a tenfold increase in their tax bill, from £600 to £6,000. How on earth can that be justified?

Dawn Primarolo: I do not accept that. In the commercial sector 60 per cent. of all leases will be exempt from stamp duty land tax. That compares with only 9 per cent. of leases that were exempt under the previous stamp duty regime.

Mr. Brazier: The professional association suggests that independent children's homes are facing a fourfold increase in stamp duty. When the original provisions were introduced, was it the Minister's intention that a sector so important to the most vulnerable members of our community should be hit in that way?

Dawn Primarolo: I know that the hon. Gentleman follows these matters closely, and he has demonstrated his interest in them a number of times in the House. All homes under the threshold are exempt. That has been clearly laid out in the House by my right hon. Friend the Chief Secretary and my hon. Friend the Financial Secretary.

Mr. James Gray (North Wiltshire) (Con): What effect will the charge have on farmers on annual leases?

Dawn Primarolo: The Treasury has been discussing with the Department for Environment, Food and Rural Affairs the extent of the changes with regard to the stamp duty land tax. DEFRA is fully aware of the requirements under the proposals in the legislation, and the matter will be taken forward.

Employment

11. **Mr. John McFall** (Dumbarton) (Lab/Co-op): If he will make a statement on employment levels and the effect of unemployment on the economy. [151552]

The Chancellor of the Exchequer (Mr. Gordon Brown): Some 1.7 million new jobs have been created since 1997,

helping to create growth on target of 2.1 per cent. last year. The latest figures show that the claimant count is now just 3 per cent., that the labour force survey rate is 4.9 per cent., and that we have the lowest unemployment since the 1970s. For the first time in 50 years, unemployment in Britain is lower than in the euro area, Japan and America together.

Mr. McFall: Since 1997, where have the majority of new jobs been created—in the public sector or in the private sector? In the public sector, where I hope that the Chancellor will continue the drive to cut waste, where exactly have the new jobs been created?

Mr. Brown: I can tell my hon. Friend that 1.7 million jobs have been created, and that 1.2 million jobs have been created in the private sector. Of the jobs created in the public sector, 90,000 are classroom assistants, 20,000 are teachers, 50,000 are nurses, and there are nearly 20,000 more doctors and 10,000 more policemen. Before we made that investment, the lack of nurses, doctors, policemen, teachers and classroom assistants was holding back our public services and our country.

As for administration costs, it is true that the Gershon inquiry mentioned by the Chief Secretary is examining how we can cut the costs of administration in the public sector. I have to tell the House, however, that the most appropriate measure of comparison between this year and 1996–97 is planned expenditure on central administration as a percentage of total Government spending, using the measures available at the time. That yields a figure of 4.4 per cent., falling in future years, against a plan of 4.9 per cent. in 1996–97. We do not yet have final out-turns because figures are not available for this year, but based on previous years' experience we would expect this year's out-turn to be lower than the 4.6 per cent. of total Government spending out-turn figure for 1996–97. So we will take no lectures from the Conservative party about administrative costs—that is the party that gave us the worst administrative burden with the waste of the poll tax.

Mr. Roy Beggs (East Antrim) (UUP): I congratulate the Chancellor on the policies that have been pursued, which have created so much opportunity and employment across the United Kingdom. We in Northern Ireland are enjoying the lowest levels of unemployment and the highest levels of employment in my lifetime. However, I plead with him to take account of the high costs of public liability insurance, which is crippling small businesses in Northern Ireland. Will he bear in mind the fact that success in creating employment in Northern Ireland is largely in the hands of small employers, many of whom cannot afford to pay the huge insurance costs that have been asked for and have simply sold off their businesses, making many people unemployed?

Mr. Brown: I am grateful to the hon. Gentleman. We are concerned about employers liability insurance. It has been raised with the Treasury, and the Financial Secretary has had discussions with business. If the hon. Gentleman wishes to lead a delegation to the Treasury to go through the issues again, we are prepared to listen to his representations.

I thank the hon. Gentleman for welcoming the recent employment figures in Northern Ireland. In every part of this country, particularly in Northern Ireland, employment has been growing and unemployment has been falling. As is acknowledged on both sides of the House, that is a success story for the whole of the United Kingdom. The only people who are not prepared to acknowledge it are the Conservatives.

Ms Sally Keeble (Northampton, North) (Lab): Is my right hon. Friend aware that in some parts of the country, particularly mine, the historically high levels of employment have created something of a problem of success—a skills shortage? What is he doing to increase skill levels, especially for those who have been excluded from jobs previously, and for women who are returning to work and want to become teachers and nurses, but face difficulties because the student finance and benefits systems do not work well together, or they find it hard to get child care?

Mr. Brown: I know that my hon. Friend has taken an interest in the development of the new deal. There are 1 million more people in training now than in 1997 and we are endeavouring, through the university for industry—now called Learning Direct—employer training pilots, modern apprenticeships and the new deal, to give young people a guarantee of training, and every adult who does not have the skills that are necessary for a modern economy the chance to get them. We are making that investment, especially through the new deal. It is a tragedy for the country that the Conservatives oppose and would abolish the most successful employment programme in our history.

Mr. Mark Prisk (Hertford and Stortford) (Con): The rising tax burden is, as we have heard, hitting jobs in shops, clubs, bars and hotels, especially through stamp duty land tax. Yet Treasury Ministers seem unaware of what is happening. In a written answer last week, the Financial Secretary told me that stamp duty land tax would

"prevent the avoidance of stamp duty that was formerly common in commercial transactions".—[*Official Report*, 19 January 2004; Vol. 416, c. 1030W.]

Yet—*[interruption.]*

Mr. Speaker: Order. Front-Bench Members get some elbow room.

Mr. Prisk: Yet—*[Interruption.]* This question is important—it is about jobs—so I hope that the Chancellor will listen. Despite the Financial Secretary's statement, we learn that business representatives have been told completely the opposite by the leading civil servant in this area—the director of the Stamp Office. He told business representatives that

"avoidance of duty on leases"

is

"not currently a problem."

Given the impact of the tax on jobs, who is right—the Chancellor's Financial Secretary or his officials?

Mr. Brown: First, that was the subject of the previous question. Secondly, all hon. Members who consider the matter objectively know that there must be a level

playing field between leases and purchases, and that we must take action on distortions, especially avoidance that loses revenue that should not be lost to the Treasury. As for the hon. Gentleman's claims that jobs are being lost in record numbers in a series of sectors, he should examine the figures, not least those for the constituency of the shadow Chancellor, where unemployment is 0.9 per cent. The Conservative party should go back to the drawing board, support the new deal and scrap the vicious right-wing policy to abolish it.

Jon Trickett (Hemsworth) (Lab): Is not it a matter of great pride that in former coalfield areas such as my constituency, where in 1997 there were 500 long-term unemployed adult males, the figure is now 60? The Chancellor should be congratulated on that. However, is he aware of the number of people in former coalfield areas who suffer from long-term limiting illnesses, that exclude them from the labour market? In Featherstone, Hemsworth, South Kirkby and South Elmsall in my constituency, 28 per cent. of the adult population are excluded from the labour market through the legacy of the coal mining industry. Can the Chancellor help those people who want to return to work to do so, and offer care to those who cannot?

Mr. Brown: I am grateful to my hon. Friend for his work to help redundant miners back to work. Work is being done in many constituencies in the area through the reconstruction plans and coalfield regeneration plans to get many people who would otherwise be long-term unemployed into jobs. That is happening throughout the country. Hon. Members will be interested to know that long-term unemployment has fallen by more than 70 per cent. and that long-term youth unemployment has also fallen by more than 70 per cent. In the mid-1980s, there were 350,000 young people in that category, but now there are fewer than 5,000—that means that an average of eight people per constituency are unemployed for more than a year. In the shadow Chancellor's constituency, there are 10 long-term unemployed people over 25.

Investment in Residential Property

12. **Hywel Williams** (Caernarfon) (PC): What assessment he has made of the likely change in investment in residential property as a consequence of his proposed changes to (*a*) self-investment and (*b*) self-arranged personal pension schemes. [151553]

The Financial Secretary to the Treasury (Ruth Kelly): The Government's technical paper, "Simplifying the taxation of pensions: the Government's proposals", proposes allowing pension funds to invest in all types of investments, including residential property. The impact of this change, if introduced, will depend on the extent to which trustees and administrators decide that residential property is a suitable pension scheme investment.

Hywel Williams: Will not any conscientious tax adviser advise investment that yields greater returns—for example, in areas such as my constituency, where house price inflation was 30 per cent. last year? Does the Financial Secretary believe that there will be any regional variation in the rate of investment in housing? What would be the impact of that new money on local housing markets and the ability of first-time buyers to participate?

Ruth Kelly: Clearly, the overall impact of the changes will depend on how attractive an investment property is seen to be. Concerns have already been expressed that property will not hold its value over the longer term or perform as well as the equity markets. I know that the hon. Gentleman has a particular concern about second homes being bought in Wales, and I understand that. I have checked this point, and a tax charge would apply if second homes were used for private purposes, so there would be no new incentives to buy second homes in Wales through that channel.

World Debt

15. **Mr. Desmond Swayne** (New Forest, West) (Con): What progress has been made with respect to debt relief for the poorest countries. [151556]

The Chancellor of the Exchequer (Mr. Gordon Brown): Twenty-seven countries are already receiving more than $70 billion of debt relief, of which 10 have completed the process. Seven others have not yet received debt relief because they are in conflict; a further three have not done so due to internal instability and governance issues; one other has not applied. A number of other countries, including Sudan, Liberia and Congo, should enter the debt relief process soon.

Mr. Swayne: Does the Chancellor agree that the greatest leverage that we could have on the problems faced by the poorest countries would be provided by giving them greater opportunities to trade with us? What prospect is there of driving forward such an agenda with our principal allies?

Mr. Brown: I am grateful to the hon. Gentleman for raising the issue of trade in the context of debt relief, because we all know that what is needed for countries, especially those in Africa, to move forward is a combination of debt relief, the necessary aid and, most importantly, the development of their economies. That requires them to be able to trade with the developed countries, which is why there is a premium on reopening the world trade talks; that is in everyone's interest. There was an American initiative only a few days ago, and we are hoping for a positive response in greater detail from the European Union. The matter will also be discussed at the G7 in Florida, and there was a meeting of Trade Ministers just before Christmas to consider some of the issues. I hope that we can move forward very quickly, and I believe that once the Singapore issues are cleared from the deck and there has been movement on agriculture, it will be possible that this will genuinely become what was originally called the Doha development round. That means development helping developing countries.

Mr. Tom Clarke (Coatbridge and Chryston) (Lab): Will my right hon. Friend the Chancellor build on his truly remarkable achievements on debt by bearing in mind in his discussions with the G7 and G8 countries,

the World Bank, the International Monetary Fund and so on, the problems of the countries that experience genocide, such as the Democratic Republic of the Congo, which he mentioned? If those countries can make the most of their mineral wealth and share it widely, we shall achieve not only poverty reduction but the millennium goals, to which he is absolutely committed.

Mr. Brown: I am grateful to my right hon. Friend. He has spoken on these issues over many years and visited many of the countries that he is asking us to consider. I have added Congo to my list, although it was previously not regarded as a country that would ever qualify for the heavily indebted poor countries process. However, conflicts are being ended in Congo, Sudan and Liberia. Because of that, although it will cost the international community substantial amounts of money—running into billions of dollars for those three countries—to give the debt relief, it is right that they should be offered the chance to be part of the process. It is also right that we should help them to reconstruct their economies after conflict, and, in particular, that we help them to get their health, education and other social services systems moving so that their people can genuinely see that out of conflict, there is a way forward.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Has the Chancellor of the Exchequer considered the terms of the report produced by IMF researchers towards the end of last year, which suggested that the heavily indebted poor countries initiative could be running into difficulties? The report concluded:

"Unless HIPCs improve their primary fiscal positions or grant financing is sustained at current, or possibly higher, levels, debt sustainability in HIPCs may prove elusive"

in the long term. Does the Chancellor concur with that assessment of the initiative, and if so, which course would he like to see the HIPCs following: raising taxes or a higher level of aid coming from developed countries?

Mr. Brown: I am grateful to the hon. Gentleman for raising the issue of what will happen now in the IMF and the World Bank. The issue of debt relief will not and must not be forgotten. That is why, when I chair the IMF committee that will meet in Washington in April, and when the World Bank development committee meets, we shall consider that very issue raised by the IMF report. We shall discuss whether we can reach agreement on what is called topping up—that is, getting more money for the poorest countries at the point at which their debts are being written off—and on taking into account some of the changes that have taken place. For example, in some cases commodity prices have collapsed, and in others there have been problems in relation to trade.

Equally, we will have to look specifically at country-by-country solutions for many of those people, which is why the poverty reduction plans that have been produced by the World Bank are very important. In the long run, the way forward, in my view, is the international finance mechanism that we propose. That allows us to do exactly as happened when the World Bank was formed in 1945: to provide a mechanism for financing that involves both the public and private sector but guarantees the up-front money that is necessary if we are to meet the millennium development targets for each country.

NHS Funding

16. **Mrs. Ann Cryer** (Keighley) (Lab): If he will make a statement on funding the NHS through general taxation. [151557]

The Chief Secretary to the Treasury (Mr. Paul Boateng): This Government are firmly of the view that the most efficient and equitable way of funding the NHS is through general taxation—an NHS that is free at the point of use.

Mrs. Cryer: I thank my right hon. Friend for that very pleasing reply. Is he aware that Airedale general hospital is not only an excellent facility but is the biggest employer in my constituency? The vast majority of those employees are doctors, nurses and those giving essential support such as cleaners, maintenance workers and medical secretaries, without whom the medical care so much appreciated by my constituents could not be given.

Mr. Boateng: I am grateful to my hon. Friend for the care and attention that she pays to health care services in her constituency, whether that means a magnetic resonance scanner or mental health services. The whole NHS team, including the ancillary and support workers whom she mentioned, have enabled us to deliver 450,000 more operations a year than took place in 1997, 15,000 of which were heart operations and 90,000 of which were cataract operations, as well as 8,000 more hip replacements and 12,000 more knee replacements. Each of those numbers is higher than in 1997. That is good news, and it is achieved only by the sort of team working of which my hon. Friend is so supportive in her constituency.

Miss Anne McIntosh (Vale of York) (Con): I should perhaps declare an interest in that my brother is a GP in north Yorkshire. Will the right hon. Gentleman tell the House what the additional cost to the taxpayer will be of the out-of-hours service for GPs in north Yorkshire from 1 April, and of the additional costs under the working time directive of training and recruiting more doctors, particularly in the mental health sector of the NHS?

Mr. Boateng: Certainly, I will write to the hon. Lady on the specific costs in relation to north Yorkshire. I am sure that she will fairly appreciate and give credence to the fact that none of those improvements could be achieved were we to adopt the spending policies advocated by Conservative Members.

Mr. Stephen McCabe (Birmingham, Hall Green) (Lab): Does my right hon. Friend agree that any attempt to suck general taxation funds out of the NHS and use them to subsidise the private health sector would be disastrous for the NHS? Is that not a classic example of a cynical ploy that would attack the health of the nation and mean that the many would end up funding the privileges of the few?

Mr. Boateng: My hon. Friend makes a fair point. That is precisely the policy that Conservative Members

seem to be suggesting. It would involve a dead-weight cost of some £1 billion, which could be met only by cutting back on the gains that we have made for the NHS since 1997. That would be an absolute disaster, and would add still further to the inequalities in health that we inherited from the stewardship of the Conservative party.

Financial Forecasts

19. **Sir Michael Spicer** (West Worcestershire) (Con): When he will publish revised forecasts for the public finances. [151561]

The Chancellor of the Exchequer (Mr. Gordon Brown): An updated assessment of public finance projections will be available as usual in the forthcoming Budget on 17 March.

Sir Michael Spicer: May I repeat the question that I asked the Prime Minister yesterday, to which I got a hopeless non-answer? Why are the balance of payments deficits and fiscal deficits now totally out of control?

Mr. Brown: The current account deficit in 2002 stood at 1.8 per cent. of GDP, well below past peaks. In 1989, under the hon. Gentleman's Government, the current account deficit reached more than 5 per cent. of GDP. As far as the public finances are concerned—the second deficit—he may know that the deficit in America is between 5 and 6 per cent., in Japan it is 7 per cent., in Germany and France it is 4 per cent. or more, and in Britain it is 3.2 per cent. I ask him to recall that the deficit in the early 1990s under the Conservative Government was not 3.2 per cent.; it was more than 8 per cent.

Roger Casale (Wimbledon) (Lab): Is it not the case that while many countries continue to suffer from the global recession—France and Germany cannot even stay within the European Union stability pact—this country is investing more in public services against a background of economic growth? We have our public finances under control, and recent reports by the OECD, the IMF and the World Bank demonstrate that the British economy and public finances stand up well to any international comparison, despite the attempts by Conservative Members to talk down not only the British economy but the achievements of this Government.

Mr. Brown: We meet our fiscal rules, which would never have happened under the previous Government, and we will not engage in public spending cuts. If the shadow Chancellor persists in saying that he will announce public spending cuts because people say that our spending is horrifically too much, I know what the people of this country will say to him.

Business of the House

12.31 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): Will the Leader of the House please give us the business for next week?

The Leader of the House of Commons (Mr. Peter Hain): The business for next week will be as follows:

MONDAY 2 FEBRUARY—Remaining stages of the Horserace Betting and Olympic Lottery Bill.

TUESDAY 3 FEBRUARY—Remaining stages of the Child Trust Funds Bill.

WEDNESDAY 4 FEBRUARY—Debate on Lord Hutton's Report on a motion for the Adjournment of the House, which will be opened by right hon. Friend the Prime Minister and closed by my right hon. Friend the Secretary of State for Defence.

THURSDAY 5 FEBRUARY—Motions on the Police Grant Report (England and Wales) 2004–05, followed by a motion on the Local Government Finance Report (England) 2004–05.

FRIDAY 6 FEBRUARY—Private Members' Bills.

The provisional business for the following week will be:

MONDAY 9 FEBRUARY—Second Reading of the Scottish Parliament (Constituencies) Bill.

TUESDAY 10 FEBRUARY—Opposition Day [4th Allotted Day]. There will be a debate on a motion in the name of the Liberal Democrats, subject to be announced.

WEDNESDAY 11 FEBRUARY—Motion to approve the Northern Ireland Arms Decommissioning Act 1997 (Amnesty Period) Order 2004 followed by Opposition half-day [5th Allotted Day] (1st Part). There will be half-day debate on an Opposition motion. Subject to be announced.

THURSDAY 12 FEBRUARY—Motion to take note of the outstanding reports of the Public Accounts Committee to which the Government has replied. Details will be given in the *Official Report*.

I should also like to inform the House that the business in Westminster Hall for February will be:

THURSDAY 5 FEBRUARY—A debate on the report from the Broadcasting Committee on the rules of coverage.

THURSDAY 12 FEBRUARY—A cross-cutting question session on "healthy living", followed by a debate on the report from the Science and Technology Committee on light pollution and astronomy.

THURSDAY 26 FEBRUARY—A debate on the Report from the Public Administration Committee entitled "On Target? Government by Measurement".

The House will wish to be reminded that, subject to the progress of business, we will rise for the half-term week on Thursday 12 February and return on Monday 23 February. The House may also wish to be reminded that my right hon. Friend the Chancellor of the Exchequer has announced that the Budget will take place on Wednesday 17 March.

Mr. Heald: I thank the Leader of the House for giving us the business. The local authority and police grant debate will be one of the most important next week for all Members. Why has it been placed on the shortest day, given that the business on Monday and Tuesday looks somewhat light?

Can we have a proper debate in Government time on the deplorable decision, which has been implemented today, to downgrade cannabis and skunk and reduce enforcement in cases involving them? Does the right hon. Gentleman agree that that decision will lead to many more people experiencing the miseries of mental ill health and send out a message that the Government do not mind if our young people mix with hardened criminal pushers or join the first rung of the ladder that leads them to hard drugs use?

Why is it that this country cannot handle snowfalls, and everything just grinds to a halt? Has no one in the Government noticed that it seems to be an annual occurrence? Are Ministers aware that traffic is gridlocked; roads have not been gritted; schools are closed; flights have been cancelled; and cities such as Norwich have been cut off, leading the Salvation Army to open its hostels for the stranded? It is sheer blooming misery for commuters. Can we have a statement from the Minister in charge of our response to snow? And by the way, just who is that?

The Government suffered a narrow victory, by five votes, on the top-up fees issue on Tuesday. Should not the Standing Committee on the Bill reflect not only the party political composition of the House but the strength of opinion as expressed in the Division on Tuesday? The arrangements are set out clearly on page 693 of "Erskine May". Will the Government follow precedent and ensure that the Labour rebels are fairly represented on the Committee? Does the Leader of the House agree that the Committee should not have a Government majority of more than one?

The Leader of the House will have heard the calls from both sides of the House for a full inquiry into how this country went to war in Iraq. He will know that the Franks report followed the far less controversial Falklands war. The public want to know why the Government said that there were weapons of mass destruction, yet none were found. Can we expect an early statement—*[Interruption.]* Hearing the noise from the Liberal Democrats reminds me that one hon. Member asked me to call for a debate on the plague of wild boars on the Kent-Sussex border. It may be that that plague has spread a little closer to this place than we had realised.

Mr. Hain: On the hon. Gentleman's last point, I was interested to note that the ritual demand that we have heard from him in the past few weeks for a two-day debate on the Hutton report was not repeated. Why is that? Well, he has double standards. The report did not say what the Tories wanted it to say and that is why he is no longer interested in a two-day debate on the Hutton report. The truth is that the Conservatives should have the good grace to admit that they were wrong to accuse the Prime Minister of lying, wrong to impugn my right hon. Friend the Secretary of State for Defence, and wrong to accuse the whole Government machine—including civil servants—of falsifying evidence and manipulating procedures. The Leader of the Opposition should have the good grace to make a full-blooded apology, in the Opposition's time.

[Mr. Hain]

On the question of a wider inquiry, the Iraq survey group has been completing its work—

Michael Fabricant (Lichfield) (Con): When will it finish?

Mr. Hain: As the hon. Gentleman reminds us, it has no date for completion of that work. Iraq is a big country, and the results will not fit into a Conservative timetable for a debate in the House of Commons. The group will complete its work, and I remind hon. Members that it has uncovered considerable evidence of Saddam Hussein's weapons of mass destruction programmes. I would be happy to quote the evidence from Dr. Kay, if the House wishes me to do so. Let us have no more hypocrisy. Instead, let us have some apologies from the Leader of the Opposition and the chairman of the Conservative party, who have criticised the Government for lying—they have been at it again in the past few days. They should come to the House and apologise because, according to Lord Hutton, their accusations are unfounded.

The hon. Gentleman raised some specific issues. On the local authority finance and police grant reports debate, the issues will not be cleared until the Joint Committee on Statutory Instruments a few days before. There will be plenty of time to discuss the reports, so that is a bogus point, if I may say so.

On cannabis, I want to be clear about what the hon. Gentleman is saying.

Mr. Heald: We want a debate.

Mr. Hain: The hon. Gentleman has an Opposition day coming up soon and there was a debate on the issue in Westminster Hall only recently. The truth is that this is another example of Conservative opportunism.

The declassifying of cannabis will be done in order to ensure that we do not devalue and discredit the message on hard drugs. It is very important that we persuade people, especially youngsters, to concentrate on avoiding the really hard drugs that they might be dragged into supporting if they were put in the same bracket as cannabis.

I thought the hon. Gentleman's question about snowfalls particularly impressive. As he knows, snow has been a periodic problem. We are continually trying to improve our rate of response to it, and will go on doing so.

Let me say something about a wider question. I know the hon. Gentleman will take it seriously, because he is concerned about these matters as well. I think it important that we respect each other's integrity in the whole conduct of politics, as we do in the House. Public and political debate, in the BBC and other broadcasting outlets or elsewhere in the media, must once more involve an honest clash of policies and politics rather than constant attempts to challenge each other's integrity.

Mr. Paul Tyler (North Cornwall) (LD): I agree with that, but may I return the Leader of the House to arrangements for next week? Can he confirm information given yesterday by the right hon. Member for Dewsbury (Ann Taylor), who chairs the Intelligence and Security Committee, that the Government's response to the Committee's report "Iraqi Weapons of Mass Destruction—Intelligence and Assessment" will be published early next week? That would enable Members to consider the information and recommendations before the Adjournment debate on the Hutton report. The right hon. Lady also said that the debate would be wide-ranging and need not confine itself to the narrow remit of Lord Hutton's inquiry, and I hope that the Leader of the House will agree to that.

Does the right hon. Gentleman accept that the point at issue is not just whether the so-called dodgy dossier was "sexed up", but the location of those threatening weapons of mass destruction on which the Government relied so much? Does he also accept that, as I said on behalf of my colleagues last week, the circumstances surrounding that wide-ranging debate are exceptional and it should therefore continue until at least 10 pm? He may now regret telling me last week that the only exceptional circumstances that he could envisage that might necessitate such an extension were those in which Members needed to go on holiday.

Mr. Hain *indicated dissent.*

Mr. Tyler: Well, he can put that right now. I hope that he will now say that the circumstances are exceptional, because this is an extremely important issue.

The right hon. Gentleman mentioned David Kay and the evidence that he has given in Washington. In the light of the undoubted failures of United States and United Kingdom intelligence—no one can deny that now—on the real nature of the threat that faced us from Saddam, does the right hon. Gentleman not accept that there is a case for a wider inquiry? The fact that Conservative Members swallowed those spurious threats and that dodgy dossier does not mean that the whole House should.

Mr. Hain: I am afraid that I cannot help the hon. Gentleman on whether the report will be published next week. That is in the hands of the Committee.

Mr. Tyler: I was asking about the Government's response.

Mr. Hain: I am sorry. Obviously it is in everyone's interest to have the Government's response before the debate. I will let the hon. Gentleman know whether that will be possible. I agree that it is important for us to have all the background.

How wide or narrow the debate is will be a matter for you, Mr. Speaker, but I can tell the hon. Gentleman that we as a Government are very confident—not just confident because we have come out of the detailed inquiry by Lord Hutton as we have, but confident about our whole policy on Iraq and weapons of mass destruction. Let me remind him of what David Kay actually told Congress recently, as opposed to some of the spin that has been put on it:

"We have discovered dozens of WMD-related program activities and significant amounts of equipment that Iraq concealed from the United Nations during the inspections that

began in late 2002 . . . A clandestine network of laboratories . . . A prison laboratory complex, possibly used in human testing of BW agents . . . Reference strains of biological organisms concealed in a scientist's home . . . BW-applicable agents . . . work on ricin"

and other toxic agents,

"plans and advanced design work for long-range missiles"

and a

"systematic sanitisation of documentary and computer evidence in a wide range of offices, laboratories, and companies suspected of WMD work."

Far from there being a massive failure of intelligence, as the hon. Gentleman asserts, I believe that the work of the survey group will confirm David Kay's statement to Congress:

"I think the world is far safer with the disappearance and removal of Saddam Hussein. I have said I actually think this may be one of those cases where it was even more dangerous than we thought."

And he was the person who led the investigating team.

As to the handling of the debate, I have always said that we needed to await the report before announcing who would open and close the debate and the time allowed—which I have now announced. I do not think that a longer debate is necessary, but the Liberal Democrats will have an Adjournment debate soon and could choose that subject if they wish.

Mr. Dennis Skinner (Bolsover) (Lab): Instead of bothering with a day on the Hutton report, because it has all been said—the Tories do not like the report because it comes down in favour of the Government and against the BBC—will the Leader of the House use that day instead for a debate on the few pits remaining in Britain? Most of them—about 300 or 400—were closed between 1979 and 1997 but the few left need money. Does he accept that if it is possible for the Government to step in—as they did with Railtrack, Connex and the Jarvis contracts—to save lines, it would make sense to do the same for pits in danger, such as Hatfield and Selby? If private entrepreneurs such as Budge and others refuse to do anything to save jobs, the Government should do what they have done for the railways, take the pits over and make sure those jobs are saved.

Mr. Hain: I understand my hon. Friend's passion, being myself a Member of Parliament who represents a coalfield community—which my hon. Friend was kind enough to visit some years ago. I share many of his sentiments and we will continue to do what we can to help a viable coal industry succeed. He will also understand, however, that tens of millions of pounds have recently been given in aid to pits across the country, including in constituencies in South Wales. Over the years, billions of pounds have been given to the coal industry. We must judge any further support against that background.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I take the Leader of the House back to the question asked by my hon. Friend the Member for North-East Hertfordshire (Mr. Heald), to which the right hon. Gentleman did not respond, concerning the composition of the Standing Committee on the Higher Education Bill? The right hon. Gentleman will remember the point of order that I raised with Mr. Speaker on the night of the Second Reading debate and will have in mind page 693 of the 22nd edition of "Erskine May", which makes it plain that in nominating Standing Committee members, the Committee of Selection shall always ensure

"in the case of bills which divide the House on cross-party lines, that the strength of opinion as expressed in any division at second reading is properly reflected".

Does the Leader of the House agree that that in effect means that as the Government had a majority of five on Second Reading, they are only entitled to a majority of about one on the Standing Committee? If the Committee of Selection does not observe the precedent and rule fully set out in "Erskine May", will the right hon. Gentleman make a statement to the House next week as to why not?

Mr. Hain: The right hon. and learned Gentleman rightly raises that point again, as I overlooked it when replying to the shadow Leader of the House. The Committee of Selection will want to consider that matter carefully but the rules are clear. I remind the right hon. and learned Gentleman that the Division was principally if not exclusively on party grounds, but his point will be borne in mind.

Mr. Harry Barnes (North-East Derbyshire) (Lab): I offer to help the Government out on the Committee considering the top-up fees, so I hope that will be taken into account.

Has my right hon. Friend seen early-day motion 445?

[That this House believes that the supreme sacrifice of British servicemen and women who are killed in the line of duty, in war, peacekeeping or as a result of terrorism, should be acknowledged through a posthumous medal similar to the United States Purple Heart or the Memorial Cross of Canada and New Zealand, which can be presented to the next of kin and worn with pride on Remembrance Day; accepts that suitable criteria for such a medal need to be carefully defined and that this is best done by the Ministry of Defence in consultation with The Royal British Legion and forces' associations; and urges the Ministry of Defence to accept the policy and instigate such discussions.]

It deals with posthumous medals for British servicemen and women who have been killed in the line of duty during wars or peace-making activities or as a result of terrorism and asks that such medals should be in line with the US purple heart and the memorial cross in Canada and New Zealand. It has cross-party—and left, right and centre—support, so could we have a statement, which would compensate for the fact that I had to pull a question on the matter for Monday's Defence questions because I had duties on the British-Irish Inter-Parliamentary Body?

Mr. Hain: I am not sure that we would want to take up my hon. Friend's. offer of help because I am not sure what kind of help that might be for the Government, but his generosity will be noted.

On the serious issue that he raised, there was the recent case of my constituent, Private Ryan Thomas, who was killed in action in Iraq. I know that individuals in the area pressed that case. There is no tradition in this country of awarding medals for which a prerequisite is the prior death of the recipient. This is a difficult issue and I know that the Secretary of State for Defence will

[Mr. Hain]

keep it under constant review because I know of the strong feelings on this matter, about which my hon. Friend rightly reminded the House.

Mr. Hugo Swire (East Devon) (Con): In the last few days, letters have gone out from the Minister for Local Government, Regional Governance and Fire to fire authorities up and down the country. In respect of my own fire authority, the letter announced that next year's funding would be capped at 5 per cent.—and that at a time when it has to meet pay increases of 23 per cent. That could well lead to cuts in personnel, closure of fire stations and a reduction in coverage throughout the country. Given that next week's business is fairly light, would the Leader of the House consider granting Government time to debate that serious issue as a matter of priority?

Mr. Hain: We have no plans to grant Government time to debate that matter. I am doubtful about the hon. Gentleman's 23 per cent. pay increase—I do not recognise that figure—but he can apply for a debate in the usual way if he wishes.

Mr. Martin Salter (Reading, West) (Lab): Will the Leader of the House consider holding a debate on the use and abuse of parliamentary privilege, particularly in view of Conservative Members' disgraceful allegations about the Prime Minister, accusing him of lying to the House and the country? Those are allegations that Lord Hutton has proved to be unfounded, allegations that should never have been made and allegations that should now be withdrawn and apologised for.

Mr. Hain: I would be very enthusiastic about finding time for a debate on those matters and I will certainly look into it. To add to my earlier point, some of the attacks made by the Leader of the Opposition have been despicable and contemptible and ought to be withdrawn. It is one thing to put tough questions and make strong points to the Prime Minister across the Dispatch Box—that is the Opposition's role—but quite another to challenge his integrity and accuse him of lying. I think that the Leader of the Opposition should withdraw those allegations forthwith and, if that does not happen, perhaps there is a case for a sensible debate about the way in which we conduct politics in this country.

Mr. Nigel Dodds (Belfast, North) (DUP): May we have an early debate on education in Northern Ireland? The Leader of the House will be aware that the Minister responsible for education in Northern Ireland announced earlier this week the abolition of academic selection and the 11-plus exam from 2008. That runs contrary to the wishes of the population at large and, in the absence of the Northern Ireland Assembly, can the Leader of the House ensure that time is made available for a debate on that very important issue, which affects everyone in Northern Ireland?

Mr. Hain: If the hon. Gentleman is so certain that it runs contrary to the wishes of the population of Northern Ireland, why does he not support going back to devolution and the establishment of the Northern Ireland Assembly, which the Government are seeking to bring about? I understand that the decision was taken in consultation with the now, as it were, in abeyance education Minister, so it does reflect what the Assembly would have decided to do in any case.

John Cryer (Hornchurch) (Lab): In common with the Leader of the House, I cannot imagine why the Tories have abandoned their call for a two-day debate on the Hutton inquiry—something must have changed. I would like to help Conservative Members by saying that I have some sympathy with the idea of having a two-day debate, which would allow them to tell the House why this morning Conservative Back Benchers were being pushed around the studios to smear Hutton, to attack the Government and to argue—after months of saying that we had to rely on Lord Hutton's integrity—that we can no longer rely on the integrity and judgment of Lord Hutton. It would also allow us to hear why Conservative Members, who were all gung-ho for war, ran in the opposite direction as soon as they spotted the first problem.

Mr. Hain: I agree with my hon. Friend. Having failed to undermine the integrity of the Prime Minister, some Conservatives, with support in the media, are trying to undermine the integrity of the judge, Lord Hutton. That is wholly contemptible. It is extraordinary that while I was on "The World Tonight" on Radio 4 last night, the presenter asked me the question whether the Government had fixed the judge. That was on BBC Radio 4—on a serious programme. I believe that some questions really should be asked in the BBC and in the media about the level of debate if it has reached such a dreadful state. We need a regrouping and a reconsideration to discuss issues properly instead of trying to pretend that everyone in politics, whether in the Opposition or the Government, is a liar. Down that route lies the destruction of democratic debate and, ultimately, of democracy.

Sir Nicholas Winterton (Macclesfield) (Con): Will the Leader of the House tell me and the House when the Government intend to respond to the Procedure Committee's report on "Sessional Orders and Resolutions"? The recommendations are strongly pressed by Mr. Speaker—if he is able to express a view—and by hon. Members on both sides of the House. Similarly, what of another report, which is particularly important to Back-Bench Members—the report on "Procedures for Debates, Private Members' Bills and the Powers of the Speaker"?

Mr. Hain: To be fair, I acknowledge that the hon. Gentleman has raised this matter with me across the Floor before and he has not had the response that he wishes. We are consulting with the Home Office as regards matters affecting the palace and the House. We will try to have a debate and bring a resolution of the matter to the House as soon as we can. There are complex issues at stake, but the hon. Gentleman is entitled to keep pressing me on the matter.

Jon Trickett (Hemsworth) (Lab): I remind the Leader of the House that I spoke against the war on many

occasions and voted against it, and that I am an equally passionate defender of the BBC. However, does my right hon. Friend agree that the prevailing ethos in certain BBC programmes is very undermining of democracy in the sense that there is a massive scepticism about the nature of politics and politicians? Is that not profoundly dangerous for democracy and something that is turning off vast numbers of citizens from politicians? The BBC appears to have a culture of distaste and disdain for politicians and politics.

Mr. Speaker: Order. I take it that the hon. Gentleman wants a debate on that matter.

Mr. Hain: I am not sure that I can promise my hon. Friend a debate on that matter but, for the reasons he gave, I think the House should consider it. It is not a problem that is exclusive to the BBC, though it is at fault. All broadcasters, the whole coverage of politics, the Westminster bubble that we as politicians of the Government and Opposition occupy together with the Westminster lobby—together we are all conducting politics in a way that is turning off voters, listeners, readers and watchers by the million. It is time that we got back to a position in which issues are clearly discussed and differences debated—toughly, yes, but we must get out of the spin that is endemic in the media—

Mr. Eric Forth (Bromley and Chislehurst) (Con): Oh!

Mr. Hain: Absolutely. We must get away from treating every issue as a gaffe, a split or a personality clash. There are tiny nuances of words and the media go chasing off on a new story in their 24-hour news agenda. That is demeaning of politics and, ultimately, it is not in the best interests of the media either.

Mr. Andrew Mackay (Bracknell) (Con): Let me bring the Leader of the House back from his Westminster bubble to an issue that worries people up and down the land—the Higher Education Bill. Let us think about the Committee stage of the Bill, which will take place shortly. I put it to the Leader of the House that with a majority of only five, it would be right and proper for the views of the House to be fully reflected on that Committee and for the Government to have a majority of only one. If that did not happen, it would bring the Government and Parliament into disrepute and would look like a fix. We would then be going back down the road that the Leader of the House just said he did not want to go down.

Mr. Hain: I take the right hon. Gentleman's point, and the Committee of Selection will wish to bear it in mind, as his colleague the hon. Member for Macclesfield (Sir Nicholas Winterton) said earlier.

Mr. David Chaytor (Bury, North) (Lab): My constituent Michael Connell, a young man of 19 with learning difficulties, is in jail in Thailand facing charges of smuggling a small quantity of ecstasy tablets, thereby facing the possibility of a life sentence in a Bangkok jail. Leaving aside the interesting question of why Michael was arrested immediately on arriving in Bangkok—and which authorities provided the information to the Thai police that formed the basis of that arrest—does my right hon. Friend agree that given the growing numbers of young people from the United Kingdom travelling the world to countries such as Thailand, where the judicial system is different from ours, we need a debate on the implications of foreign criminal justice systems for UK nationals? I pay tribute to the work of the embassy in Bangkok in assisting Michael Connell, but this issue potentially affects every parent in the United Kingdom with a son or daughter travelling internationally. Will my right hon. Friend find time for a debate on this matter?

Mr. Hain: I am grateful to my hon. Friend for praising our embassy in Bangkok. All our embassies and posts overseas do extraordinarily important work on our behalf, often to incredibly high standards. The specific plight of his constituent, Michael Connell, will be of continuing concern, as the Foreign Office is involved. I know that the Foreign Office and the Home Secretary will want to look closely at the issue that my hon. Friend has quite properly brought to the attention of the House.

Richard Younger-Ross (Teignbridge) (LD): Will the Leader of the House persuade the Secretary of State for Health to make a statement on dentistry? In Teignbridge, six practices have deregistered or closed. Patients wishing to register with the NHS are now given the option of going to Plymouth or to Cullompton—32 miles away in either direction. Does the Leader of the House think that that is acceptable, particularly for people on benefits who, effectively, have been denied any NHS dental treatment?

Mr. Hain: I am not aware of the detail of the situation; obviously the hon. Gentleman, as the local MP, is. Those distances sound large to me. I know that the Secretary of State for Health will want to look closely at the matter, which the hon. Gentleman might like to follow up with an Adjournment debate or by lobbying the Department of Health.

Joan Ruddock (Lewisham, Deptford) (Lab): This week, senior members of the Government—including my right hon. Friend the Leader of the House—have acknowledged the need for greater dialogue before controversial matters reach the decision stage. Why has there been no debate in this House on genetically modified crops grown in this country? It is thought that the Government will take a decision on licensing GM maize within a month. Will he guarantee to the House that no decision will be taken until there has been a debate on the Floor of the House?

Mr. Hain: I congratulate my hon. Friend on her persistence in raising this matter, quite properly, in the House. Her concern about the future of genetic modification is shared widely across the House and the country. For that reason, as soon as we are in a position to do so we are committed to having a debate. I am sure that there will be no question of proceeding with any decision until the debate has occurred.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): May I say how much I agree with the Leader of the House about the conduct of politics in this country?

[Mr. Nick Gibb]

To that end, can we have a full debate on the future of the BBC? From the Hutton report, it is clear that Andrew Gilligan was wrong in the allegations that he made on the "Today" programme; the BBC management was wrong in not investigating the Government's claims properly; and the board of governors of the BBC was wrong in not making its own investigations into those complaints. In my view, the BBC is handling its response to the Hutton report in a defensive and arrogant way. In the face of the criticisms in the Hutton report, all of the BBC governors—not just the chairman—should resign, and so should the director-general and the head of news. Can we have an urgent debate to discuss these important issues facing the BBC?

Mr. Hain: I am not sure when and where there might be an opportunity for such a debate, but the hon. Gentleman raises some serious points. Essentially, I take his point to be about the standard of journalism in the BBC as identified by the Hutton report, particularly the Andrew Gilligan episode. His wider point is about the standard of journalism in the media and its interaction with politics. We are not innocents; Ministers and Opposition politicians are caught up in the 24-hour news agenda swirl. Instead of seeking to report, challenge and question what is going on, journalism now seems to be trying to set its own agenda. That is the heart of the problem that the BBC has got itself into and from which it must escape.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): I refer my right hon. Friend to the decision that the House took on tuition fees on Tuesday, which, for many of us, was the culmination of a highly unsatisfactory process. Will he find time for a debate—and will he consult widely—on how we can involve Back Benchers more fully in the production of policy, particularly in complicated areas such as higher education funding? In particular, will he give thought to the greater use of Green Papers by the Government, the regular use of draft Bills and the fuller involvement of Select Committees in considering such matters?

Mr. Hain: I very much agree with my hon. Friend. The Government are reflecting on the lessons of the Higher Education Bill, and we discussed the matter in Cabinet this morning. The policy was absolutely right, but the process that led to the Second Reading debate this week could have been improved. My hon. Friend makes suggestions about pre-legislative scrutiny—which would involve all hon. Members—and, in a Labour party context, using the policy-making processes of the parliamentary party and the national policy forum. Through that process, hard choices can be made and not ducked. It is important that we bear that in mind, as the Prime Minister is emphasising in his speech today. Better understanding and consent can be created and improvements can be made, as occurred in a rather haphazard and frantic way in the last few days leading up to the Second Reading debate. That could have been done far more effectively. The short answer is that lessons have been learned and are being learned.

Mr. Eric Forth (Bromley and Chislehurst) (Con): If there is any truth in what the Leader of the House says, and following his bizarre lectures to us today about integrity in politics, will he use all his influence to ensure that the Standing Committee considering on the Higher Education Bill contains a proper proportion of Members of Parliament—particularly Government Back Benchers—to cover the point that the hon. Member for Sheffield, Attercliffe (Mr. Betts) has just made? Surely at the very least Labour Members should be able to scrutinise the Bill to ensure that the undertakings made at the last minute to get the Government's narrow majority are held to by the Government right through the scrutiny of the Bill. May we have a simple undertaking from the Leader of the House that the Standing Committee considering the Bill will reflect the requests being made by his own Back Benchers, to say nothing of Opposition Members?

Mr. Hain: The point has been made before and I have answered it. The Committee of Selection will consider the matter seriously. During the Standing Committee's detailed consideration of the Bill, we might find out the Conservative party's policy on the future of higher education. So far, we have had some clear signals—*[Interruption.]* Presumably, any amendments tabled by Conservative Members in Committee will project a different policy. So far, all we have had is a policy for cutting the number of students by up to 400,000, a policy for removing the grants that the Bill will bring in and a policy, briefed to *The Guardian*, of privatising universities in the future. If that is the alternative debated in Committee, I am confident that the Government will win the argument.

Mr. Gordon Prentice (Pendle) (Lab): We are promised referendums on regional assemblies in October. Would it not be a disgrace if they were carried on a tiny turnout? Will my right hon. Friend give a commitment on my two-clause private Member's Bill, which sets a 50 per cent. threshold on turnouts for the result of a referendum to be validated, not to try to derail it when it comes to the House on 27 February?

Mr. Hain: I am not impressed by devices such as that. A vote takes place democratically, people choose whether to vote and we must respect the outcome. What we have done and are doing, including in the north-west of England, which covers my hon. Friend's constituency, is to hold all-postal vote ballots, which will give electors the opportunity to vote in comfort and at their convenience, and I hope that it will boost turnout. To the extent, that I agree with his points: the greater the turnout, the more legitimate the outcome, whether at a general election or a referendum. However, it should not be done by imposing an artificial threshold.

Mr. Roy Beggs (East Antrim) (UUP): May I draw the attention of the Leader of the House to my early-day motion 268?

[That this House notes that with the exception of Denmark and Germany, the UK is the only country within the EU that does not apply a reduced level of VAT for tourism; recognises that the UK's tourist industry is therefore disadvantaged vis-à-vis European countries; further notes that there is a clear correlation between VAT levels and consumer demand; believes that a reduced

level of VAT on tourism services could create thousands of new jobs, increase the UK's tourism revenue and strengthen the UK tourist industry's international competitiveness; and therefore calls on the Chancellor of the Exchequer to reduce VAT on tourism services, commencing with a reduction of VAT on tourist accommodation.]

The motion enjoys cross-party support and calls for a reduction in VAT on tourism, as I understand that only the UK, Denmark and Germany do not apply such a reduction. Research indicates that thousands of new jobs could be created in England, Wales, Scotland and Northern Ireland, and we could help our industry to overcome the disadvantage it suffers at present. May we have a debate before 17 March, in the hope of influencing the Chancellor's Budget decisions?

Mr. Hain: The hon. Gentleman can apply for a debate in the usual way. On the specifics of the policy, however, I think that he will find that the most likely beneficiaries of a reduced rate would be major hotel chains and luxury hotels. For example, a 5 per cent. reduced rate for hotel accommodation would cost more than £600 million, so it would not really be well targeted. Our high registration threshold means that a substantial number of hotels are not actually registered for VAT, as they come under the ceiling. We can look into supporting hotels and bed-and-breakfast accommodation in other ways, because they are crucial. Tourism is a vital part of our economy, but we can target our support in other ways. I think that he will find that the general approach does not actually assist those whom he wants, quite properly, to help.

Dr. Alan Whitehead (Southampton, Test) (Lab): On the concern expressed about the way that policy proposals have come before the House as Bills, does my right hon. Friend think that the present haphazard method of examining draft legislation should be replaced by a system whereby all Bills come to the House as draft Bills and all are subject to pre-legislative scrutiny? Will he consider holding a debate on methods whereby that change might be achieved?

Mr. Hain: As my hon. Friend knows, I am very sympathetic to increasing the number of Bills that are subject to pre-legislative scrutiny. Indeed, over the past few years the Government have increased the number of such Bills and they are better as a result of that scrutiny. Whether all Bills can be put under that regime is rather doubtful; for example, sometimes we have to bring in emergency legislation on Northern Ireland. I give that as an extreme example, and I know that my hon. Friend will acknowledge it, but I endorse the general principle that Bills are better if they are subject to pre-legislative scrutiny and I hope that we can continue to take it forward.

Mr. Michael Jack (Fylde) (Con): In evidence to the Select Committee on Environment, Food and Rural Affairs, the retiring president of the National Farmers Union indicated that he anticipated a Government announcement on the implementation programme for the revised common agricultural policy on or before 17 February. To date, the House has not had an opportunity to debate any of those proposals and to inform the Secretary of State's decision-making process on that matter, so will the Leader of the House look into giving the House an opportunity to discuss it? It is the biggest single change in the CAP since the MacSharry changes of 1992 and so far Parliament has remained silent on the matter.

Mr. Hain: I shall certainly look into that, as Parliament's view on the matter is important. As the right hon. Gentleman says, it is a crucial change and I know that my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs will take careful note of the points that he made, especially as they come from him.

Shona McIsaac (Cleethorpes) (Lab): Thank you for calling me, Mr. Speaker. I had an inkling that I might be the next Labour Member to be called.

I appreciate that there will be a debate on Lord Hutton's report next week, but given that the report stated that

"false accusations of fact impugning the integrity of others, including politicians, should not be made",

could my right hon. Friend find some time for a debate on standards and ethics in public life, especially given the proclivity of the Leader of the Opposition to accuse the Prime Minister and others of being liars?

Mr. Hain: I addressed that matter earlier, but I know that my hon. Friend's feelings are shared elsewhere in the House. The point should also apply to the chairman of the Conservative party who, when *The Sun* leak took place, said that it had

"all the fingerprints of a Government which is willing to say or do anything to save its own skin"—

and that we

"now have a morally bankrupt Government which is as corrupt as it is corrupting."

Hon. Members: Hear, hear.

Mr. Hain: Conservative Members say "Hear, hear"—they are at it again. All the evidence was that the leaking of the report was nothing to do with the Government. This morning, Sky news reported that the information may actually have come into the hands of *The Sun* over the weekend, even before anyone in the Government had seen the report. It is time that we had from the leaders of the Conservative party—whether the Leader of the Opposition himself or the party chairman—a proper approach to these matters and a proper apology for their despicable behaviour.

Pete Wishart (North Tayside) (SNP): A week on Monday, we have the Second Reading of the Scottish Parliament (Constituencies) Bill, which, as the Leader of the House knows, decouples the reduction of the number of Scottish Members in this House from the 129 Members of the Scottish Parliament. The only problem is that we have not had a definite announcement from the Secretary of State for Scotland that that reduction will take place in advance of the next election. Can we, therefore, expect a statement from the Secretary of State next week? If not, the Second Reading debate will be purely hypothetical and based solely on an assumption.

Mr. Hain: Obviously, we do not know when the next general election will be and that is clearly a factor. I

[Mr. Hain]

know, however, that my right hon. Friend the Secretary of State will want to take careful note of the point that the hon. Gentleman has raised.

Michael Fabricant (Lichfield) (Con): May we have a debate on the question of—as I call them—animal rights terrorists? The Leader of the House will be aware that, recently, investment in Cambridge did not go ahead, but he may not be aware that other investment companies—biotechnological companies from Japan—have chosen to invest in Europe instead of in the United Kingdom because of the threat from animal rights terrorists. One of my constituents runs a guinea pig farm—which is controlled by the Home Office to ensure the protection of the guinea pigs—for medical research. He wrote to me saying:

"Before New Years Eve"—

[Interruption.] I do not know why hon. Members find that funny. My constituent wrote:

"Before New Years Eve the activists smashed all the downstairs windows of my 86 year old father's home whilst he was in the house, and then threw red paint bombs through the smashed windows . . . he was petrified . . . between Christmas and New Year they were also at my niece's house . . . and they turned off all her water and then concreted the stop cock so she could not get it back on."

The whole House will agree that those animal rights terrorists need some sort of control, so may we have a debate on the issue? Perhaps the Home Secretary could designate those people as terrorists, so that organisations for which I have the greatest respect, such as the Security Service, can be utilised to try to control their activities.

Mr. Hain: The hon. Gentleman raises a very important point. It is certainly extremely serious that the construction and opening of that laboratory was prevented due to the threat of what, as he rightly says, cannot be described other than as terrorism. Many of us have a lot of sympathy with animal rights movements and support them. We want proper protection for animals and an end to cruelty, but to take things to such an extent and to terrorise scientists, doctors and others involved is wholly unacceptable. The hon. Gentleman is right and I know that the House will share his sympathies.

Mrs. Annette L. Brooke (Mid-Dorset and North Poole) (LD): Is the Leader of the House aware that yesterday two groups of primary schoolchildren were sitting on the extremely cold floor of Westminster Hall eating their sandwiches? Will he set up a process to improve facilities for school visits to the House? We should be promoting all forms of education.

Mr. Hain: I very much agree with the hon. Lady. When I first entered the House in 1991, I found myself in similar circumstances—that was before even the Jubilee café was available to visitors. We do not treat visitors with the respect that they deserve. After all, most of them are citizens of this country and, in the case of school students, future citizens, so we ought to give them a proper welcome. They should be entitled to the kind of facilities that they would expect when visiting any other important building in the country. We are looking into improving reception facilities and I hope to bring a motion to the House in due course, which will address some of those points.

It is also a question of the whole attitude of the House. We treat our visitors as strangers—the title we give them, in our anachronistic fashion—rather than as visitors, many of whom are electors. They are entitled to be here and they should not be seen as being here on sufferance.

Mr. Graham Brady (Altrincham and Sale, West) (Con): The Leader of the House is very keen to provide opportunities for the Government to defend their integrity. In that context, will he find time for an early debate on the Government's abuse of taxpayers' money to fund politically motivated advertising campaigns, particularly in the light of the finding by Ofcom on Tuesday that the aim higher campaign to promote the Government's policy on tuition fees had "undue partiality" in a matter of political or industrial controversy or relating to current public policy, and to be contrary therefore to section 2, rule 15 of the Radio Authority advertising and sponsorship code? Given that the Government have broken the code, and given that about £600,000 of taxpayers' money has been used to promote a very contentious Government policy, should we not have a debate or a statement from the Government apologising for that?

Mr. Hain: As I understand it, although I am not aware of all the detail, the aim of the campaign was to encourage teenagers, especially young teenagers, to go to university. It had nothing to do with a particular aspect of the Higher Education Bill. However, if the Ofcom report has made a recommendation that censures or criticises the Government in the way that the hon. Gentleman describes, it is obviously an important matter and the Secretary of State will want to take that on board and be accountable to the House for it.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): In his reply to the Chairman of the Procedure Committee, the Leader of the House explained that the Home Office had to be consulted in connection with the response to the Sessional Orders report. However, he did not deal with the second half of the question, on how he intends to respond to the report on the procedures for debating private Members' Bills and the role of the Speaker, and in particular the innovative ideas in the report on ways to involve more Back Benchers in debates.

Mr. Hain: I am sorry that I did not pick up that point from the question asked by the hon. Member for Macclesfield (Sir Nicholas Winterton) earlier, but I am happy to respond to the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) now. It is an interesting report, which has raised many issues. We will respond in due course, and I hope that he will be satisfied with that.

Dr. Vincent Cable (Twickenham) (LD): Does the Leader of the House expect an oral statement next week on the release of the Penrose report on Equitable Life? As it has now been available to the Government, and

selectively to those criticised in it, for over five weeks, at what point does he intervene to protect the House of Commons from continuing to be denied it?

Mr. Hain: Again, the hon. Gentleman has properly raised an issue of concern to all Members, as well as to many hundreds, if not thousands, of our voters. This issue must be addressed and I am sure that an opportunity will be found to do so.

PERSONAL STATEMENT

1.22 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): The Standards and Privileges Committee published its second report of this Session yesterday, and it directed that I should apologise to the House for my failure to register my work for the BBC television programme "This Week". I accept that I should have registered my work for the programme. I take full responsibility for the failure to register. I have co-operated fully with the Parliamentary Commissioner for Standards in his investigation and I have apologised to him for my oversight. I am glad to take this early opportunity to apologise to the House.

As the commissioner notes in his memorandum, my involvement in the programme could hardly have been concealed given its nature, and most people aware of it might have assumed that I was being paid for it. But the House of Commons quite correctly has a strict code of conduct in these matters, and the Standards and Privileges Committee is rightly vigilant on this. I well remember the debates about the conduct of MPs in the 1990s, and for the House of Commons to retain the confidence of the public it is right that there should be the utmost transparency. Once again, I apologise to the House.

House of Commons Members Estimate

1.24 pm

The Leader of the House (Mr. Peter Hain): I beg to move,

That—

(1) There shall be a committee of this House, called the House of Commons Members Estimate Committee.

(2) The members of the committee shall be those Members who are at any time members of the House of Commons Commission pursuant to section 1 of the House of Commons (Administration) Act 1978; the Speaker shall be chairman of the committee; and three shall be the quorum of the committee.

(3) The functions of the committee shall be—

(a) to codify and keep under review the provisions of the Resolutions of this House relating to expenditure charged to the Estimate for House of Commons: Members;

(b) to modify those provisions from time to time as the committee may think necessary or desirable in the interests of clarity, consistency, accountability and effective administration, and conformity with current circumstances;

(c) to provide advice, when requested by the Speaker, on the application of those provisions in individual cases;

(d) to carry out the responsibilities conferred on the Speaker by the Resolution of the House of 5th July 2001 relating to Members' Allowances, Insurance, &c., except the responsibility of appointing the Advisory Panel provided for in paragraph (5)(1) of that Resolution.

(4) Paragraph (3)(b) above does not empower the committee—

(a) to create a new form of charge on the Estimate for House of Commons: Members; or

(b) to increase any rate of charge or payment determined by Resolution of this House.

(5) The committee shall report to the House from time to time, and in any case not less than once a year, the provisions of the Resolutions of this House relating to expenditure charged to the Estimate for House of Commons: Members, as codified and modified pursuant to paragraph (3) of this Order.

(6) The committee shall have power to sit notwithstanding any adjournment of the House.

That this Order be a standing order of the House.

Mr. Speaker: With this we will also consider motion 2,

That the Resolution of the House of 20th March 1998 on the bicycle allowance be rescinded and the following provision be made in its place:

(1) That, in the opinion of this House, provision should be made as from 1st April 2004 with respect to the rates of mileage allowance payable to Members in respect of journeys by motorcycle, scooter or bicycle for which if undertaken by car, the car mileage allowance would be payable,

(a) by Members, or

(b) by spouses, children or employees paid from the staffing allowance;

(2) In respect of journeys by motorcycle or scooter, a motorcycle mileage allowance shall be payable at the same rate as the motorcycle mileage rate approved by the Inland Revenue and then in force;

(3) In respect of journeys by bicycle, a bicycle mileage allowance shall be payable at the same rate as the bicycle mileage rate approved by the Inland Revenue and then in force.

Mr. Hain: We have before us two motions. The first would set up a new Committee to oversee Members' estimate matters; the second relates to bicycle and motor cycle mileage allowances.

[Mr. Hain]

I will deal first with the motion establishing a new House of Commons Estimate Committee, which I have tabled with the full support of the House of Commons Commission. The motion provides for a new Committee, of the same membership as the House of Commons Commission, to be established by Standing Order to oversee Members' allowances matters in much the same way as the Commission oversees matters relating to the House administration.

The motivation for the motion is threefold. First, the intention is to improve the governance of the House. Interestingly, we find that there is a crossover between the two House of Commons estimates—between the House of Commons administration estimate, for which the House of Commons Commission has statutory responsibility, and the House of Commons Members' estimate, which does not fall within the responsibility of the Commission. For example, an increase in Members' IT provision, which falls to the Members' estimate, has implications for the back-up IT services provided by the House administration. It makes sense to bring oversight of the two estimates closer together.

Secondly, the rules on Members' allowances are governed by a large number of complex resolutions, dating as far back as 1945. They are not readily accessible, and are very hard to understand and reconcile one with another. There would be considerable benefit in consolidating and updating these resolutions and in presenting them in an accessible form that we can all understand.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Can the Leader of the House tell me whether his proposals have any implications for the role of the Audit Committee in monitoring and auditing those areas of expenses that he is now touching on?

Mr. Hain: To be honest, I am not sure, but if I can answer the right hon. Gentleman's question before the end of my speech, I will be happy to do so.

As the Standards and Privileges Committee had cause to emphasise last year, it is essential that Members be provided with clear, unambiguous information on what the rules on claiming allowances are. The new Committee would provide a vehicle for doing this. The motion provides that it should be its function to codify and keep under review the provisions of the resolutions of the House relating to the Members' estimate, modifying those provisions where necessary, and it provides for the Committee to report to the House at least once a year with a consolidated and up-to-date statement of the decisions on allowances that the House and the Committee have taken.

Thirdly, establishing the new Committee would reduce the need for minor administrative changes to be taken on the Floor of the House. I am ready to admit that this has advantages for the Government's business managers, but I believe that it also has advantages for the House as a whole.

Some Members may question whether it is right to give the Committee power to vary resolutions of the House. I agree that we should give careful thought before we do this. I point out that the proposed Standing Order contains safeguards. The Committee may modify the rules set by earlier resolutions only in so far as this is "in the interests of clarity, consistency, accountability and effective administration, and conformity with current circumstances".

Mr. Patrick McLoughlin (West Derbyshire) (Con): The Leader of the House has said that this allows certain resolutions to be changed. But is it not the case that at the moment we are working under dual plans? The new allowances that were introduced after the last general election can be changed by recommendations to the Speaker. What the motion does is to put all the things claimed on the same basis, as opposed to confusing the two claims. I very much welcome it.

Mr. Hain: I very much agree with the point that the hon. Gentleman has made, very eloquently. I consider that this arrangement gives extra protection to the Speaker, and is a common-sense approach.

Paragraph 4 explicitly excludes the creation of a new form of charge or an increase to any rate of charge or payment. I emphasise that the Committee would not be empowered to create a new form of charge—such as a new expense allowance—on the Members' estimate, or to increase any rate of charge or payment determined by resolution of the House. For example, the Committee could not increase Members' pay. Such matters would have to be a matter for the House, debated on the Floor as we are debating now.

A further safeguard lies in the membership of the Committee. The Committee, like the Commission, will be chaired by the Speaker, and will contain very senior and independent-minded Back Benchers as well as the Leader of the House and shadow Leader of the House. I have no doubt that the Committee would decline to decide on a matter that it thought should properly be decided by the House. It may assist the House if I give some examples of changes that might in future be decided by the Committee.

At present the incidental expenses provision and the additional costs allowance for the allowances year beginning in April are determined by reference to the retail prices index figure for the 12 months ending in March, which is actually published in April-May. That means that we open the allowances year in April not knowing, as Members, the cash limits for the various allowances at our disposal. It would be more sensible to use the retail prices index figure for the previous December, but at present that would require a motion amending an earlier resolution of the House. This would seem to me to be an appropriate matter for the Committee to consider, rather than for the House to be detained by it.

Similarly, it has been proposed that Members who have money left in their incidental expenses provision or staffing allowance at the end of one allowances year should be able to carry some of it forward to the next, and that Members who want, for example, to move office in one allowances year should be able to draw down up to 10 per cent. of the next year's incidental expense provision early. This, too, would seem an appropriate matter for the Committee to consider, and again not a matter to detain us on the Floor of the House.

Mr. Forth: The right hon. Gentleman has said—and I very much approve of it—that the new Committee will

not be able to vary the rates of allowances, but can he give us an assurance that some of the flexibilities that he is mentioning will not involve a higher charge on the taxpayer as a result? I ask that because, although the rates may not be increased, it is possible that carry-overs of the kind that he is describing would increase the overall cost to the taxpayer.

Mr. Hain: That may well be the case, but some of it may be marginal. It happens at the moment—for example, decisions on the allocation of IT equipment. Being very experienced—more experienced than I am in these matters—the right hon. Gentleman will know that many decisions that enlarge the expenditure of the House are not put to the Floor of the House. We are talking about a sensible balance between such decisions and matters of real principle, including Members' pay, which I would agree with the right hon. Gentleman would have an impact on taxpayers' costs and contributions, and which should be fully open to scrutiny and decision on the Floor of the House.

As a further example, while most of us get in our claims within two months of the end of the allowances year, the resolutions allow Members to take up to six months, and this can impede the prompt publication of accounts. The Committee could decide whether the deadline should be brought forward.

On the other hand, a proposal to create a new allowance or increase the rate of an existing allowance would continue to need a resolution of the House. The proposal on the bicycle and mileage allowances falls into this category.

Members may wonder what will be the role of the Speaker's advisory panel under the new arrangements. The panel has proved itself very useful in providing the Speaker with advice on allowances matters, and we all owe thanks to the panel and its chair, my hon. Friend the Member for Cambridge (Mrs. Campbell), for its hard work and good sense. In future, I see it continuing in much the same way, with its valuable advice going primarily to the Members Estimate Committee, rather than directly to the Speaker. I will suggest to the Committee that it invite the Chair of the panel to attend its meetings where appropriate.

I come now to the bicycle and motor cycle mileage allowances. As I have said, this is a matter that would not fall within the competence of the Members Estimate Committee. Those Members who use a bicycle can currently claim just over 7p per mile. This motion would bring the allowance into line with the figure permitted by the Inland Revenue at the relevant time. The figure is currently 20p per mile for bicycle users. It also introduces for the first time a rate for motor cycle users, again tied to the Inland Revenue rate, which is currently 24p per mile.

These changes will apply to Members' mileage, and also to staff and family travel. I can assure hon. Members that, as long as the journey concerned satisfies our own rules and meets the Inland Revenue's criteria for business mileage, these rates will not incur a tax charge.

I hope that the House will agree to tie bicycle and motor cycle mileage allowances to the Inland Revenue rate. I hope also that the House will accept the arguments for a Members Estimate Committee, since I believe that that would be in the interests of the good governance of the House. This is not a party matter, or a matter for the Government; it is a matter for the House to decide.

I have received a note, which may help the right hon. Member for Bromley and Chislehurst (Mr. Forth), and may help me as I read it out. On the question of the implications for the role of the Audit Committee, I am advised by the accounting officer that the proposal might have implications for its role in future, but that this is not an immediate consequence of the motion. I shall be happy to discuss this further to ensure that any concerns that the right hon. Gentleman may have are assuaged.

I commend the motions to the House.

1.35 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): I start by associating myself with the remarks of the Leader of the House about the hon. Member for Cambridge (Mrs. Campbell) and her work, and by mentioning my hon. Friend the Member for West Derbyshire (Mr. McLoughlin), who plays a very important role on her panel—the Speaker's advisory panel.

As the Leader of the House said, the purpose of the motion is that the change to the Members' estimate provisions should introduce new efficiency, improved governance and enhanced accessibility to the Members' estimate.

One of the more important features of the motion is paragraph (3), which talks about codifying and keeping under review the provisions of the resolutions of the House relating to expenditure on the Members' estimate. The problem at present is that many of the resolutions go back to 1945 and that, as my hon. Friend the Member for West Derbyshire said, we have a new system for the more modern resolutions. Therefore, it would be extremely helpful to have one Committee to go through the process of codifying, so that we all have the same system for modest updating of the resolutions. Clearly, issues of importance affecting the rate of charge or payment, or creating new forms of charging, should be brought to the Floor of the House, and I am pleased that the agreement on the motion reflects that in paragraph (4).

It is also more efficient for the House if House of Commons Commission members have the role of deciding these issues, because the commission already deals with the administration estimate, and quite a few of the issues overlap—for example, on information technology. To have the two kinds of governance separate, as they are now, as well as being unfair to Mr. Speaker, makes it difficult for some of the governance and oversight of the administration estimate to take place. Therefore, to bring the two more closely together is a good thing.

I chair the Audit Committee. It certainly seems to be the case at present that the Committee's role is not changed by this. Even now, the Audit Committee looks at some of the work of the internal review service that we have here, which overlaps between the administration estimate and the Members' estimate. Clearly, that is a good thing.

Mr. McLoughlin: The truth is, though, that the way in which allowances are reported will change very

[Mr. McLoughlin]

dramatically within the next 12 months. Mr. Speaker has written to us all saying that allowances and the claiming of allowances will be put in the public domain and published. Therefore, the oversight will be not only by an audit committee but, should it be so decided, also by the electorate. That is no bad thing.

Mr. Heald: As my hon. Friend says, the amount of transparency is being increased dramatically.

The measure also improves governance, as did the Speaker's panel itself, and I believe that the new Green Book is an extremely effective and useful step forward. It will help a great deal with the Members' estimate. It will be more accessible to Members as well.

Looked at overall, the package should be supported. It will give us a codified set of rules, a better system for minor changes, stronger governance and an ability to oversee the two estimates and bring their governance closer together.

Finally, the bicycle and motor cycle allowance changes are in line with levels set by the Inland Revenue. The motion making those changes provides a mechanism for uprating in line with Inland Revenue levels, and is useful in terms of transparency, simplicity and efficiency—all the points that the first motion is aimed at.

1.39 pm

Mrs. Anne Campbell (Cambridge) (Lab): I thank my right hon. Friend the Leader of the House and the hon. Member for North-East Hertfordshire (Mr. Heald) for their kind remarks about the work of the Speaker's advisory panel. The panel plays a valuable role in providing a route for hon. Members who are perhaps dissatisfied or feel that the current allowances do not cover their needs sufficiently well. It provides a forum in which Members can voice their complaints, and all members of the panel do their very best to be accessible to other Members and to receive comments, complaints and, occasionally, compliments in the most accessible way possible.

I want to put on record my support for the motions, although I want to voice some concern. I feel that the present arrangements have worked very well over the past two years—as long as I have chaired the Speaker's advisory panel. The panel works extremely well and there is a very high attendance among its members, because they feel that they have real influence and can determine something that is terribly important to most of us in the way that we run our constituency offices and our Westminster offices. I hope that that will not change with the new arrangements because I feel that, if there were perhaps undue interference by the Members Estimate Committee, it could have the effect of making members of the Speaker's advisory panel feel that their work was not quite so valuable as it was hitherto.

Mr. Hain: May I assure my hon. Friend as categorically as I can that that is certainly not the objective? It would not be possible for the newly constituted Members Estimate Committee—especially as it will be comprised of members of the House of Commons Commission—to cover the scope of work that the panel does so well in consulting and providing an excellent sounding board for opinion in the House. With that assurance, I hope that she will accept the proposals.

May I take this opportunity to pay tribute to the work of the officials in the Department of Finance and Administration and elsewhere who have given very valuable advice and continue to work extremely hard on behalf of all of us?

Mrs. Campbell: I find those reassurances very welcome. Of course, I am sure that the Speaker's advisory panel will want to monitor the way in which its recommendations are accepted by the new Committee. I should like to endorse the remarks made by my right hon. Friend in thanking members of the Department of Finance and Administration for their hard work in administering the allowances and in ensuring that they are applied fairly.

Mr. Heald: May I associate myself with the remarks about the staff? They do a fantastic job, which we all appreciate greatly. Does the hon. Lady agree that, in fact, the Committees that report to the House of Commons Commission, by and large, have a very amicable, constructive and co-operative relationship with the Commission? I am sure that that will be the same with the panel.

Mrs. Campbell: I thank the hon. Gentleman for his remarks. I certainly hope that that will be the case; but, as I say, we will monitor the situation.

I should like to take the opportunity to say a few words about bicycle allowances, as I was the Member who, in 1997, urged the then Leader of the House to try to implement them. For many years, I cycled around my constituency with no allowance whatsoever. I always felt that it was desperately unfair that Members who were prepared to drive from one end of their constituencies to the other got very generous allowances—in those days, they were even more generous than they are currently—whereas I was not recognised for contributing to the environment in a different way. So I was very pleased when the House approved the bicycle allowance, which has gone up by inflation over the past few years and is currently—I am sorry that I have not had time to check this—about 7p a mile.

Given my schedule, I cycle about 1,000 miles a year on my bike.

Martin Linton (Battersea) (Lab): That is impressive.

Mrs. Campbell: My hon. Friend is kind, but it is easy to clock up 1,000 miles a year. It is only about 20 or 25 miles a week. In a small constituency such as mine, it is easy to cycle from one end to the other.

I have one of those little electronic gadgets that sits at the front of my bike and tells me how fast I am travelling, how far I have gone and how long it has taken me—all very useful information that helps me to put in an accurate claim at the end of the year. Members will be aware that 7p a mile and 1,000 miles a year will produce £70, if I claim it all. However, buying a new lock

and new lights and paying for a couple of maintenance services a year comes to a great deal more than £70, which does not allow me to put anything aside towards a new bicycle, and as my bicycle is now more than 20 years old, that is getting long overdue. So I very much welcome the raising of the allowance to the Inland Revenue recommended rate, which is 24p a mile, and with £240, my constituents may see me cycling around on a brand-new bicycle in the near future.

1.46 pm

Mr. Paul Tyler (North Cornwall) (LD): I am very pleased to follow the hon. Member for Cambridge (Mrs. Campbell) and I want to come back to the role of her important advisory panel in due course, but perhaps I should put on record the fact that I cannot cycle much around my constituency. Not only is it 80 or 90 miles long, but the hills of Cornwall do not lend themselves to that form of exercise.

Sir Archy Kirkwood (Roxburgh and Berwickshire) (LD): Chicken.

Mr. Tyler: My hon. Friend is kind.

Before I come back to the advisory panel, I want to reflect for a moment on something that the Leader of the House said in business questions about the need for the House to be as accessible as possible to the public in every sense. Our work should be as visible and as easy to follow for the public—the people who send us here—as it is for hon. Members who have been here sometime. The right hon. Gentleman and I spent some time on Monday meeting a group of people from Birmingham who had been brought to the House. Even with some explanation about how the place works, they found it an extraordinarily alien situation. They felt like Martians coming into a different world. I think that he would agree that the way in which we conduct our business does not lend itself terribly well to making what we do here explicable to the general public. I suspect that anyone looking at this afternoon's debate might think that there was more mumbo-jumbo than clarity.

I very much endorse what hon. Members on both sides of the House have said about trying to make our work here more transparent and accessible to the general public. In that sense, I understand the logic and rationale that the Leader of the House has expressed for the motions. The phrase "an improvement in governance for the House" always sounds good. The hon. Member for North-East Hertfordshire (Mr. Heald) referred particularly to paragraph (3), which states that one function will be

"to codify and keep under review"

the new rules. However, I have some anxieties—some apprehension—not least of which is that when any Leader of the House comes to us, even at this stage on a Thursday afternoon, and says that there is an advantage to the Government's business managers, a few bells start to ring in my head.

My particular concern is that anything that brings back into the parliamentary discussion and decision-making process, or appears to do so, an issue about Members' allowances and remuneration that to a large extent has been seen to be taken out of the parliamentary arena and given to the Senior Salaries Review Body is a retrograde step. I hope that whoever responds to the debate will be able to say absolutely explicitly that nothing that at present is considered by the SSRB will be brought back into the purview of the proposed Committee. That is my first anxiety. I am sure that there will be a reassurance on that point.

Mr. McLoughlin: I am pretty sure that the Leader of the House said that we are basically talking about the rules that relate to allowances, not about the level of allowances. That is the clear distinction. As the hon. Gentleman will know, there is a reference to the SSRB, to which a number of people have been asked to submit evidence. I stand to be corrected, but we are talking solely about the rules that relate to allowances.

Mr. Tyler: The hon. Gentleman will also agree, from his long experience in the House, that the devil is in the detail. There might be some devilish detail that might not now come under the purview of the SSRB, or that might be perceived not to. Let us remember that these sensitive issues are matters of perception, so I would like to be explicitly reassured that the SSRB will continue to consider matters objectively and independently outwith the Westminster bubble and that we will not find things drifting back.

Mr. Hain: I can give the hon. Gentleman a categorical assurance that matters such as Members' pay that are currently referred to the SSRB will properly remain as such—the public should see that they will remain as such. As the hon. Member for West Derbyshire (Mr. McLoughlin) pointed out, the motion is about rules relating to allowances. Given the nature of the business of the House, I am sure that the hon. Member for North Cornwall (Mr. Tyler) would not want to take up valuable time that could be used to discuss the Hutton report by debating whether the retail prices index figure for triggering an increase in allowances should be that as recorded on 1 April or 1 January. We should be serious and use common sense, which is what the motions are about.

Mr. Tyler: I entirely agree. The Leader of the House gives us an innocent and obviously common-sense example. I just want to be reassured that it will not be possible for things, over the years, to start to drift off to the Members Estimate Committee that frankly should be out there in the light of day. I accept his assurance, but I am putting down a marker. I hope that we will find that there will be a mechanism for the Committee to report back regularly to the House on such issues because that is extremely important.

Mr. Heald: Just to reassure the hon. Gentleman, I think that subsection (5) covers that because it requires the Committee to report to the House.

Mr. Tyler: The hon. Gentleman might misunderstand me—I am trying to be as speedy as possible. I am concerned that if there were any drift such as that that I am describing, we would have to consider not only the matters that the Committee was examining, but whether the boundaries between its work and that of the SSRB seemed to be moving. If there were a moving target, the House would wish to be informed.

[Mr. Tyler]

My next point is equally specific, although I am sure that reassurance will be given. As the hon. Member for West Derbyshire (Mr. McLoughlin) and other hon. Members said, there is worry about long-established issues that go right back to 1945. I am quite clear that when a motion comes before the House in future, perhaps on the basis of the SSRB's present review of these matters, direct reference could be built into it regarding the Committee's role in dealing with the detail. However, there would be a different situation if a retrospective attitude were taken—if we were looking backwards. Something that the House agrees that the Committee should consider is different in degree to something that the House has considered previously that would then be considered retrospectively by the Committee. I understand the need for that to occur, but I want it to be absolutely clear that in such circumstances there might need to be a reference back to the whole House, although that would depend on the scale of the identified problem.

Finally, I return to the role of the Speaker's advisory panel. I entirely endorse the comments made about the panel and, indeed, the work done for the panel by Officers of the House. However, I did not entirely accept the assurances given by the Leader of the House to the chairman of the panel. I do not fully understand—I hope that somebody will spell this out—why the panel cannot take on some or all of the responsibilities that are now identified as necessitating the construction of a completely new Committee.

I respect all members of the Commission enormously, but they are already heavily loaded with work. The fact that they will have to sit as a shadow Commission on the Committee raises concerns. The great advantage of the advisory panel of which the hon. Member for Cambridge is a distinguished chair—I think that it has operated effectively—is that it is a Back-Bench committee. It responds to the concerns, anxieties, objectives and aspirations of all hon. Members. The Commission, by definition, is the establishment personified, and its members are very distinguished.

I would like to think that someone considered whether the panel could have taken on the responsibilities because it reports to the Speaker, who is the Chairman of the Commission. We may be inventing yet another bit of what the Leader of the House described as the governance of the House, but duplication should always be questioned to determine whether someone else could do a job equally well. I am unconvinced by the explanation of the respective roles. I entirely understand a point made by the Leader of the House because the last thing that I would want would be for the new Committee to take on the panel's responsibilities, but no one has explained why that could not happen the other way round.

I am seeking reassurance. Nothing is more unnecessarily controversial than matters that affect the way in which we do our job. I endorse entirely what the hon. Member for Cambridge said. When I first came to this place, I was lucky if I could find a desk. I did not have a phone and I could not pay a secretary—the whole thing was absurd. I could not do my duty by my constituents. We are now better funded, which is excellent, but I want to be reassured that we are not hiding in a corner some changes to our arrangements that the public might feel were going too far.

1.55 pm

Sir Stuart Bell (Middlesbrough) (Lab): I feel a bit like Winston Churchill when he was Prime Minister and he used to wander the gardens of No. 10 Downing street saying, "I had not intended to intervene in this debate, Mr. Speaker", while dictating his speech to his secretary. I genuinely had no intention of participating in the debate. As a member of the Commission, I am grateful to the hon. Member for North Cornwall (Mr. Tyler) for his gentle and generous comments about the members of the Commission who are with us today. However, I wish to make one point in response to his question asking why we should not form an independent panel rather than have the Commission shadow itself on these matters. I am sure that the hon. Gentleman will take the simple answer from me and that he would have taken it from the Leader of the House.

At this moment in time, House of Commons services are funded from the House of Commons administration estimate, for which the House of Commons Commission has statutory responsibility. Hon. Members' pay and allowances, including Members' staff matters and Members' information technology provision, are funded separately from the Members' estimate, which is governed by a range of resolutions of the House dating back to 1945, and administered under the authority of the Speaker of the House. The Speaker is advised on allowance matters by the Speaker's advisory panel, under the able chairmanship of my hon. Friend the Member for Cambridge (Mrs. Campbell). Given the statutory responsibility of the Commission and the fact that the advisory panel reports to the Speaker, the new arrangement is logical—we welcome the fact that the hon. Member for West Derbyshire (Mr. McLoughlin) suggested it. I hope that that answers the question asked by the hon. Member for North Cornwall.

1.57 pm

Mr. Patrick McLoughlin (West Derbyshire) (Con): I welcome the motion moved by the Leader of the House. I do not think that it will change the role of the Speaker's advisory panel because it will remain as an advisory panel. In effect, the measure will create a greater stop-gap because it will bring more people into the decision-making process. Although the panel, under the chairmanship of the hon. Member for Cambridge (Mrs. Campbell) will, I hope, continue to make detailed recommendations, it is right for another body, rather than the Speaker alone, to oversee such matters. The Leader of the House has responsibilities to the whole House and he will be here every week to answer questions if one thinks that something is going wrong.

The proposal will not reduce accountability but broaden it. Given the way in which the allowances have changed over the years, it is important for us to enable the measure to go forward. It is nonsense that some changes can be made to allowances via the Speaker's advisory panel with no reference to the Floor of the House, yet for other changes to require such a reference. I would much prefer to be spending this afternoon

talking about my constituents' wider concerns than having a debate—okay, it will not be a long debate—that has had to be scheduled in parliamentary time and has thus taken away the House's chance to discuss other measures.

1.59 pm

The Deputy Leader of the House of Commons (Mr. Phil Woolas): This has been a short and useful debate and I am grateful to hon. Members who have spoken and intervened. I am especially grateful to the hon. Member for North-East Hertfordshire (Mr. Heald) for his support for the motions. Perhaps I should put on record our thanks to the members of the House of Commons Commission and the members of the Speaker's advisory panel. I confess that when I assumed my duties I was not aware of the intricacies of the Speaker's advisory panel. I reiterate our thanks to the chairman, my hon. Friend the Member for Cambridge (Mrs. Campbell), and the Members who serve alongside her. The discussions of the Speaker's advisory panel are extremely useful in helping us to make better decisions precisely because it is an advisory panel and not a final decision-making body. That is an important distinction.

As my right hon. Friend the Leader of the House emphasised, the motion includes a number of safeguards. Proposals to create new forms of charge or increase any rate of charge or payment will still have to come to the Floor of the House. The circumstances in which the Members Estimate Committee may amend a resolution are tightly defined, and by linking membership to that of the House of Commons Commission, the House can be assured that the new Committee will take an impartial and considered view of what matters it should properly deal with. The motions under consideration have received support from Members on both sides on the House, and my right hon. Friend wishes to put on record his thanks to the hon. Member for West Derbyshire (Mr. McLoughlin) for the considered role that he played in the proposals.

On the bicycle allowance, some reports this week suggested that some hon. Members believe that the proposed increase in the bicycle allowance is excessive. We heard from my hon. Friend the Member for Cambridge, who takes advantage of the allowance. I can assure the House that there are very few Members—not enough, some would say—who do. However, my hon. Friend rebutted those arguments about an excessive increase. The cost of the increase to the public will be minimal.

As I have said, very few Members claim the bicycle allowance, and they are a minority of those of us who do, in fact, use a bicycle to get to work. Using a bicycle is not without cost, as has been said. We wish to link the allowances to the Inland Revenue rates as that is a sensible principle. The hon. Member for North Cornwall (Mr. Tyler) expressed concerns about the appearance and the reality of Members' allowances. It is justifiable to link them to other bodies' rates, which is why the Government increased the bicycle allowance in line with Inland Revenue rates. The 20p allowance has been introduced as part of the move away from car journeys, and it is right that we should encourage, and be seen to encourage, environmentally friendly forms of transport. There is a strong case for linking the allowance to the Inland Revenue rate, as that will mean that we will not have to debate similar motions—to reassure the hon. Member for North Cornwall, the allowances motion is separate from the estimate motion and will introduce an increase in the rate—annually on the Floor of the House.

On the motor cycle allowance, I would have liked to declare an interest, but my motor scooter was nicked the other day, so I fear that I will not be able to take advantage of the allowance for some time. Before Opposition Members start to blame the Government for the theft of my trusty scooter, I can reassure them that the police have acted swiftly and successfully to investigate the crime—[HON. MEMBERS: "Successfully?".] Not yet, I believe, although I hope that that will be the case.

In conclusion, the proposal for a Members Estimate Committee is a sensible and innovative measure, which should enhance the good governance of the House. The proposal on bicycle and motor-cycle mileage allowances is also sensible, and I hope that the House will support the motions.

Question put and agreed to.

BICYCLE AND MOTORCYCLE MILEAGE ALLOWANCES

Motion made, and Question proposed,

That the Resolution of the House of 20th March 1998 on the bicycle allowance be rescinded and the following provision be made in its place:

(1) That, in the opinion of this House, provision should be made as from 1st April 2004 with respect to the rates of mileage allowance payable to Members in respect of journeys by motorcycle, scooter or bicycle for which if undertaken by car, the car mileage allowance would be payable,

(a) by Members, or

(b) by spouses, children or employees paid from the staffing allowance;

(2) In respect of journeys by motorcycle or scooter, a motorcycle mileage allowance shall be payable at the same rate as the motorcycle mileage rate approved by the Inland Revenue and then in force;

(3) In respect of journeys by bicycle, a bicycle mileage allowance shall be payable at the same rate as the bicycle mileage rate approved by the Inland Revenue and then in force.—*[Vernon Coaker.]*

Question put and agreed to.

Mr. Alex Salmond (Banff and Buchan) (SNP): On a point of order, Mr. Deputy Speaker. Have you had any indication that the Government will make a statement about, first, the resignation of Mr. Greg Dyke as director-general of the BBC, especially concerning the procedures that will be employed with regard to the appointment of a new chairman and director-general of the corporation to ensure the independence of the BBC, which many of us value and over which there is a question mark at present? Secondly, have you heard, Mr. Deputy Speaker, whether there will be a statement on whether the honourable culture of resignation after mistakes are made in bodies for which people are responsible will extend to the higher echelons of Government if it transpires that no weapons of mass destruction are found in Iraq?

Mr. Deputy Speaker (Sir Michael Lord): I have no knowledge that any such statement is proposed to be made to the House.

Scottish Banks and the Post Office

Motion made, and Question proposed, That this House do now adjourn.—*[Vernon Coaker.]*

2.5 pm

Mr. Calum MacDonald (Western Isles): I had hoped that the hon. Member for Banff and Buchan (Mr. Salmond) was going to participate in this debate, and I invite him to stay.

Mr. Alex Salmond (Banff and Buchan) (SNP) *indicated assent.*

Mr. MacDonald: I am delighted that the hon. Gentleman will because, as I am sure that he acknowledges, both as a Scottish MP and as a former employee of the Scottish banks, this important issue affects hundreds of thousands of loyal bank customers across Scotland. Many of those customers have been loyal to Scottish banks throughout their entire lives. I opened my first bank account on my first day at university when I was 18, and continued to maintain an account with a Scottish bank while I lived abroad for eight years on the west coast of the United States. Today, although I spend at least half of the year in London, I bank only with a Scottish bank.

Mr. Salmond: I am delighted to assure the hon. Gentleman that I have signed both early-day motions on this important matter. Moreover, I am happy to support his initiative in this Adjournment debate, and I congratulate him on securing it.

Mr. MacDonald: I am grateful for the hon. Gentleman's support and for the support of Scottish colleagues from all parties who signed the two early-day motions.

The Scottish banks rely on the loyalty of customers throughout Scotland who bank with them because they are, first and foremost, Scottish banks. Although those customers are unfailingly loyal to the Scottish banks, I am afraid that those same banks are grossly disloyal to their Scottish customers. The Government have invested huge sums in installing in every post office, however remote or small, technology that enables anyone to go into any post office branch—I am sure that the Minister for Energy, E-Commerce and Postal Services will give us further details—and access their bank accounts, check their statements, make deposits or withdraw money. That is a huge step forward in post office customer service provision, and it is also a huge step forward for customers of the various banks.

For the first time ever, people are within easy reach of ordinary banking services, which are just a short walk from their homes. For pensioners, people in remote and rural areas, small businesses, hard-pressed mothers looking after children at home, and people trying to juggle their finances and lives, the change has the potential to make their life a great deal easier. One would have thought that the banks would leap at this opportunity to provide a useful and welcome service to their customers, and some have done so. Currently, the Post Office has agreements with the Alliance and Leicester, Barclays, Lloyds TSB and the Co-operative bank, as well as well as new internet banks such as Cahoot, Smile and First Direct in Scotland. Already some 20 million customers in Britain have access to an automated service through their local post offices. Those banks are to be congratulated on putting the needs and the convenience of their customers first.

Sadly, however, although the Post Office has sought to reach similar agreements with the Royal Bank of Scotland, the Halifax Bank of Scotland and the Clydesdale group, those three Scottish banks have each refused so far to make any kind of similar arrangement. Their customers continue to get a second-class service. If the Post Office had been unable to reach agreement with any banks whatsoever, there would be a case for saying that perhaps the shortcomings were on the Post Office side of the negotiations, and that it was trying to achieve too lucrative a deal for itself. But when so many other banks have signed up and are already co-operating with the Post Office, the only conclusion that can be drawn is that the Scottish banks are putting their profits before service to their customers and leaving their customers short-changed.

There can be no question that the post office network can provide a vastly superior service to that provided even by the banks that try to maintain a wide network of local branches. We know that banks find it harder and harder to maintain such a network, but the Post Office has more than 16,500 branches throughout Britain. Not only is that more than any other postal service in Europe, but it is more than the combined total of the six biggest banks in Britain. Even if one added to that the combined total of the four biggest building societies, the total number of branches would still be well short—by some 2,000 branches—of the size of the post office network.

The superiority of the post office network is most apparent in scattered rural communities, such as in the constituency that I represent, where we have a small handful of bank branches scattered throughout the islands, but they are concentrated in local population centres that are very many miles, and long, expensive driving distances, apart. By contrast, in my constituency the Post Office has a branch in every rural district. Across Britain, the vast majority of people—85 per cent.—who live in rural areas live within 1 mile of the local post office. That is a network second to none in Britain or in Europe, and it is intolerable that the Scottish banks are refusing to take advantage of it at a time when they are making very healthy profits.

A great deal of patience has been shown during the lengthy discussions that have taken place between the Post Office and the Scottish banks. Customers have been waiting patiently for an agreement to be reached, sub-postmasters have been waiting patiently for an agreement to be reached, and politicians such as ourselves have been happy, so far, to let the banks get on with their negotiations without undue intervention. However, I know that I speak for the great majority of my Scottish colleagues from all parties when I say that that patience has run out. When even the Bank of Ireland has struck a deal with the Post Office to provide a full range of banking services, including throughout Scotland, there is simply no excuse for the Scottish banks still to be dragging their feet.

The banks should be warned. When people see tourists from England and Ireland coming to Scotland this summer and being able to withdraw their cash from the village post office, while Scottish customers living in

the same villages have to get into their cars or make long bus journeys to access the same services, there will be an angry backlash against this disparity and inequality of treatment.

Earlier today I received a fax from the National Federation of Sub-Postmasters, informing me that they are commencing a campaign to alert their post office customers to the present state of affairs. Colin Baker, the general secretary, stated in the fax:

"The National Federation of Sub-Postmasters has launched a campaign to harness the power of customer pressure to persuade banks that there is a strong customer demand for access to all types of account via the Post Office pin-pad technology."

He continues:

"We are targeting, in particular, Royal Bank of Scotland Group and HSBC."

The National Federation of Sub-Postmasters has sent a pack to every postmaster, including envelopes addressed to the chief executives of both those companies and pre-printed cards that customers will be invited to complete and sign. That is the start of a campaign that will be well supported throughout Scotland, and to which the banks would be well advised to pay attention.

As the hon. Member for Banff and Buchan (Mr. Salmond) said, there are two early-day motions on the subject before the House, signed, at the latest count, by 44 Scottish Members of Parliament, as well as by a good number of sympathetic, Union-minded English colleagues. Excluding Scottish Members on the payroll vote who obviously cannot sign because of that, practically every Scottish Member has signed one or the other of the motions. I know that a number of colleagues from Scottish constituencies will participate in the debate, and I am delighted that the early start of the debate did not catch them short, although their presence may have something to do with the fact that all the flights from Heathrow have been cancelled.

I know that there will be calls from colleagues in the Chamber and from my Scottish Labour colleagues for the banks to come down to Westminster to explain themselves to us. I encourage the Scottish Affairs Committee to take an interest in the issue, and I am confident that it will. The banks cannot be allowed to carry on abusing the loyalty of their Scottish customers in this way. I therefore ask my hon. Friend the Minister to say what steps he is taking to assist the Post Office to reach agreement with the Scottish banks. Will he undertake to convey to the banks the sentiments of the House, as expressed today?

2.17 pm

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I congratulate the hon. Member for Western Isles (Mr. MacDonald) on presenting the subject for debate. It is topical and timely that we put pressure on the banks to recognise the needs of their customers. Although there is a market out there, inertia among customers gives the banks a great opportunity to make considerable profits out of their customers.

The quality of service to the community from which the banks make their money depends, in part, on the public perception of the banks and the climate in which they operate. They have a golden opportunity to step in at a vital time for the Post Office, which is the last remaining focus for many communities—the last remaining source of a service in that community. The banks have an opportunity to provide a service to rural communities that they are at present unable to provide.

Last Friday I visited Strathdon in the constituency, where there is a shop and post office, and right next door is a Clydesdale bank, which is open one day a week. The customers of that bank could access their money five days a week if it had a deal with the Post Office. The Clydesdale bank should think carefully. It has quite a large rural network, which it is looking to rationalise. The public relations advantage and the benefit of the message that it would send about its commitment to rural areas if it maintained a deal with the Post Office would be vital.

These issues arise at a time when the Department for Work and Pensions is seeking to migrate pension and benefit claimants into receiving their payments by direct payment, rather than through the giro book at the post office, as they have traditionally done. Many people who have a bank account that they traditionally use only for savings purposes are being pressurised or persuaded to give the account details to the customer migration centre, and then finding that their payments are going via their bank. At the moment, they are not clear whether they can still get their money through the post office. They are led to believe that they can, but that would be the case only if they opened a basic bank account.

Most of our constituents' bank accounts are not basic bank accounts, so there is no access through the post office. Ministers and the banks sometimes tell us that constituents who want to access their money through a post office can do so if they have a basic bank account. However, that is an illusory account that exists only on paper—anybody who tries to open one will find themselves rapidly steered towards opening a standard traditional bank account. People who tend to use their bank account only for savings use their benefit book to collect the money from the post office for their day-to-day living expenses—they need ready access to that cash—and will be in for quite a shock when they find that cannot do that any more. So there is a timely and significant pressure on the banks to provide this transfer service and to do the necessary deal with the post office.

Although these are Scottish banks, they are also major banks throughout the United Kingdom, and I think that colleagues south of the border will be behind us because if we are successful it will make a big difference.

I should like the Minister to address two matters. First, although many hon. Members approach the issue from a rural angle, from the point of view of the future of the Post Office the deal would be most effective if it applied across the whole post office network. Is there any technology that would enable those in areas not served by the banking network to deal with the post office? I suspect that that would not be possible, given the way in which the banking system works, but perhaps the Minister could consider it.

Secondly, the banks often use the defence that they have made their public service commitment by investing in setting up the basic bank account. However, if that exists only on paper, so that if customers try to open one they find themselves steered towards another kind of

[Sir Robert Smith]

account, it is not delivering the public service commitment that it was supposed to. The Government should make it clear to the banks that far more effective would be a straightforward, effective connection with the Post Office so that the conventional accounts that people are using, and being persuaded to get their pensions paid into, can be accessed through the post office.

That would benefit not only customers, who would get a better service, but the banks, which would maintain their customer network for the other products that they want to offer. It would also provide a vital lifeline to the Post Office at this crucial time when it is losing income from conventional pension books and there are only a few years left of the guarantee provided by the Government to try to keep rural post offices open. New forms of business are required that will bring income into those sub-post offices and help to sustain the range of services that they provide, such as shops.

I urge the banks to listen carefully to the growing concern and to pre-empt the need for this campaigning by getting on with negotiating with the Post Office to come up with a sensible deal whereby our constituents, especially in rural areas, can have ready access to bank accounts on the same terms as those in urban areas.

2.24 pm

Mr. Alex Salmond (Banff and Buchan) (SNP): The hon. Member for Western Isles (Mr. MacDonald) rather alarmed me by saying that all flights from Heathrow are cancelled, as I am booked on to the 5.40 pm to Aberdeen. I booked that flight when I realised that the Adjournment debate was going to take place slightly earlier. If we use up the full time until 6.30 pm, that flight will go by the board as far as I am concerned, whether it flies or not.

As the hon. Gentleman said, I was formerly an economist at the Royal Bank of Scotland. I do not know whether that constitutes declaring an interest as a Royal Bank pensioner—if so, I willingly do so. My former colleagues are fond of telling me that the bank, which is now the fifth or sixth largest bank in world, depending on how it is measured, has grown rapidly since I left its employment. I like to think that the foundations were well laid before that date.

This is an important debate. We should understand more about the misgivings of all three Scottish banks, who argue that in seeking to maintain and develop local post offices, we might be jeopardising rural banks. However, as the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) sensibly points out, those banks often open only for one or two days a week. The priority should be to ensure proper banking services, particularly in rural communities. I hope that the matter can be resolved, because for the life of me I cannot see why an element of good will in negotiations could not bring about a satisfactory settlement.

As regards bank closures in rural communities, the Bank of Scotland and Clydesdale bank have been particularly innovative in looking closely at the provision of services such as cashline machines, or other money dispensers, in community centres, but it has to be said that those initiatives have been quite limited. When I worked at the Royal Bank of Scotland, all the Scottish banks had portable rural banking services; I seem to remember that the service in the Western Isles was operated by plane. Those services were well advertised by the banks as part of their community facilities. Now, they are not provided at all, or certainly not to anything like the same extent. As a result, many rural communities throughout Scotland have a post office that offers only basic financial transactions and some rural communities have no banking or money transaction services available to them.

The initiative to set up money dispensers in post offices is somewhat limited by the continuing confusion about the charges that are made depending on the type of account that one has. Although a warning is displayed on most machines, it is certainly not clear to me whether I am being charged, and I suspect that many people are in the same position. Money dispensing machines are therefore very limited for that purpose.

It would be ideal if an arrangement could be reached between the Scottish banks and the Post Office. That would consolidate the position of the Post Office and make a right for rural customers much more widely available than it is at present. It is strange, in a new century in which technology is widely available in so many forms, that a basic banking facility that many of our constituents still wish to conduct on a person-to-person basis is being denied to so many of them. I wish the hon. Member for Western Isles, and other hon. Members who are pushing this issue, well in forcing it to a satisfactory settlement that could be in the interests of the Post Office and the Scottish banks, and which would certainly be in the interests of our constituents.

2.28 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I, too, congratulate the hon. Member for Western Isles (Mr. MacDonald) on securing the debate. I apologise to him, and to you, Mr. Deputy Speaker, for not being in the Chamber for the first couple of minutes. I had anticipated that the Adjournment debate might start earlier than is normally the case, but I had not realised just how much earlier. Those of our number who are responsible for ordering the business of the House may wish to reflect that, not for the first time, it will be rather more substantial than the main business of the day.

Sir Robert Smith: We have more time.

Mr. Carmichael: Indeed: on this occasion, it is a happy circumstance, but that is not always the case.

It will surprise nobody that I agree with almost everything that the hon. Member for Western Isles and others said. The provision of banking facilities in remote communities, especially island communities, is not new. Over the years, the number of branches in remote and rural communities has declined. However, as my hon. Friend the Member for West Aberdeenshire and Kincardine (Sir Robert Smith) said, several banks maintain a facility in smaller communities that is available on a restricted basis. I know from flying round my constituency that one can find oneself on a plane to Westray on the same day as someone from the Royal Bank of Scotland travels to open the branch for one day.

I have sympathy for the difficulties that the clearing banks experienced in maintaining facilities in smaller communities. Those facilities are not big earners for banks and there is a considerable cost in maintaining them. It is therefore all the more puzzling that the clearing banks in Scotland have adopted such a difficult attitude in the negotiations with the Post Office. I do not know whether that is brinkmanship or some sort of hard-ball negotiating technique, but it is regrettable. Any pressure that the Minister can bring to bear so that the negotiations reach a swift and satisfactory conclusion would be welcome.

As other hon. Members said, the banks have taken different approaches over the years. When I worked for a firm of solicitors in the constituency of the hon. Member for Banff and Buchan (Mr. Salmond), it operated an agency for the Woolwich building society and the Trustee Savings bank. That was a common set-up at the time. Indeed, the arrangement ended only in the 1990s, but by the time I experienced it, it was becoming exceptional rather than common. It appears logical to develop a sort of agency status for something as substantial as the Post Office, given the technology that exists for providing access for people to their money through post offices. The Post Office appears to be the sensible successor to the agency arrangements.

I want to emphasise the point of my hon. Friend the Member for West Aberdeenshire and Kincardine about the difficulties that post offices anticipate as a result of the migration of benefits and pension payments to bank accounts. The fears that that engenders are genuine. If the facility of getting money from the Post Office were available to the public, many of the fears of Post Office employees, sub-postmasters, pensioners and benefit claimants in our constituencies could largely be allayed.

I commend the hon. Member for Western Isles for raising this matter. I was pleased to sign his early-day motion and I invite the Minister to make every effort to engage his Department in bringing negotiations to a swift and satisfactory conclusion.

2.33 pm

The Minister for Energy, E-Commerce and Postal Services (Mr. Stephen Timms): I welcome the opportunity to air the issues in the House. I warmly congratulate my hon. Friend the Member for Western Isles (Mr. MacDonald) on his important initiative. I also welcome the support that the hon. Members for Banff and Buchan (Mr. Salmond), for West Aberdeenshire and Kincardine (Sir Robert Smith) and for Orkney and Shetland (Mr. Carmichael) expressed. My hon. Friend made a telling point about the almost unanimous support of Scottish Members for his case through the early-day motions.

I listened with great interest to all the speakers. I was especially interested by the point that the hon. Members for West Aberdeenshire and Kincardine and for Orkney and Shetland made about the potential benefits for the Scottish banks in replacing costly one-day-a-week operations with six-day-a-week Post Office access to accounts. Indeed, I had discussions about the matter with sub-postmasters in Inverness last year. They were keen, for obvious reasons. My hon. Friend referred to his correspondence with the National Federation of Sub-Postmasters, and the group that I met in Inverness was greatly looking forward to the opportunity to serve a much larger group of local residents and potential customers through access to other bank accounts.

In opening the debate, my hon. Friend referred to his first account with a Scottish bank that he maintains to this day. I used the post office regularly to obtain cash when I was a student and when I first started work. I looked at my Post Office book the other day and I noticed that the last transaction in it was conducted in 1983, which was when I switched to using a bank card. I had not used the post office to obtain cash for 20 years until my bank opened its current accounts to Post Office access. I can now obtain cash in the Members' post office and I often use the post office on the High street in East Ham near where I live. I hope that it will not be long before every current account can be accessed in that way.

Let me outline some of the background to the debate. In June 2000, the performance and innovation unit report on the post office network concluded that the business had not kept pace with change and was not exploiting the highly trusted status that the Post Office enjoys as a provider of financial services. All sub-postmasters are business people. They have found it increasingly difficult to make a living and they have been leaving the network in increasing numbers. It was clear from the PIU's work that doing nothing was not an option and that that would lead to the unmanaged decline of the network, leaving deeply damaging gaps.

The network's problems are apparent to many of us. They include past under-investment, but people's increased mobility, changes in shopping habits, more choice—including through new technology—have all played a part. The business needs to face up to those challenges and make itself more relevant to modern customer needs, or it will not survive. The task that faces the post office network is to continue to serve its existing customers with excellence but to attract new customers and have access to expanding banking markets, not simply dwindling markets, as in the past. That is the key to success.

My hon. Friend rightly made the point that the Government are investing substantial sums in supporting the transformation of the entire network. We are spending £2 billion in total, including £500 million on implementing a network that links every branch in the country. We have established a strong management team at the Post Office and given it the task of turning the business round. It continues to develop and introduce new products and services. Recently, as my hon. Friend mentioned, plans for a range of financial products, available in all post offices through a joint venture with the Bank of Ireland, have been announced. That can only be good news for the network, for sub-postmasters and their customers. A major advertising campaign for travel insurance and bureaux de change services features ants. That contributes to making the Post Office the sort of service that customers want to use.

Banking is central to the Post Office's future strategy. It has the Government's full backing. We all want the post office to become the sort of place where people do their banking so that they get access to cash in a familiar and convenient place. All the high street banks and the Nationwide building society are already making a positive contribution to universal banking services because they provide customers with free access to basic

[Mr. Stephen Timms]

bank accounts at post offices as well as making a significant financial contribution of £180 million between them to the cost of running the Post Office card account.

I want to put on record that all those institutions, including the three Scottish banks that my hon. Friend mentioned—the Royal Bank of Scotland, the Bank of Scotland and the Clydesdale group—have worked with us in a positive and constructive way, including making financial contributions to ensure that universal banking was delivered on time, on 1 April last year, despite what some people had predicted in the lead-up to that date. Without a doubt, the initiative has technically been very successful. It has worked successfully right from day one, and I want to acknowledge the support that those three Scottish banks have provided by offering basic bank accounts that can be accessed at post offices and by providing financial support for the initiative.

In addition to basic bank accounts, the Post Office provides access to a range of other bank accounts and is seeking to expand these with all the major institutions. It is already providing electronic access to their accounts for all current account holders at the Alliance and Leicester, Barclays and Lloyds TSB—some 20 million ordinary current accounts in total. The Post Office wants to expand that number, and rightly so. I would like to add my voice to what has already been said in this debate by making it clear that I would like the customers of the Scottish banks to be able to access their accounts at the post office. However, I believe that that decision properly rests with the individual institutions, particularly in view of the support that the banks have already given to the introduction of universal banking. Nevertheless, I hope that all those banks will move in the direction that my hon. Friend and the other hon. Members who have spoken in this debate have called for.

I have had discussions with the Scottish banks on this issue. I have spoken to representatives of Halifax Bank of Scotland and the Royal Bank of Scotland. Yesterday, I received a letter from the Royal Bank of Scotland setting out its position, and it might be useful if I quote from it. The letter states:

"We recently looked again at our policy on this issue, and decided to make no change. This took into account a number of factors. We have detected no significant demand among our customers."

It goes on to talk about the size of the bank's network, and finishes by saying:

"While we have no plans at present to extend this particular facility to all our customers, we keep the question under regular review."

I hope that all account holders at the Scottish banks will be able to access them through the post office, but it is right, as that letter suggests, that the key should be whether there is a demand for that from the banks' customers. The Royal Bank of Scotland says at the moment that it has detected no significant demand, although my hon. Friend suggested in his speech that that might be about to change. If that is the case, we could well see a change of heart from the bank. That will depend on the impression that the banks form of the level of demand for this facility from their customers.

The Government remain absolutely committed to ensuring that those who wish to continue to do so can collect their benefits at post offices, in full and free of charge, after the move to direct payment. We have provided nearly £500 million to automate every post office branch. That has provided the technical infrastructure to support electronic banking, which gives the Post Office the opportunity to widen its customer base by increasing its offering of banking products. I welcome the fact that this debate helps to draw attention to the substantial benefits to Post Office customers that will result from the investment that the Government have made, and I am grateful to my hon. Friend for drawing attention to that point.

Under the new arrangements for benefits payments, customers have three account choices when deciding how they want to be paid. The first is a standard bank or building society account, some of which—although not yet all—can be accessed at post offices. The second is a bank or building society basic account, many of which can be accessed at post offices. All the Scottish banks offer such an account. The third is the Post Office card account. The customer chooses the account that they want.

Sir Robert Smith: The Minister has mentioned the various bank accounts available. What monitoring are the Government carrying out as part of this social contract with the banks to ascertain how easy people are finding it to open a basic bank account, and how many are being opened? Is there any monitoring of those statistics?

Mr. Timms: I do not have those figures with me this afternoon. There is certainly monitoring of the number of basic bank accounts that are being used. I am not sure that we have data on the number of accounts, but there is certainly information on the number of transactions. There are also data on the number of Post Office card accounts being applied for and opened. It is fair to say that the number of basic bank accounts opened so far remains quite modest, and that strengthens the case for opening up access to other current accounts. We are keeping a close eye on how that is developing.

In the past, Post Office income has been heavily dependent on benefit payments, but that business has been dwindling. It is worth making the point that, before the Government made the decision to switch to making all payments through direct payment, more than 43 per cent. of benefit recipients already received their cash directly into their bank account, compared with only about a quarter in 1997. Sixty-two per cent. of all new child benefit recipients and 68 per cent. of all new pensioners already have their benefits paid directly into their bank account by choice. So the direction in which things were moving was already clear, even before the transition to direct payment commenced.

The old order book system needs to be modernised to keep in step with changing customer needs and to reflect the fact that owning and using a bank account is now the norm. About 90 per cent. of pensioners now have access to one, for example. A business built on serving people who do not use bank accounts will clearly be serving a shrinking market. Instead, we all want the Post Office to serve an expanding market, and banking provides that opportunity.

I welcome the initiative that my hon. Friend has taken, and the support that he has attracted in this debate and through the early-day motions. I also welcome the keen interest that Members on both sides of the House and people across the country have in the future of the Post Office. The hon. Member for West Aberdeenshire and Kincardine pointed out to me a number of post offices in his constituency when I visited it last week. I want to make it clear that the Government share the commitment to the Post Office that hon. Members have expressed. We want to help to ensure that it can move forward with confidence and that sub-postmasters and sub-postmistresses can look forward with confidence to the prospects for their business.

It is clear that the business could not prosper if it stood still. The challenge is to adapt and to meet the changing demands of customers and society. The status quo is not an option; the future lies in banking and the Government hope that all banks will provide their customers with access to their accounts through post offices. The critical issue, however, will be whether customers demand post office access. I certainly hope that they will.

Question put and agreed to.

Adjourned accordingly at twelve minutes to Three o'clock.

House of Commons

Friday 30 January 2004

The House met at half-past Nine o'clock

PRAYERS

The Second Deputy Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

[SIR MICHAEL LORD *in the Chair*]

Sustainable and Secure Buildings Bill

Order for Second Reading read.

9.34 am

Mr. Andrew Stunell (Hazel Grove) (LD): I beg to move, That the Bill be now read a Second time.

I am absolutely delighted to be here as the first runner in the private Member's Bill race for this Session—I was tremendously surprised to come top in the ballot. I have not been at all short of advice on what I should do and say, not only today, but throughout the rest of the Bill's progress. In excess of 30 alternative Bills were offered to me by various individuals and organisations, but I believe that the Bill that I have brought to the House today is the best of the bunch.

I am very pleased to introduce a Bill that has the support of Members—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. I am not sure whose electronic device that is, but Members in the Chamber, and others, should be aware that they are absolutely forbidden.

Mr. Stunell: Thank you, Mr. Deputy Speaker.

I am very pleased to introduce a Bill that has the support of Members on both sides of the House and of many outside organisations. Without running through the whole catalogue, I would particularly like to thank the Chairman of the Environmental Audit Committee, the hon. Member for East Surrey (Mr. Ainsworth), for agreeing to sponsor my Bill, and the hon. Member for Milton Keynes, North-East (Brian White), whose Sustainable Energy Bill in the previous Session was one of a long line of private Member's Bills that have moved forward this extremely important policy area.

From outside the House, I have had the active support and help of WWF, the Association for the Conservation of Energy, the Association of Chief Police Officers, the Town and Country Planning Association and the National Security Inspectorate. I want to say thank you very much to all those who supported me in my preparatory work.

It is right to bring legislation before this House only if certain tests have been met. First, is there really a problem that needs a solution? Secondly, could something else be done that would achieve the same objectives more simply, more quickly and more cheaply? Thirdly, is it capable of making a difference and of achieving the desired impact? I want to spend a few minutes showing that my Bill passes those tests.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Of course it is perfectly legitimate for the hon. Gentleman to set out his tests, but does he accept that some of us may have other tests? Did he give any thought to the impact on the hapless consumer and taxpayer, or is that beyond his purview?

Mr. Stunell: I should like to give a positive answer to both the right hon. Gentleman's questions. I am delighted to see him here, and I hope that if he detects any weakness in my case, he will not hesitate to draw it to my attention.

Mr. Forth: Indeed.

Mr. Stunell: I thought that I could rely on him in that regard.

Ian Stewart (Eccles) (Lab): Following the negative point made by the right hon. Member for Bromley and Chislehurst (Mr. Forth), does the hon. Gentleman agree that for the sake of an initial cost, people will feel much more secure and enjoy a better visual environment if his Bill goes through?

Mr. Stunell: I believe that to be the case, and I thank the hon. Gentleman.

I turn first to the part of my Bill that deals with crime and crime reduction. I could deluge the House with crime figures and statistics. To be frank, many of those have been devalued, but there is no doubt about the distress, damage and economic costs involved in burglary, house-breaking and attempted break-ins. That is well documented, and every Member will have examples. I could regale the House with many heart-breaking stories about the impact of crime on individuals and the often devastating effect on their lives and families when intruders come into their home and defile it. I have little doubt that it was anger, fear and a devastating sense of violation that drove so many listeners of the "Today" programme to respond so fiercely to its poll to ascertain which private Member's Bill should be introduced. Perhaps on another day, the hon. Member for Ealing, North (Mr. Pound) will have something to add to that story. The Bill does not deal with the issues that some of those people were concerned about, but lays the foundations for a cut in crime.

There has been much correspondence since it became known what the Bill would achieve, but not all of it has been positive. One of my hon. Friends has passed me a letter from a constituent, which states:

> "Break-ins . . . could be dramatically reduced if those caught had a hand removed. It would make things much more difficult the second time."

That does not form part of my proposals; I do not believe that it represents a Front-Bench view.

I was surprised to find that builders and developers can turn a blind eye to the crime prevention advice that they receive. When preparing for the Bill, I had a meeting with Mr. Michael Hodge, Greater Manchester police's architectural liaison officer. Mr. Hodge is a

[Mr. Stunell]

chartered surveyor, not a police officer. He and his team are responsible for advising builders and developers on sensible crime reduction design and crime reduction features in buildings. They are consulted about approximately 3,000 applications a year in the whole of Greater Manchester. At first, that sounds fine, but when one considers the matter in detail, the figure accounts for only one fifth of the applications that are made. The advice that the team can give is limited to planning matters such as spaces, alleyways and dark corners around buildings, not buildings' locks, doors and windows. Moreover, the advice can be ignored.

Mr. Hodge gave me a couple of examples. One relates to the constituency of the Under-Secretary of State for the Home Department, the hon. Member for Wythenshawe and Sale, East (Mr. Goggins), who has taken up the matter. He is unable to be here this morning, but I hope that he will not mind my using some of his ammunition.

The houses built by the Redrow Homes development on the Wythenshawe estate have windows of an inferior design and can easily be broken into by those of an evil disposition. The police got fed up with going to the Redrow Homes estate week after week to find that exactly the same means of entry had been used every time—the defective windows. The hugely disproportionate use of police time was a major anxiety to them. They naturally approached Redrow Homes and asked whether something could be done to fix those windows. The answer was no: Redrow no longer has any legal liability because the homes have been sold. There is therefore a built-in problem with that estate and window design.

Mr. Hodge's complaint is not simply that the problem arose, but that Redrow Homes is now building an identical estate with identical window design in Eccles—and nobody can stop it. There are no rules or regulations; the advice can simply be ignored.

Mr. Andrew Dismore (Hendon) (Lab): I have been following the hon. Gentleman's speech closely. Will he deal with two points that arise from his example? First, how does he envisage enforcement operating if a builder does not comply with the advice? Secondly, how would the Bill help with existing buildings? Will it be retrospective and impose duties on owners or occupiers, or will it apply only to brand new buildings?

Mr. Stunell: I thank the hon. Gentleman for his sensible questions, which I hope to tackle later, not least because one of the clauses specifically deals with them. The matter must be approached carefully because a balance needs to be struck. I hope that I can satisfy the hon. Gentleman once I have proceeded a little further.

Ian Stewart: The hon. Gentleman has highlighted the nonsense of the use of defective and insecure materials in Wythenshawe and a proposal to use them again in my Eccles constituency. Does he agree that it is frustrating for Members of Parliament and local councillors when they do not have powers to prevent such things from happening? Is not that one reason for supporting the Bill?

Mr. Stunell: The hon. Gentleman is right. Most frustrated of all are the police, whose resources are used night after night to respond to crime that should not be permitted to happen. We are not only considering frustration; let us think of the households that suffer intrusion and have their property violated. As we know, it provokes the most intense emotional response from people.

Mr. Forth: I presume that because the hon. Gentleman is a Liberal Democrat, he will discuss the responsibility of the individual. So far, we have not heard why the individual who bought the house—presumably after advice from chartered surveyors and solicitors—does not complain that the law is not intervening to protect him. When does the individual come into the argument?

Mr. Stunell: The right hon. Gentleman is covering what has been described as retrospection, which is not a useful phrase. When I was preparing the Bill, one of my correspondents suggested that I was proposing town hall lock-watchers, who would come round every night and make sure that we were all locked up safely. It is not that sort of measure. When I explain its precise provisions in more detail, I hope that I can satisfy the right hon. Gentleman. If not, I am sure that he will let me know.

I have been in touch with the National Security Inspectorate and with the Secured By Design organisation of the Association of Chief Police Officers. To some extent, those two organisations are in competition commercially, but they are united in welcoming my Bill. They believe that it will prove an effective driver for sensible, proportionate crime reduction to be built in from the beginning and not added on as an extra.

Bob Russell (Colchester) (LD): Has my hon. Friend received any representations from organisations that oppose the Bill?

Mr. Stunell: I have not, but a critic might say that not all organisations are aware of the measure. However, those that know about it and those whom I have consulted appear to be clear that there is in the existing provision a gap that the Bill will successfully plug. Hardly any new buildings in the country are made for a specific client. Houses are sold to people, offices are rented or let to people and the person who occupies the building is seldom the person who built it. By and large, if the builder does not have to do something, he does not do it. I hope that my Bill will be seen as a way of plugging that gap.

There are several ways in which the Bill could make a significant difference in terms of crime reduction. The first relates to the conflict and tension that can exist between fire precautions and crime reduction. I understand that ACPO and the fire service are having high-level discussions about how to overcome some of those difficulties. This is a particular problem in high-rise buildings.

We have very high standards of fire protection in this country, and I have no wish to see them lowered. Indeed, when I was an architecture student, I attended a course of lectures in which pictures of bodies piled up behind jammed fire escape doors were intended to be—and

were—a stern reminder to those of us designing buildings in those days that fire protection was of supreme importance. Like the fire service, I would like to see sprinkler systems used more widely, especially to cut arson damage in schools. However, we also need to prevent and deter crime. With a better regulatory framework, we can work towards having our cake and eating it, in the sense of having buildings that are safe from fire and safe from crime.

Mr. Dismore: I take a great interest in this issue, having, in my previous life as a solicitor, advised the Fire Brigades Union in relation to many disasters of this nature. The Bill refers to the security of buildings. Does the term "security" include security against fire as well as against crime? Would it not be better to have a joint regulatory system in which the regulations deal with both fire and security, to ensure that there is no lacuna of the kind that the hon. Gentleman has identified?

Mr. Stunell: The hon. Gentleman makes a valid point. The difficulty at the moment is that it is not within the powers of the Office of the Deputy Prime Minister to make regulations relating to crime reduction, so that aspect tends to be the Cinderella—I was going to say the ugly sister—of the arrangements. I hope that, when my Bill is passed, we shall have the capacity for regulations to be made in a way that strikes a balance between those two requirements. That will deal with the current lacuna.

A further aspect of the crime reduction measures in the Bill is the installation and inspection of security systems. We all know only too well of alarms that ring and ring and ring. There are thousands—perhaps tens of thousands—of defective security and alarm systems in this country. In some ways, it is not the ones that ring that cause concern, but those that do not. Quite properly, there is an obligation on building owners and users to keep their heating systems up to scratch, but there is none in regard to security systems. My Bill provides for the possibility of introducing such an obligation.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Will the hon. Gentleman give the House an idea of how much an alarm company typically charges a householder for the regular inspection and maintenance of an alarm system over the course of a year? I know how much I pay, and I suspect that some people would have great difficulty meeting such costs.

Mr. Stunell: That is a very fair point. I should perhaps have emphasised earlier that I am providing an opportunity for regulations to be made. When the time comes for specific regulations to be made, they will of course be subject to a long consultative process, of which I am thoroughly in favour. I am not trying to take a short cut round any of the processes. It is extremely likely that the regulations would primarily be concerned with retail and commercial premises, rather than domestic premises. However, that would clearly be a matter for the consultation in the light of the legislation being passed by the House.

Mr. Hammond: I am confused now, because the hon. Gentleman has waxed eloquent about the emotional burden suffered by the victims of household burglary. Has not the thrust of his remarks so far been about improving the security of dwellings against crime?

Mr. Stunell: The hon. Gentleman is right. One of the most effective ways of protecting a house against burglary is to have locks, doors and windows that resist entry. I am not sure whether one would want to put on the public record that the efficacy of alarm systems in the domestic context is somewhat unproven, but they appear to provide more of a deterrent by their existence than by the fact that they go off. However, that is perhaps a subject for more detailed discussion later.

Sue Doughty (Guildford) (LD): I hope that our discussions on the Bill will take into account the amount of police time that is wasted by their coming out to deal with defective alarms. We have a big problem trying to deal with a very small police budget, and it causes the police great distress when they have to waste time dealing with such matters and are unable to tackle crimes that are much more deserving of their attention.

Mr. Stunell: My hon. Friend makes an important point. We could discuss this matter at length, and I would welcome further discussion when the Bill goes into Committee.

Mr. Hodge of Greater Manchester police gave me an example of failure to take advice. It related to a development in Oldham, where the developer had produced plans showing the layout of the homes and gardens, in which the rear garden fences were 600 mm high. For those who are still using old money, 600 mm is 2 ft. The developers were putting in back garden fences 2 ft high. Not surprisingly, the police drew their attention to the fact that this would not be very secure. The interesting point here is that the developer could simply say, "No, I'm sorry, we are going to stick with what we've got. We are leaving it to chance whether those homes are secure."

Mr. Hammond: An issue that I shall raise with the hon. Gentleman later relates to conflicts between different objectives. I am sure that he is aware that, in many cases, the advice that the police give on security and design conflicts directly with the views of the planners. For example, many people like to live in a cul de sac because they feel more secure. However, the latest thinking on sustainable design specifically rejects the idea of the cul de sac and encourages buildings to be fronted on to through roads. That is a good example of such a direct conflict. Does the hon. Gentleman recognise that problem?

Mr. Stunell: I do. I would simply draw the hon. Gentleman's attention to the fact that I am amending the building regulations, which do not relate to the spatial layout of dwellings. That is a matter for planning law in general. I am not trying to escape from his question, but my Bill has a more limited perspective: it deals with buildings, what makes buildings and what is joined on to buildings. My example about fences illustrates the grey area that exists between what is decided by planning and what may or may not be covered by building regulations. I shall seek to persuade

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the Standing Committee that we need to look carefully to determine whether the proposals can cover fences and boundary walls.

I hope that I have convinced the House that there is a problem of crime, so far as buildings are concerned, and that left to its own devices, the building industry has not only lacked urgency in dealing with the problem but, in some cases, deliberately rejected simple, sensible steps to improve the situation. I also hope that I have convinced the House that my Bill can make a significant difference by making buildings more secure and those who live in them much safer.

The sustainability part of my Bill is, of course, a huge and complex subject, and I must begin by alerting the House to the fact that this is not the big "answer to everything" Bill; it is a modest step towards making buildings in this country cheaper to run, healthier to live in, and less damaging to the planet. It may disappoint some people by its modesty, but if so, I hope that they will urge the Government in due course to bring forward a much more substantial sustainability Bill that can catch many of the wider issues that are not covered in my proposals. In that regard, I draw the House's attention to Library research paper 04/10, which has much useful background information on the context of my Bill and on the concept of sustainability.

The facts, however, are easily stated. First, we have one of the most inefficient building stocks of any western democracy. Secondly, we emit more carbon dioxide from our homes each year than from our cars, yet the House spends much more time struggling with transport policy than with housing policy. Thirdly, we are profligate with our use of energy in buildings. We could readily save some 13 million tonnes of carbon dioxide emissions a year by applying straightforward simple technologies and techniques to our current building stock, without even considering changing the fuels that we use to produce that energy. Fourthly, we kill 20,000 or more people each winter because of poorly insulated, poorly heated and poorly built homes. Fifthly, plenty of existing and readily available technology and materials can improve performance and dramatically reduce running costs.

Certainly, tearing everything down and starting again is not an option. For one thing, the buildings that we have at the moment have what is called embodied carbon in them—energy was used to build them, and rebuilding them would take even more energy. There is an analogy with the car, in that it is claimed that more energy is used building a car than will ever be burned by driving it. Currently, we are renewing only about 1 per cent. of our building stock each year, so the process of renewal and turnover is slow. We must therefore not only have rules that deal with new buildings, but do what is sensible and proportionate with existing buildings when they change.

If we accept climate change as a reality, and if we are to honour our Kyoto obligations, tackling the gross inefficiency and wastefulness of our building stock is essential. It is not only essential but easy—certainly it is easy compared with making people get out of their cars and get into a bus. It is also cheap, because in most cases it will reduce, not increase, the bills of people who use the equipment. It is also healthy. Were we to examine the costs imposed on the national health service, individuals and the economy by bronchitis, asthma and heart disease as a result of people living in poorly insulated and improperly heated buildings, we would find substantial savings to be made.

Mr. Forth: It would be helpful to the House if the hon. Gentleman were to explain, in simple terms, how to deal with a typical example of an energy-inefficient old dwelling occupied by an average or low-income family. Who would tell them what they had to do? Who would pay for it? How and when would it be done, and by whom? Unless we have a much clearer idea of how the wand will be waved, some of us will remain to be convinced.

Mr. Stunell: The right hon. Gentleman makes a fair point; that is a reasonable question. I shall point out again what my Bill does and what it does not do. It does not introduce a new fiscal scheme of incentives and grants. Several exist at the moment, and for those who want more information about the warm front scheme and others, the Minister may have some information. My Bill is about enabling regulations to make the transition from an old inefficient building stock to a building stock that is more fit for purpose—fit for those who live in it, and fit to meet our Kyoto obligations. I would be more than willing to debate some of the incentives needed to make that happen—but I return to my point about this not being a sustainability Bill. In other debates I have strongly criticised the Government for not having the right incentives in place to bring about the changes to which the right hon. Gentleman refers. My Bill is one weapon in changing the process; it is not the only or the complete weapon.

Ian Stewart: Does the hon. Gentleman agree that the argument of the right hon. Member for Bromley and Chislehurst (Mr. Forth) is predicated on an acceptance of the status quo? It does not recognise that we have some serious problems with our housing stock.

Mr. Stunell: I thank the hon. Gentleman—I am inclined to call him my hon. Friend in this debate, for his support and help. He is absolutely right. I outlined a few moments ago the problems that we are facing with excess winter deaths; that is a bureaucratic-sounding phrase, but we are talking about people dying because they live in houses that are too cold, too expensive to heat and unhealthy to live in. We are talking about a huge waste of energy and a tremendously large and unnecessary contribution to our greenhouse gas emissions because our housing, commercial, retail and industrial premises are so inefficient.

Mr. Hammond: I want to take the hon. Gentleman back to one of his earlier comments, about which I am now confused. He said that we needed to examine how we can update the existing stock of buildings when they change. Building regulations already apply when there is a material change to a building, but the intention of his Bill, I think, is to apply those regulations when there is a change of occupant. Will he clarify that point?

Mr. Stunell: Yes, I shall deal with the detailed provisions of my Bill in a few minutes. Perhaps I should

make more progress so that I do so before too long. Many of the questions being asked are entirely proper, and later, if the hon. Gentleman is not satisfied that I have dealt with his point, perhaps he will put it to me again.

The improvement and elimination of gross inefficiency of our building stock is essential. Unfortunately, however, it is currently illegal—or at least, outside the existing scope of the existing legislation—to require anyone to pay attention to it. I draw the House's attention to the Environmental Audit Committee's eighth report, published last year, recommendation 17 of which states:

"In reviewing the building regulations, the Office of the Deputy Prime Minister must incorporate not only far higher standards of energy efficiency requirements, but also requirements for the use of renewables where possible, with a view to moving towards zero space heating requirement for buildings."

My Bill is designed to permit the Government to implement recommendation 17 of that unanimous all-party report, and I was particularly pleased that the Chairman of that Committee was willing to be one of its sponsors.

What of the three tests that I set out? First, no one in the House—not even the right hon. Member for Bromley and Chislehurst (Mr. Forth)—has any doubt that there is a problem to be solved. We all believe that more should be done to increase awareness, prompt investment and encourage and inform the public. It is not all about legislation. Surely, however, when a Select Committee tells the Government to do something and the Government says that they cannot because the law does not allow it, it is time to change the law. That would constitute only a small step, not the whole journey, but a vital step none the less.

What, then, does my Bill propose? Most of the first six clauses make amendments to the Building Act 1984, which contains 135 sections and seven schedules. As far as I am aware, these are the first changes to be made to the primary legislation for 20 years, although many amendments have been made to the regulations arising from the Act, and there are also the approved documents, or ADs.

My Bill provides powers for more detailed regulations in two areas. It is not concerned with the intricacies of construction methods, heating technologies and so forth; it is concerned only with setting out the broad framework on which, at last, sustainability and crime reduction measures can be built.

Clause 1 makes two important changes. It provides additional fundamental purposes for the Building Act and the regulations that depend on it. One of those purposes—

"furthering the protection or enhancement of the environment"—

is strongly linked to "facilitating sustainable development".

Another is

"furthering the prevention or detection of crime".

As I hope I have made clear, it is important to provide the capacity for regulations on those matters.

Clause 1(3) refers to demolition, which is more important than it looks. The reuse or recycling of materials requires the capacity to deal with what happens when a building is being demolished. The building industry has estimated that even at present, when only 1 per cent. of stock is being renewed per year, it uses 6 tonnes of material per person in the United Kingdom each year. There is clearly huge scope for more use of recycled and reused materials.

Mr. Forth: Have all the experts and interested bodies whom the hon. Gentleman quoted so proudly earlier made any estimate of the additional costs involved at either the construction stage or the demolition stage? As the hon. Gentleman will doubtless know from his own research and expertise, recycling is not a cheap option; indeed, it can be very costly. Who would pay?

Mr. Stunell: There is quite a lot of money in the recycling of building materials. At present far too much is being taken away in trucks and dropped in holes, following which a landfill levy is payable. I am sure that this will be the subject of careful consultation, and the Minister may wish to comment on that. Following recent practical moves, recycling is more economic than it was under the old system. I am thinking particularly of the recycling of road surfacing materials. Once people's minds are focused on what needs to be done, it will be clear to them that in many instances the cost will be low.

Mr. Dismore: I assume that this part of the Bill deals only with new buildings. I suspect that the hon. Gentleman wants to ensure that a builder foresees the ultimate demolition of the building he is constructing, and the recycling of the materials used. Let us assume that the life span of a building is 50 or perhaps 100 years. Does he expect those who construct it to anticipate the recycling needs, demands and opportunities of 100 years hence? That is surely far beyond what can be expected.

Mr. Stunell: That would obviously be desirable. After all, people who make cars have to consider how those cars will be disposed of at the end of their lives. Any regulations—at least during the first few years of their existence—would relate primarily to buildings that had been built some time earlier being taken out of use, but the hon. Gentleman makes an important point: sustainability is not just about how a building is used, but about how it is built and what happens to it at the end of its life. As I said at the outset, there is a great deal more to be said about the concept of sustainability. Much of that is in the Library note.

Clause 2 deals with the contents of building regulations. Subsection (2) inserts the words "use and re-use" in the Act, and is of a piece with the recycling issue that we have just been discussing. Subsection (4) adds to the list in the Act—comprising 22 examples, it is not an exhaustive list—of purposes for which regulations may be made. Two of the examples in the subsection relate specifically to the security of buildings, one in broad terms and the other referring to

"installation and inspection of security systems".

I hope I have already demonstrated the importance of regulation in that context.

Another example in subsection (4) is "energy efficiency of appliances". The fastest growth in energy use is taking place in appliances in commercial

[Mr. Stunell]

buildings. The last thing that will be mentioned to anyone buying a new photocopier or computer is its energy efficiency.

Mr. Hammond: Is the hon. Gentleman suggesting that building regulations should apply to the energy performance of photocopiers in offices?

Mr. Stunell: I have a view on whether that would be desirable, but whether it is feasible is another question entirely. It should be borne in mind, however, that buildings contain fixed equipment, services and appliances of all kinds, which should be covered by regulations. The current building regulations cover them to a limited extent, but I think that my examples should be at the forefront of the Minister's thinking when he is devising more detailed provisions.

The fourth example—

"equipment for monitoring and measuring supplies of electricity"—

relates to two-way metering. I have long been fascinated by the fact that about 1 million electricity meters are replaced each year. We are, in fact, building in obsolescence, which makes it more difficult for micro-CHP—combined heat and power—or renewables to fit in to either the domestic or the commercial sector.

Subsection (4) refers to "recycling and composting facilities". I am told—I dare say the Minister will say it again—that current building regulations may well cover that, and if so we will probably discuss it in Committee. My point is that buildings constructed for the future must be fit for purpose, which will mean incorporating recycling and composting facilities where appropriate.

I was asked earlier about the sale, letting and re-letting of buildings. Subsection (5) covers that point, and makes it possible to introduce regulations to deal with the circumstances of a change in tenancy or ownership—a sale or resale.

Energy use in the industrial sector has declined by 50 per cent. in the last 30 years, mainly because the industry has gone. Public sector energy use has declined by 9.5 per cent. over the same period and the commercial use of energy has increased by 68 per cent. It is in the commercial sector that opportunites arise, when tenancies change, to update buildings that may be 20, 30 or 40 years old to ensure that they have up-to-date heating and cooling equipment, that they are reasonably airtight and properly insulated.

Mr. Forth: We are grateful to the hon. Gentleman for taking us through the Bill with such care, which will help hon. Members to respond to it. On this particular point, however, does he have any estimate of the impact on the rent levels of commercial buildings when one tenant vacates and, as will happen under the regulations, the landlord has to make extensive modifications? Presumably, rent levels for subsequent tenants will go up considerably. Have any of the Bill's supporters made estimates of how much people will have to pay for all this joy?

Mr. Stunell: The right hon. Gentleman should bear in mind that the running costs of the buildings will be substantially reduced. My office is in a leased building and the only way of upgrading it—or getting anyone to take responsibility for upgrading—is for me to do it myself as a tenant. I have to bear the cost and leave the benefit for the landlord when I move. That means that for many tenants the option of upgrading and reducing their running costs is not feasible, because they have to write off any investment. There is an opportunity at the point of sale or change of ownership to upgrade the building, and that is the appropriate moment to do so.

Mr. Dismore: I am sorry to press the point—it is slightly different from that made by the right hon. Member for Bromley and Chislehurst (Mr. Forth)—but the hon. Gentleman has switched to the issue of commercial buildings, which I mentioned earlier. However, the Bill refers just to "buildings": it does not distinguish between domestic and commercial buildings. As I understand it, under the Bill as it stands, whenever there is a new shorthold tenancy—or, indeed, if a local authority puts someone in temporary accommodation—the regulations would immediately bite. That could amount to a whole series of demands on the owner of the buildings. Does the hon. Gentleman anticipate amending the Bill in Committee to make the necessary distinction, or perhaps to provide some relief for people who let buildings in those circumstances?

Mr. Stunell: I hope that the hon. Gentleman will join me in Committee so that we can explore that point. My personal view is that the regulations should go for the targets that will produce the greatest dividend, so it is all about the proportionality and appropriateness of the regulations. As I have already pointed out, my Bill is enabling, not prescriptive on those matters. If some hon. Members believe that we should be enabling only for a particular sector of the building stock, I would like to hear the arguments.

Moving on to subsection (6)—

Mr. John Randall (Uxbridge) (Con): I am grateful to the hon. Gentleman for taking us through the various provisions. Before he moves on to subsection (6), I want to take him back to subsection (3), which states, "after 'gases,' insert 'vapours,'". Would the hon. Gentleman explain to someone who is not the brainiest of people what is the difference between "vapours" and "gases"?

Mr. Forth: It is what we are getting now!

Mr. Stunell: I thank the right hon. Gentleman for that sedentary intervention. It is about widening the definition to ensure that there is no loophole with regard to steam or other substances that might be emitted by plant or equipment.

Subsection (6) is designed, I hope, to deal with the circumstances when a council decides to reroof its estate of 1960s houses—

Mr. Hammond: I am sorry to interrupt the hon. Gentleman again but, unless I have missed it, he has not said anything about clause 3. Is he going to deal with it?

Mr. Stunell: I am sorry for my slow pace, but I will get there eventually. I could skip along a bit if it would help the hon. Gentleman.

Subsection (6)—of clause 2—will deal with the circumstances when a council decides to re-roof its estate of 1960s houses, but does so only according to the standards when they were built, without taking the opportunity to update to an appropriate new standard.

I hope that subsection (7) will find favour throughout the House because it catches Crown buildings and prevents them from being built or adapted to a lower standard.

That takes us to clause 3. It primarily confers the capacity to introduce regulations that require the regular testing of equipment or building elements where, over time, there would otherwise be a risk of a serious drop in the performance of that element. It might be heating or ventilating equipment or other items where an efficiency failure would have a serious effect on the sustainability—and, indeed, the comfort—of the building. I hope that that deals with the point that the hon. Member for Runnymede and Weybridge (Mr. Hammond) wanted to raise.

Mr. Hammond: I am sorry, but it does not quite do so. If I understand them correctly, current building regulations provide for continuing obligations, but in practice those obligations bite almost entirely on the owners and operators of commercial buildings. The hon. Gentleman seems to be broadening the scope of continuing obligations into the domestic field—into residential dwellings. Again, I have considerable concerns about the recurring cost burden that might affect people on quite low incomes who occupy the dwellings. Will the hon. Gentleman deal with that point?

Mr. Stunell: I will try, though I am not word perfect on schedule 1 of the Building Act 1984. I am almost certain—I will be corrected later if I am wrong—that the continuing requirements apply to buildings regardless of their use, so the hon. Gentleman is not strictly right. The current obligations may already be applied to the domestic sector. I am not extending them to the domestic sector, but extending the breadth of what can be incorporated into the requirements for check-ups at certain intervals. I hope that that provides some reassurance. The Bill is broadening the scope of what is required to be kept up to date by regulation, rather than extending regulation into the domestic sector.

Clause 4 brings schools and public utilities into the scope of the regulations— it may surprise many hon. Members to know that they are currently excluded. Clearly, changes in arrangements for school management and developments in the Department for Education and Skills make it more appropriate to bring schools into the normal control system. The privatisation and deregulation of public utilities reinforces the same point—that it is appropriate to bring them under the scope of the overall framework.

Clause 5 places a requirement on the Secretary of State to report on how he is getting on. We often pass legislation that places duties on the Government or confers additional powers, but we seldom tell them to report back on how it is going and what they plan to do in some objective or realistic way, shorn of spin. The clause requires them to do just that. I hope that it will not only find favour in this Bill but perhaps provide a model for future legislation in other areas. Subsections (1) to (3) require a full report to the House every two years on changes to the building stock in England and Wales resulting from the Building Act 1984 and the Government to tell us about their future proposals and targets to move things forward.

Sue Doughty: I welcome the plan to report on the recycling and reuse of materials used in construction or to carry out works. Last year, a Home Office building unfortunately used plywood from the Indonesian rain forests that was not from a sustainable source for fencing and shuttering. Will my hon. Friend consider whether we should also take into account the certified sustainability of materials?

Mr. Stunell: I am happy to reassure my hon. Friend on that point. Section 1(1)(b) of the 1984 Act contains a list of subjects on which the Secretary of State reports. I understand why she did not pick it up, but paragraphs (b) to (e) include the sustainability points, so such a requirement already exists. The point that I made a few minutes ago about changes to the applicability of regulations to the Crown means that the Crown would not be able to claim an exemption, which is also a valuable safeguard that I hope reassures my hon. Friend.

Mr. Stephen Pound (Ealing, North) (Lab): The hon. Gentleman's earlier comments about my constituency were transmitted to me in the BP service station on the A40, which led me to rush in to the House. I appreciate that financial discipline is not the flavour of the day with the Liberal Democrats, but can he estimate the cost of the bi-annual report to Parliament?

Mr. Stunell: We must be careful with our vowels: the report is not bi-annual; it is biennial—every two years. I have chosen that period because it is realistic to expect some developments that are worth reporting and because it is sufficiently frequent to make any Government report on their progress during the course of a Parliament. The costs have been estimated, and the clause has been drawn to minimise the cost in acquiring the data and presenting them to Parliament, although I do not completely discount the inconvenience to civil servants of having to account for what is going on—to be frank, that cost is worth paying.

Clause 5 also requires a separate report on reductions in fuel poverty in social housing as a consequence of the Warm Homes and Energy Conservation Act 2000, which sets important targets but does not require the Government to tell us how they are getting on. Government statistics show that more than 900,000 council homes in this country are non-decent and that a further 450,000 such homes are managed by registered social landlords. The statistics show that there are 1,600 non-decent homes in Stockport and 2,800 in Corby—the Minister's home authority. The 2000 Act was designed to tackle that serious problem, and clause 5 requires the Government to report on it.

From informal talks with the Minister, I understand that the Government have a deep sense of unease about that provision, and I shall listen carefully to what he has to say.

Mr. Dismore: This is the second report that the hon. Gentleman will ask the Government to produce. While

[Mr. Dismore]

I can see little argument about the Government reporting on the standards that have been set, because they would know those anyway, that is very different from asking the Government to specify the exact number of persons removed from fuel poverty in the period covered by the report, which could be an expensive exercise. The hon. Gentleman ducked a previous question about how much the first reporting exercise would cost. How much would it cost just to produce the statistics for this report?

Mr. Stunell: In relation to the first report, I was given an informal estimate—although I cannot specifically vouch for its authority—of some £100,000 a year. Partly as a consequence, a money resolution is attached to the Bill. The hon. Gentleman is right: I do not have an estimate for the cost of the second report.

Mr. Hammond: I am confused by the figure of £100,000. One of the requirements in the Bill is for the Secretary of State to report on the number of buildings in England and Wales that are not dwellings. As far as I am aware, there is no such record. The rating lists record hereditaments, not buildings. The Bill would require a count, ab initio, of all the buildings in the country. The hon. Gentleman cannot suggest that that could be done for £100,000.

Mr. Stunell: The hon. Gentleman is not correct about the building count. I am not trying to introduce a new Domesday survey, although if I were, it would cost more than £100,000. I am indebted to the Department for the informal estimate that I gave the House. I may have led the House astray on that point and I am willing to be corrected if necessary.

Mr. Forth: While we have the opportunity, it is important to clarify as many points as possible with the hon. Gentleman. The Bill states:

> "A report under this section must contain estimates, as at the end of the period, of . . . the number of buildings in England and Wales that are dwellings; and . . . the number of other buildings in England and Wales."

That sounds a lot like the Domesday Book. It is fair to ask how the hon. Gentleman expects the information that the Bill will require the Secretary of State to report to be produced without considerable cost. Without considerable expenditure, the information would be worthless.

Mr. Stunell: Well, we have the non-domestic rate lists and many other options for collecting data, most of which are already collected and available to the Department. I have explored that point in some depth, but it can be taken further in Committee if I have overlooked some of the issues.

Mr. Pound: The hon. Gentleman has been generous in giving way. The explanatory notes refers to the only direct costs imposed by the Bill and state:

> "These costs are estimated at £50,000, including printing costs of £5,500."

The hon. Gentleman's figure of £100,000 may be optimistic, but as far as the House has been informed, the actual figure would be half that.

Mr. Stunell: I thank the hon. Gentleman for giving me an important lesson in not ad-libbing—

Mr. Dismore: Typical Liberal Democrat accounting!

Mr. Stunell: Well, the usual accusation is that we underestimate spending. If I have misled the House by overestimating, I hope that hon. Members will put that in our credit account for a future occasion. There may come a time when that £50,000 could be very important, so I shall bank it now.

Clause 6 refers to the "Proper person" and may be described as "the buck stops here" provision. When a building contractor is at work on site, the company must have a proper person overseeing health and safety. Surprisingly, however, it is not necessary to have a proper person as regards the implementation of building regulations. It could of course often be the same person—for example, the contract manager—but the omission is unexpected. There is no doubt that building regulations are becoming more complex and technical, involving new technologies and so on, and there is some feeling among people whom I have consulted, both inside the building industry and outside, that the regulations are not always applied with the requisite accuracy and precision. The requirement to appoint a "proper person" means that there will be a buck-stops-here provision.

Mr. Dismore: Subsection (2) of clause 6 refers to offences, which presumably have penalties, so what penalty does the hon. Gentleman envisage?

Mr. Stunell: As a solicitor, the hon. Gentleman could probably do better than me on that point. He could refer to section 57 of the Building Act 1984, which applies to such offences, although I may be able to return to the question later to tell him how the provision would relate to the standard scale. Perhaps I can come back to the hon. Gentleman on that point, if need be.

Clause 7 springs from the attempts to clarify the law following the decision of the London borough of Merton to adopt bold targets in its local plan, which traded housing density on brownfield sites for the provision of renewable energy generation. The proposal has to be approved by the Secretary of State—or perhaps more accurately, the Secretary of State must have no objection to it. After much discussion between the borough and the Secretary of State, it was agreed that the borough's proposal to include such targets fell within the scope of the existing law. However, other local planning authorities that want to follow suit are being held up—if not held to ransom—by doubts and queries from the Office of the Deputy Prime Minister. Clause 7 simply says that it is okay to build sustainability into the planning process.

Mr. Dismore: The hon. Gentleman is right to say that clause 7 creates a permissive rather than a mandatory power, but we could end up with a situation in which some local authorities adopted the target while others did not. Might not that produce a distorting effect on the

cost of housing? Will not the provision also fall foul of European legislation, as an impact—albeit perhaps an unjustifiable impact—on free trade?

Mr. Stunell: That is an odd argument; it suggests that the only possible planning policy is a universal one that applies from John o' Groats to Land's End and from Norfolk to Aberystwyth. The same planning rules would have to apply everywhere so that there was no market distortion, yet those rules, almost by definition, distort the market. After all, in a free market, there would be no green belts, so we have to recognise that the planning process, especially in dense urban areas such as Greater London, is an important safeguard against some of the excesses that might otherwise occur. I am aware that the Minister will want to say something about that, and I shall be listening carefully when he does so.

Clause 8 deals with the licensing of houses in multiple occupation. Six hundred thousand of the households living in the 1.5 million HMOs in this country suffer from fuel poverty. In 2002, the Government tabled amendments to the Home Energy Conservation Bill, which were similar to my proposals and, like them, would have made energy efficiency a condition of licensing. Sadly, the Bill fell so the Government's intentions did not pass into law. Clause 8 brings those proposals back to the House.

Mr. Hammond: The hon. Gentleman should not hide his light under a bushel. In fact, clause 8 would do something much more far-reaching, as it would bind a future Parliament in legislation. It would provide that any measure passed after 1 January 2004 "shall" contain something that this Bill specifies. I should have thought that the hon. Gentleman and his party would be loath to establish such a precedent.

Mr. Stunell: The provision is designed for an entirely different reason. The Housing Bill, which is going through the House in parallel to my Bill, will make a difference to my Bill, depending on which one reaches the statute book first. The clause is thus a before or after provision. Furthermore, I remind the hon. Gentleman that no Parliament can bind its successor and it would be perfectly proper for a subsequent Act of Parliament to strike out the provision and start again, so I do not accept his point.

I apologise to the House for taking so much time for my speech, but before I conclude I have to confess that before the debate, I asked the Government what they thought of the Bill so far. After all, they are bigger than me. They replied that some bits were good and some were bad, and that they would want to chew it over in Committee. They said that the Bill goes too far, too fast. No doubt we shall hear about that from the Minister.

I believe that the Bill is sound and comprehensive, although I do not claim that it is perfect in every detail, as I hope I have made clear in my responses to hon. Members today. I hope that we can reach a sensible consensus in Committee without the need to spill too much blood. If the Minister has doubts and difficulties, I shall try, with the leave of the House, to respond helpfully when I wind up the debate.

The Bill is practical, powerful and profitable. It sets out practical measures to use existing materials and technology to cut waste and to improve efficiency. It is powerful because it goes with the grain of what is already happening; it is not hair-shirt stuff, it is about helping people to have better and cheaper buildings that have less impact on the planet. It is also powerful because it will bring the Government back to the House to tell us how they are getting on—a missing ingredient in so much of the legislation that the House passes.

The WWF, a key sponsor of the Bill, is running a one-planet campaign, to point out that we have only one planet to live on, but in the United Kingdom we live as if we had three planets. The Bill will help to give us a small footprint, so that we take up less of the planet—it will give us a more delicate shoe size.

The Bill provides a launching platform for action against crime and a renewed attack on fuel poverty, and for real moves towards a greener planet and meeting our Kyoto targets. I urge the House to support the Bill today, to carry it through Committee and to turn it into law.

10.49 am

Ian Stewart (Eccles) (Lab): The Bill has positive and negative aspects, as has been highlighted in the debate already, but its weaker elements can be considered in Committee and a compromise can be reached. However, may I first address the comments of the right hon. Member for Bromley and Chislehurst (Mr. Forth)? I think that he invariably speaks for an aspect of human nature. He invariably says that our citizens do not want to be regulated too much and that cost is an extremely important element in people's lives. Those things are correct, but they are, after all, only some aspects of human nature.

What happens in real life is that if we all agree that sustainability, ecologically sound and secure housing and buildings, and the environment that we live in are important—I am sure that we do—we have to recognise that, initially, there may be a cost if we are to attain the benefits of those concepts. Of course the benefits will be a more sustainable planet and local environment, secure housing and communities and, to be frank, a better visual environment, which is extremely important. So life is about a trade-off. The right hon. Gentleman certainly highlights some aspects, but I have other considerations and believe that, between us, we reflect in total the considerations of citizens in general.

I return to some of the aspects of the Bill, which I welcome and hope to see the House develop and bring to a conclusion. Clause 1 would introduce additional

"purposes for which building regulations may be made"—

in particular,

"furthering the protection or enhancement of the environment . . . facilitating sustainable development, or . . . furthering the prevention and detection of crime".

Of course, it adds demolition matters about which building regulations can be made. Those issues are important to my constituents in Eccles and, indeed, those in our city of Salford.

Anyone who has heard the Minister for Crime Reduction, Policing and Community Safety, my hon. Friend the Member for Salford (Ms Blears), my hon. Friend the Member for Worsley (Mr. Lewis) or me make a contribution about our city in the House in recent years knows that the situation in relation to

[Ian Stewart]

housing is not satisfactory. That is why I take issue with the right hon. Member for Bromley and Chislehurst in some of his contributions. The assumption that because something has a cost and takes energy, time and commitment does not mean that it should not be done. To argue for the status quo is to fail to recognise that some of our constituents live in circumstances that we would not choose to live in ourselves. Therefore, it is reasonable for the House to look at the current situation to see whether it can be improved.

Another issue—I may as well take it head-on—where my hon. Friends and I have a difference with the official Opposition involves regulation in general. Again, it could be argued that we come to almost the same conclusion, but for different reasons. My view of the official Opposition's approach to regulation is that they are actually anti-regulation.

Mr. Forth: Yup.

Ian Stewart: That is confirmed by the right hon. Gentleman.

I personally advocate minimal regulation. The Labour party and I want to see minimal but appropriate regulation. When we look at existing regulations, it is fair for the Opposition to argue that we should be much more severe in our review of regulations. I accept that, but regulations can be positive. That stands absolutely openly in the case of health and safety regulations, and I do not hear any hon. Member say other than that.

Mr. Forth: I am always obliged to rise to a challenge like that, particularly after the hon. Gentleman's kind remarks about me, for which I am very grateful. Just to say that anything labelled health and safety must therefore be uncritically accepted will not wash. One of the big problems now is that our European partners are imposing more and more restrictive and uncompetitive regulations on us under the label of health and safety, so I do not accept his proposition—if this is what he is saying—that something cannot be disputed simply because it says health and safety.

Ian Stewart: The right hon. Gentleman, as usual, is good value for money, but he has not, of course, represented my comments in full—or as my Prime Minister would say, "in totality". The right hon. Gentleman will remember that I said that there is appropriate and inappropriate regulation, while I was commenting on the spirit of health and safety regulation only a few moments ago. There are areas that need looking at not only to reduce regulation, but to improve and strengthen appropriate regulation. The health and safety issue was raised only as an example of an area where we can all agree on the need for regulation. When we approach issues such as sustainable and safe housing and building and the built environment, we should stand back and ask the rhetorical question: would I like to live in these circumstances myself? Like the right hon. Gentleman, I sometimes stand back and say, "Would I want me and my family be involved in this?"

Clause 2 would amend the list of matters contained in paragraph 7 of schedule 1 to the Building Act 1984 that may be dealt with by the building regulations to include reference to the reuse of building materials, measures affecting the emission of vapours from buildings and the security of buildings. Those of us who live in communities where housing is old, or perhaps not so much old as badly designed—something referred to by the hon. Member for Hazel Grove (Mr. Stunell)—know that it is proper for us to say that there should be certain minimum standards. My view is that we have some serious mistakes in buildings, particularly homes, to own up to since 1945. Why should people who are forced to live in defective accommodation—whether private or public—not have the right to be able to ensure maximum security, for example?

My colleagues in the Opposition will ask, "Ah, who pays?" but in this life we have to pay for what we want. When hon. Members choose to buy a car, for example, they know what a newer, safer, perhaps more efficient car costs. Assuming that we have the means, we choose the better, safer car. However, some of our constituents do not have those means, and hon. Members sometimes have to take that into consideration and take steps that we hope will help those people to have more secure and safe homes.

Mr. Forth: Again, would the hon. Gentleman like to consider a possible alternative way to look at that—priorities? I am always very interested in the individual circumstances of the kind of people about whom he is now talking. They do not necessarily buy a better car if they have more money; they might instead want to make their home more secure. They might want to cut down on their intake of cigarettes and alcohol. They might want to go to the betting shop less often. They have a wide range of possibilities, and I am not ready to accept uncritically the proposition that anyone who lives in a home that is insecure must be forced by regulation to improve its security, or must be subsidised to do so by the taxpayer, until I know a lot more about that person's own choices and priorities. Does the hon. Gentleman accept that as a reasonable proposition?

Ian Stewart: The right hon. Gentleman highlights a facet of human nature, but of course human beings are multifaceted. For ordinary people, priorities are usually a question of money. When one has money, one can prioritise. When one has little money, one finds it difficult to prioritise, so I do not accept the right hon. Gentleman's assumption that a person may choose safety and security or a new car. Most of my constituents are interested, first and foremost, in making sure that they and their families are secure and that they have access to the normal things in life. Security and the quality of housing have the highest priority for almost every one of my constituents.

Mr. Pound: I am grateful to my multifaceted hon. Friend for allowing me to intervene. Is it not possible that we have the best of both worlds? My hon. Friend is well known as a keen student of the British crime survey. In 2000 the survey identified a cost of only £440 to make a home secure by design standards. The figure rises to £660 when security is upgraded during refurbishment. At the same time, the average cost of a burglary is £1,670, so the measure could be extremely cost-effective.

Ian Stewart: My hon. Friend is correct, but all too often our constituents consider those facts only after

they have had a burglary. Surely we should encourage our constituents to take these matters into account at an earlier stage and be aware of the cost-effectiveness of this approach. It is proper for the House to consider, whenever possible, writing minimum standards into reasonable and appropriate regulations so that our constituents do not have to face those circumstances in future.

Mr. Hammond: I am still not clear where the hon. Gentleman thinks the ultimate burden of the costs will lie. Does he accept that it will lie with individuals, and thus their freedom and choice will be removed by having to use their limited resources to comply with the regulations, or is he suggesting, as my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) implied, that the burden will fall on the taxpayer, and that the costs to individual householders will ultimately have to be met by the Exchequer?

Ian Stewart: Those are legitimate questions to pose. At this point in my thinking about the issues, I would not say yes to either of those propositions.

Mr. Forth: Oh, come on!

Ian Stewart: We may end up with a dual approach: whatever is most appropriate in the circumstances. That may not be acceptable to Opposition Members, but sometimes we have to say that when people face a choice between costs or a lack of security, we should encourage them to go for security. One of the aims of the Bill is to remove that dilemma. The dilemma is more pertinent to people who have existing accommodation with security defects. The thrust of the Bill is that appropriate security standards should be written in at design stage for future developments.

Our problem is that serious mistakes have been made in building since 1945. I should like to see sustainability and security written in at the design stage. I have difficulty with the current practice in local authorities whereby planners produce a design for some new building or complex and it is then sent out for consultation. I would encourage local authorities to consult the police, transport, and further education authorities and the wider community before a design is put on paper. We make a bad mistake by not adopting that approach. The Bill goes some way towards encouraging such an approach.

I do not intend to discuss energy matters today, but some commercial developments in the field of sustainable energy deserve our close attention. Some of the new developments are at a micro level that can be used for recycling even human waste at household level. I support the Government in their pursuit of positive, renewable energy solutions. We need to encourage a wider and continuing debate in the country on these matters.

We use the term "partnership" a great deal. It is sometimes considered a hackneyed phrase, but from consultation with my local police force and other agencies, I am convinced that there is a general willingness among them to act in partnership. Sometimes this can be quite shallow. We need to find mechanisms to ensure that a real partnership approach to these issues is generated, including the pooling of resources. The Government have moved a long way since 1997 to encourage institutions and organisations to work together. We must go further and examine the potential for pooling the budgets of those organisations so that we can focus more closely on specific problems.

The Bill would widen the circumstances in which building regulations apply to buildings erected before the regulations came into force. That is important. Some of us who have been lucky enough to buy our own houses had to buy older houses when we first got on to the property ladder. We invariably find that older houses do not meet modern standards because they were built before current regulations. We need to consider how to assist people and encourage local authorities, construction companies and the other organisations involved to ensure that minimum standards are implemented and that they are affordable. It is no use Opposition Members raising the issue of cost. We accept that that is an issue.

Mr. Hammond: I am grateful to the hon. Gentleman, notwithstanding the fact that he tried to pre-empt what I am about to say. When we strayed into this territory during the speech of the hon. Member for Hazel Grove (Mr. Stunell), he retreated into saying that the measure was permissive and that he anticipated that if regulations were made with retrospective effect, they would be more likely to apply to commercial buildings than to dwellings. The hon. Member for Eccles (Ian Stewart), by contrast, has tackled the issue head-on and clearly seen the need to apply the measures to dwellings. How does he envisage the situation of the person who, through force of circumstances, bought that older and defective property and wants to sell it in order to move on? Under the terms of the Bill, that sale would be a trigger point requiring the building to be upgraded. Is that not a real problem?

Ian Stewart: That is not, in my view, a real problem. It is an issue, but the situation is dependent on how one chooses to address it. If I chose to do work on my house—whether for sale or improvement—I would like these new sensible and appropriate regulations to apply. We need to think things through, but that is the purpose of the parliamentary process. There are aspects of the Bill with which I disagree, so I hope that they will be addressed by the hon. Member for Hazel Grove in Committee and beyond.

Other aspects of the Bill address the demolition of buildings, the use of materials incorporating recycled materials and the reuse of such materials. There is a big problem in my constituency because some private owners of buildings are not prepared to rent or sell their buildings because they think that it is in their best interest to wait until land prices improve—that might be due to the speculative nature of their business. I do not have a problem with a business person making such choices, but I do have a problem if those buildings are a blight on local communities. I would strengthen local authorities' powers so that they could right that situation. The owner of a property has a responsibility to ensure that it is safe and not a blight on its local community, so it is extremely important that we consider that matter.

[Ian Stewart]

The Bill would require a person carrying out work on erecting a building to conserve fuel and power and reduce emissions. Such measures may relate to the work carried out or, more generally, the building or its services. Some of those things are common sense. Although I accept that Opposition Members may ask legitimate questions about the Bill, I am with the hon. Member for Hazel Grove, on balance, in wanting to ensure that such points are addressed because the current circumstances are often not acceptable.

The Bill is mainly positive. It would be an extremely good move for an identified responsible person to be responsible for ensuring that appropriate regulations are followed. I have personal experience of finding difficulty pinning down the appropriate person when trying to improve my home. If something goes wrong with any of my constituents' developments, it is important that they know exactly who is responsible for that, so the certificate system is a good measure. I say that because we must have minimum standards. We could be more positive and say that we must have quality measures—if most people were making a speech of this nature, they would major on the positive terminology of quality measures—but for my constituents and many people throughout the country, we really are talking about minimum standards: standards below which none of our citizens should be expected to live. I welcome the provision to identify such an appropriate person.

I shall highlight several problems that we should tackle. Too many people do not have access to decent and affordable housing in decent surroundings—that was the thrust of the contribution made by the hon. Member for Hazel Grove, and I hope that it is the thrust of mine. There are still homes in poor condition throughout this country that are occupied by vulnerable people. There is a shortage of housing in parts of the country. Homes are unaffordable for people on moderate incomes, including many workers in our key public services.

Mr. Forth: I am interested that the hon. Gentleman has introduced the concept of affordability into his argument because the entire direction of our debate so far has shown that everything in the Bill would put costs up. There would be costs for householders, builders, authorities and the Government—although claims were made that there could be counter-savings, that might or might not be the case. Is he convinced that his constituents would have more affordable housing as a result of such a Bill?

Ian Stewart: The right hon. Gentleman again uses a general argument to address a specific issue. I have some sympathy with his argument for the reasons that I pointed out earlier. However, if we are talking generally, it is legitimate to consider problems with future housing. I mentioned key public service workers. They earn a wage, but some cannot access affordable housing of a reasonable standard. We must address that matter, so it is no use for him to use his specific argument to try to diminish a more general point.

If hon. Members are right to address the concerns of our constituents, I must say that some of my constituents in low-income jobs in the public services want reasonable and affordable housing. Then why should my constituents not have expectations of a reasonable house that is safe and secure? Is there something wrong with such aspirations? No. If Parliament addresses such issues and identifies the sensible and reasonable standards that could be expected—that is part of our job—the debate is legitimate. If any hon. Member wishes to disagree with that, I am prepared to take an intervention. No intervention!

The building of new housing has been in decline for decades. Private house building, in particular, has not responded to increased demand for home ownership. Successive Governments have failed to tackle the problem, so the gap between the need for new housing and the provision of such housing is widening. We must address such problems. The Bill would do that, albeit in a small way, and it will generate a necessary debate through the parliamentary process.

We have been too wasteful of precious greenfield land for many years. New developments often take up much more land than they need and the full potential of previously developed land has not been exploited. My constituency, which is in the heart of Salford city, is an old area that is in industrial decline. That has been the case for many years, and our housing is among the worst in the country, in some respects. Cheek by jowl with that, Salford is a vibrant city with many positive new developments that are famous throughout the world. We have to take what we have inherited, accept our responsibility for it, and work to improve it. One of the ways to do that is to use brownfield sites and reclaimed former industrial sites before using any more greenfield areas.

The Bill would extend better regulation in respect of sustainability and would help to ensure the wider use of sustainable and recycled materials. Although I accept aspects of some of the arguments advanced by Opposition Members about the costs of recycling, I have to say that where my local authority, Salford city council, has implemented recycling systems and made provision to enable citizens to be involved in them, those citizens have been only too pleased to take the time and make the effort to ensure that the systems are used. The council has implemented a green bin scheme and our citizens are calling for more all the time—the council cannot get them quickly enough to households that want them. It is an excellent initiative, and Salford city council should be congratulated on it.

The Bill would extend building regulations to cover security measures. I understand that there may be other, competing factors—fire safety and so on. Since becoming an MP in 1997, I have been a consistent and strong supporter of building sprinkler systems into new building design. We eliminate a problem by addressing it at the design stage. Some of my constituents' greatest concerns centre on security. Who wants to live in an area of high crime? I do not, I do not want my family to, and I do not believe that there is a single Member of Parliament who would want to—but some of our constituents do, so we have to take action. We must not do it to them; we must do it with them—we must work together on such issues. The balance between the costs of the measures and the benefits that our constituents will gain when the Bill has been knocked into shape

during its parliamentary stages and successfully passed, as I hope it will be, will show our constituents that we have gone some way to meeting their concerns.

11.23 am

Mr. Philip Hammond (Runnymede and Weybridge) (Con): I warmly congratulate the hon. Member for Hazel Grove (Mr. Stunell) on his good fortune in securing an excellent position in the private Members' ballot and on the balanced way in which he introduced his Bill. The measured tone he adopted reassured me on a couple of points that had alarmed me on first reading the Bill.

I draw the House's attention to my entry in the Register of Member's Interests, which records a shareholding in a company that has interests in the construction sector. I should also apologise to the House and to you, Mr. Speaker, as I have already apologised to the Minister and the hon. Member for Hazel Grove, for being unable to remain until the debate concludes, owing to a long-standing constituency commitment.

The Bill is thought provoking, and as I went into it, I became more interested in the issues it raises. Regrettably, one cannot say that of all the Bills that one is required to study. I genuinely sympathise with the hon. Gentleman's intention to make buildings more energy and water efficient, and to make homes and commercial properties more crime resistant. No one can argue with those objectives—of course we must try to achieve them. We must reduce the carbon output from homes if we are even to approach the 60 per cent. target that the Government aim to achieve by 2050. On crime, there is a clear analogy with motor vehicles: improving their impregnability by designing better security features has dramatically reduced the incidence of car crime. I therefore do not doubt the hon. Gentleman's good intentions, nor do I doubt that some parts of the Bill would work. However, I agree with the Minister's reported view—reported by the hon. Member for Hazel Grove—that some parts of the Bill simply go too far and fail to strike the correct balance between making steady progress towards worthy objectives and the cost and other burdens that the measures would impose, as well as the impact that they would have on other objectives. One of the central themes of my remarks will be the way in which some of the worthy intentions conflict with other social and environmental policy objectives.

I also have to tell the hon. Gentleman that the Bill displays a somewhat narrow focus. The first part deals almost exclusively with building legislation and the use of building regulations to achieve its objectives, but some of those objectives might be better addressed by other means—perhaps in other legislation. Two measures currently before the House—the Planning and Compulsory Purchase Bill and the Housing Bill—would be better vehicles for realising parts of the hon. Gentleman's agenda than separate legislation. In addition, many of the objectives that he wants to achieve would be better, more effectively and less painfully achieved through mechanisms other than legislation or regulation—through fiscal incentives or the targeting of grant regimes, for example.

Rather than requiring them to do so, the most effective way to persuade householders to install and maintain security measures in dwellings would be insurers making such action more attractive by offering appropriate discounts and rebates. I suggest to the hon. Gentleman, and I urge the Minister to consider—although I confidently predict that he will require little urging in this respect—that the Government, before they take the regulatory route, should try to use their substantial clout with the construction and insurance industries and others to achieve these desirable objectives. There would then be no need to create elaborate and bureaucratic legislative and regulatory mechanisms.

Ian Stewart: I am perplexed to find myself acknowledging so many of the arguments advanced by Opposition Members this morning. I am sure that the hon. Gentleman will acknowledge that the Government have been keen to encourage voluntary approaches to such issues. However, if the Government have made every effort to get the institutions, organisations and stakeholders in an industry to adopt a voluntary approach, does there not at some point have to be reasonable regulation?

Mr. Hammond: It is conceivable that in some circumstances regulation will be necessary, but the hon. Gentleman speaks as if the Government have already pursued to the ultimate limits through voluntary agreements all the areas that the Bill addresses. I do not want to put words into the Minister's mouth, but I suspect that he will take the Opposition's view that these worthy objectives can be pursued a great deal further without the need for regulation.

I return to the point that I was about to make, because critically—

Ian Stewart *rose—*

Mr. Hammond: Just let me make this point.

Critically, many hon. Members who have contributed this morning have already lighted on the principle concern about the Bill: that there is no regulatory impact assessment of any kind alongside it. I understand why, of course: it is well beyond the scope of the resources of the hon. Member for Hazel Grove, probably even of the resources of the WWF, to prepare one. But whereas the Government can use their considerable powers of exhortation to try to persuade people to do things that will move us in the direction of the sustainability agenda, before they even consider using regulation to do that, they will have to have careful regard to the balance of costs and benefits, and that can be done properly only once a regulatory impact assessment is available to the House.

Ian Stewart: I accept the hon. Gentleman's comments, and that was the thrust of the intervention that I sought to make. Does he accept, however, that there is a wide difference of opinion on the matter? It is highlighted by the fact that, when I intervened to ask whether a sensible approach could be taken and to say that the Government may in some circumstances have to implement reasonable and appropriate regulation, which I think the hon. Gentleman accepted, the right hon. Member for Bromley and Chislehurst (Mr. Forth) said from a sedentary position that there are no such

[Ian Stewart]

circumstances. Is the hon. Gentleman saying that, yes, sometimes, as long as the Government meet the requirements set out, it may be that we have to regulate?

Mr. Hammond: My right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), as he always has and as he always will, speaks for himself and has his own views on all of these subjects. He will correct me if I am guessing wrongly, but I suspect that he may sometimes be tempted to state his case in the most extreme terms precisely because of the barrage, the torrent, of regulation that we have been faced with over the past few years from the Government—4,000 regulations a year.

Of course, I and my party accept what the hon. Gentleman says: there will be occasions when it is right to regulate. Some regulations are beneficial and necessary. No legislator, spending their day working in a community that is built on legislation and regulation, could feel that there was never an occasion when it was right to regulate. It is a matter of balance and of taking a rounded view of all the issues.

Brian White (Milton Keynes, North-East) (Lab): The hon. Gentleman talks about a barrage of regulations, but forgets that the number of statutory instruments has not really changed since the time of the Conservative Government. If the hon. Gentleman is so concerned about regulation, can he explain why very few Conservative Members turn up in the Regulatory Reform Committee?

Mr. Hammond: I can neither explain that, nor can I explain why so few Labour Members have turned up to such an important debate as this, if its consequences are as far-reaching as hon. Members have suggested.

The Bill would impose substantial costs on home owners and home buyers, at a time when one of the Government's key agenda issues is, rightly, affordability of housing. The hon. Member for Eccles (Ian Stewart) eloquently made the case that everybody has a right to expect that we are critically concerned in this place with ensuring that affordable, decent housing is available for our constituents. If the Bill as presented to the House this morning is enacted in its entirety, it would move that goal of affordability still further away in the interests of achieving something called "sustainability", which is exactly the point that I want to impress upon the House this morning. If a legislative measure focuses narrowly on achieving a positive outcome, and declines to look at the unintended negative consequences of pursuing that agenda, on all sorts of worthy social and environmental agendas, we will find that we have a Bill that does not makes sense.

Given that the hon. Member for Hazel Grove is the author of a pamphlet entitled "Local Democracy Guaranteed", I was disappointed to hear nothing from him about the Bill's approach of using the building regulations, a highly centralised, one-size-fits-all approach to regulation, with very little local discretion in them. When challenged by the hon. Member for Eccles, the hon. Gentleman conceded that he understood the value of local discretion and local authorities' ability to deal with the specific issues and concerns in their communities. If sustainability is to be a workable agenda, it surely must be a local agenda. It is almost a contradiction in terms to conceive of sustainability being something that is imposed by a remote national Government on local communities. I should have liked to have seen more of an acknowledgement in the Bill of the role that local communities and local authorities could play in considering how to tailor the appropriate parts of that agenda to the needs and different imperatives and priorities of their areas.

Mr. Stunell: I hesitate to take more of the House's time, but I thank the hon. Gentleman for giving way. I do not know whether he has studied how building regulations now apply, but they are not one size fits all: they set some overall standards and it is left to the discretion of building designers how those standards are met. That useful change was introduced about 20 years ago, but perhaps the hon. Gentleman has not had an opportunity to catch up with it.

Mr. Hammond: The hon. Gentleman is absolutely right. The building regulations define the end result and leave it to the building designer to choose the method, but they are a national set of standards and they appear to me to leave relatively little discretion for tailoring things to local needs.

The Bill's objective is, I think, acknowledged. We want to see more sustainable buildings over time. But that is just one policy objective among many and there are many different ways in which to approach that. The hon. Gentleman has chosen the regulatory approach—a man with a clipboard ticking boxes. Although that does not invalidate the objectives that he is pursuing, it is a flawed delivery mechanism, and it will make resistance to the Bill all the stronger. In the case of some parts of the Bill, it undermines the credibility of the proposals altogether, as I shall seek to illustrate.

I could not help but feel that the Bill does not quite live up to its billing. The hon. Gentleman might want to disown some of the remarks that the e-politics website attributes to his office. It says that the hon. Gentleman's office claims that the legislation will

"make it easier to generate your own electricity even in the centre of towns."

I am not clear how that is covered by the Bill. It also says:

"It will help make all buildings more crime resistant and allow the police to insist on crime prevention measures that will make homes safer."

I have not noticed a provision in the Bill dealing with the powers of the police to impose the measure on home owners. Perhaps the hon. Gentleman will clarify that.

The hon. Gentleman's office is also reported as saying that the Bill will cut greenhouse gas emissions from homes, offices and other buildings, saving energy and slashing heating bills. Of course, that is right. As we improve standards of insulation in homes, heating bills will undoubtedly be cut. In isolation, that must be a good thing, but what about the cost of achieving that?

Much is made in the hon. Gentleman's promotional material and in the WWF's 1 million sustainable homes initiative, which he mentioned again this morning, of the gap between the "quality" of homes in the United

Kingdom on one hand and in Scandinavia and northern Europe on the other. The WWF uses on its website the examples of Denmark and Germany. "Quality" probably refers to efficiency in the use of energy and in insulation standards. If so, what the hon. Gentleman and the WWF say is undoubtedly correct. The hermetic seal of the average new home in the UK is considerably less effective than that of one built in Germany or Denmark. However, has the hon. Gentleman ever looked at the cost of achieving parity?

The Danish Agency for Trade and Industry has produced a report—helpfully in English; wonderful people, the Danes—which the hon. Gentleman might want to look at. It compares Danish construction costs with those of various other European Union countries. The House will forgive me if I quote the figures in Danish krone per square metre rather than pounds per square foot, which might be more familiar to many of us.

The cost in 1999—the last year for which data are available—of constructing a typical single family house in Denmark was 8,600 krone per square metre. The cost of a similar single family house in the UK in the same year was £4,183 krone. That represents a Danish construction cost for domestic dwellings that is 106 per cent. higher than the comparable UK figure.

Brian White: The hon. Gentleman is quoting figures for new construction, but it is cheaper to install energy-efficiency measures in new homes than it is retrospectively to fit them in existing homes. Therefore, the extra investment costs are surely less than those down the line, which would run to hundreds more krone.

Mr. Hammond: I hear what the hon. Gentleman says, but he has not addressed the critical point. At a time when the Government are facing a housing crisis and addressing—the Office of the Deputy Prime Minister is certainly doing so—much of their energy to trying to deal with the housing affordability problem across a large part of the country, are we seriously contemplating doubling the construction costs of new dwellings? I suggest that, although that might move us forward on one agenda, it will move us sharply backwards on the Government's priority agenda of achieving affordability.

Mr. Dismore: I want to be sure that we are comparing like with like. I know, for example, that tax rates in Denmark are exorbitant. I think that I am right in saying that normal income tax is of the order of 65 per cent., which puts our own rates into context. I think that I am also right that various purchase taxes—whether VAT or otherwise—are extremely high compared with ours. Are the hon. Gentleman's figures adjusted to the differential tax rates?

Mr. Hammond: I was quoting costs in crude Danish krone per square metre. However, I also have purchasing-power parity figures that show a less, but none the less dramatic, difference. Danish costs per square metre are 69 per cent. higher than those in the UK for the same year on a purchasing-power parity basis. If the hon. Gentleman cares to look at the document—I will happily pass it across the Chamber later—he will see that it is a fairly rigorous piece of work that was done on a proper basis. The figures certainly raise some alarm in my mind.

Brian White: The Milton Keynes development corporation has built higher energy standards into new homes over the past 30 years. One advantage has been that maintenance costs for those homes over that period have been lower than those for traditional homes in Milton Keynes and in other parts of the country. Is the hon. Gentleman ignoring that cost as well?

Mr. Hammond: I do not doubt that what the hon. Gentleman says is true and that there will be a payback for that higher investment in lower energy costs, and, perhaps, lower maintenance costs. If we had all day, which we do not, that could lead us into a lengthy debate about whether energy pricing in the UK is properly reflective of the environmental costs of energy consumption. I suspect that that is not somewhere that many of us would want to go, first because the debate would be a very long one, and secondly, because as democratically elected Members, we would rapidly find that whatever the arguments, our constituents on the whole prefer reasonably cheap energy. Personally, I would be broadly sympathetic to shifting gradually over time to a system that places greater emphasis on taxing consumption rather than incomes, and in a way that reflects the environmental cost of that consumption.

I envisage Labour Members being able to construct the argument that under a certain energy pricing regime, the additional substantial construction costs that the measures would impose will make simple economic sense, because over time, the energy savings will be great in money terms. However, I was struck this week, as I am sure were other hon. Members, by the proposals of the Mayor of London for solar panels on the roofs of dwellings. Experts estimate that Mayor Livingstone has installed in his own home some £15,000 to £20,000-worth of solar panels and solar heating equipment, from which he expects to generate energy cost savings of £100 a year. That is an extremely noble gesture by a gentleman who cannot by any stretch of the imagination be considered poor, but given the return in cost savings as against capital outlay, it is well beyond the means of the vast majority of people in this country.

Matthew Green (Ludlow) (LD): I did not intervene when the hon. Gentleman failed to understand how two-way metering, to which clause 2(4) refers, would work, but it would allow people to recover much more value from installing things such as solar panels. At the moment, solar panels generate most electricity when the house uses the least. That is why the saving is not very great. However, if they were allowed to export to the grid, which is physically but not legally possible at the moment, solar panels would become much more viable.

Mr. Hammond: I suspect the hon. Gentleman of dodgy calculation. If he looks at the wholesale electricity price curve for any typical week day, he will see that the spikes of peak demand occur precisely when domestic demand peaks in the morning and early evening—not when households would be looking to export electricity

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to the grid. The times when solar panels on domestic homes might export electricity—in the middle of the afternoon—are not periods of peak demand.

Brian White *rose—*

Mr. Hammond: I will give way one more time to the hon. Gentleman, and then I must make some progress.

Brian White: The hon. Gentleman says that solar energy is the renewable energy source with the longest payback time. Has he considered the whole range of energy efficiency measures that have a much shorter payback time, are far more economical, and can contribute up to about 50 per cent. of what is required for the Government's energy-saving targets over the next 20 years?

Mr. Hammond: That is the point that I am emphasising. Where there is a clear economic payback there is no need for regulation—people simply need to understand how the payback works, although they may need help with financing the capital cost until they have accrued the savings from it. Regulation is needed only where the individual or corporation that owns the building will not, out of economic self-interest, make the investment without compulsion.

Brian White: Will the hon. Gentleman give way?

Mr. Hammond: All right, but this is the last time.

Brian White: The hon. Gentleman talks about individuals making such decisions, but they are often made by building companies, which, when they build houses, choose the mass market option instead of taking those issues on board. That is where building regulation has its biggest impact, because it creates a level playing field for all builders.

Mr. Hammond: I accept that to a certain extent. Over time, there has been a steady progression in the standards required by the building regulations. Every few years—once the appropriate consultation has taken place and the Building Research Establishment has done the necessary technical work—the building regulations are upgraded and updated so that the standard of new homes gradually improves. I have no doubt that that will continue to happen, and I have no problem with it.

The Bill also seeks to promote on-site domestic renewable energy production. Again, I am extremely sceptical about whether that makes sense in terms of the costs and benefits. So far, we have talked in terms of money. With energy pricing, I accept that the money saved may not reflect the effect on the environmental burden, but overall, in a very broad market context, the costs of doing something will reflect the consumption of resources in doing it. I am not sure that the additional building costs involved in achieving standards of the kind envisaged by the hon. Member for Hazel Grove, or the investment costs involved in developing local renewable energy generation, would be justified either financially or environmentally. Wind turbines have to be built, too, and they consume both resources taken from the earth and large amounts of energy in their construction. We need to see a rather more sophisticated equation than is offered by the Bill; we need a proper impact assessment that balances the costs and benefits.

I want to consider the Bill in a little more detail and deal with some of the issues that require more clarification. I recognise that should the House decide that the Bill should go forward to a Committee, there will be ample opportunity to probe those issues, to remove the parts that make it impractical and unworkable, and to salvage those that make a valuable contribution to moving the agenda forward.

Mr. Forth: Does my hon. Friend think that it is wise to spend a great deal of parliamentary Committee time trying to put right a Bill in which a huge number of flaws have already been identified, although the debate has hardly started, because many Members who are desperate to speak have not yet done so? The House should seriously consider not giving it a Second Reading so as not to waste Committee time.

Mr. Hammond: I have some sympathy with my right hon. Friend's approach, but I assure him that so long as the Government are not imposing timetables, as of course they do not on private Members' Bills, I am prepared to contribute an almost unlimited amount of my time to considering the matter in Committee. Historically, private Member's Bills are often subject to very substantial amendment in Committee, which does not usually happen in the case of Government-sponsored legislation. It is not inconceivable that a Bill such as this, which has many positive aspects, could be stripped in Committee of the elements that make it unacceptable, and provide a valuable contribution to the debate.

Mr. Forth *indicated dissent.*

Mr. Hammond: I detect that I have not entirely convinced my right hon. Friend, but it is ultimately for the House to decide whether we shall consider those matters in more detail.

Ian Stewart: I have been prepared to acknowledge some agreement between Conservative Members and me about the Bill, but we have now reached a point of departure. Does the hon. Gentleman realise that although he is taking a reasoned approach to the measure and hopes that it can be amended in Committee so that it can be agreed, the right hon. Member for Bromley and Chislehurst (Mr. Forth), from a sedentary position, has suggested a very different approach?

Mr. Forth: Yes.

Ian Stewart: The right hon. Gentleman says that I am correct. Does the hon. Member for Runnymede and Weybridge (Mr. Hammond) accept that when he said that the actions of the right hon. Member for Bromley and Chislehurst did not constitute outright opposition to reasoned regulation, he was wrong?

Mr. Hammond: As far as I recall, I said nothing about my right hon. Friend's position. He is more than capable

of advising the House of it in due course. We are considering private Member's business and there is no reason for anyone to assume that views will divide on party political lines. Indeed, that is one of the great joys of being here on a Friday morning—perhaps it is the only one. We often have a better debate on Friday mornings than on other days of the week, for that reason. My right hon. Friend now has the privilege of speaking his mind from the Back Benches without the constraint of considerations of collective responsibility; hon. Members will greatly benefit from hearing his unconstrained views. I apologise to my right hon. Friend because I appreciate that I have been speaking for a long time, as have other hon. Members. I know that my right hon. Friend is desperate to participate. I assure him that there will be time for his contribution.

I have no problem with clause 1. It may need a little tidying up, but we have a regime of building regulations, and although it is relatively bureaucratic, the industry and local authorities have learned to work with it and make it work reasonably well and effectively. The regulations are constantly updated to achieve the objectives that we are trying to advance; the agenda is evolving. It is right to consider new ideas such as making homes more secure, and introduce measures to cover them into the Building Act 1984.

I was especially taken with the example that the hon. Member for Hazel Grove gave of double-glazing units whose seal can be removed from the outside. I experienced something similar, so I understand that that is a genuine problem. It is exactly the sort of matter that a building regulation could sensibly tackle by specifying a standard. If the Bill had contained only clause 1, I suspect that it would have been passed without contention.

The hon. Member for Hazel Grove said that the Bill was permissive, and I have no doubt that before any specific regulations were made under it, Ministers would consult widely and conduct a regulatory impact assessment, as they are required to do, and that we would move forward in the evolutionary and measured way that we have always followed for building regulations, without a huge leap leading to all sorts of dislocation.

I am not entirely sure that building regulations are the best or the only vehicle to deal with demolition, but the principle behind the hon. Gentleman's inclusion of the issue in the Bill is sound. I also suggest that there needs to be a joined-up approach. The landfill tax has made a huge difference to the way in which the construction industry approaches demolition. Removing material from a building site and depositing it in landfill is now hugely expensive, and designers of buildings will go to great lengths to ensure that they can recycle as much material as possible on site. That is a tick in the box; we have achieved something already.

Other agendas conflict with this, however. For example, local authority highways departments have standards of their own about the materials allowed to be used as the base material for adoptable roadways. It often happens that where there is a perfect brownfield site with a building to be demolished—and, we hope, recycled—the material cannot be reused because of the regulations for the construction of roadways. There is, therefore, a need to look across the spectrum and to find a joined-up approach. There is also a need to recognise that, just as we might have to absorb some costs in accepting this more sustainable approach, we might also have to compromise in some other areas to achieve the optimum sustainable solution. Bearing in mind those caveats, I believe that clause 1 is well worthy of the House's careful consideration.

Clause 2 is a mixed bag. Subsection (4) introduces security measures into schedule 1 to the Building Act 1984. I have already said that that is okay in relation to installation if we are talking about the windows problem, but it presents a wholly different problem if we are proposing a regime of regular inspection of security systems, because of the recurring cost that that would impose on householders, some of whom might be of quite modest means. I have not refreshed my memory on this matter today, but I seem to remember that my own alarm system, which is inspected four times a year and connected through BT Redcare to a switchboard, costs about £900 a year to maintain. I suggest that such a cost would be well beyond the means of many, if not most, householders. We must be absolutely clear about proportionality here, and I shall return to this issue in due course.

Clause 2(4) also refers to

"monitoring and measuring supplies of electricity".

I thought that I already had such equipment in the form of my electricity meter, but I understand the point made by the hon. Member for Ludlow (Matthew Green) in his helpful intervention. Subsection (4) also refers to "recycling and composting facilities". Earlier in the debate, it was suggested that regulations about those already exist. I do not know the answer to that, but I would like to tell the House of a specific problem that I have come across, which again emphasises the need for a joined-up agenda.

We would all advocate the maximisation of home composting; it is the most efficient way of dealing with garden and vegetable refuse. If it can be promoted by the very simple and cheap provision of a composting facility at the time of construction, that would certainly be worth looking at. I have discovered, however, that local authorities that have to meet Government targets for recycling waste get credit for composting only if they collect the material—in a vehicle—and take it to be composted at a central composting site. If they give out home composters to individual householders, as my Conservative-controlled borough council in Runnymede has done—that is much the most environmentally friendly way of doing it—they get no credit in the Government's scheme of things. I have written to the Deputy Prime Minister and the Secretary of State for Environment, Food and Rural Affairs about this issue, and both have acknowledged that it needs to be addressed. It is another example of how simply tackling the hard-wiring by saying, "Let's require people to provide the hardware," is not necessarily going to produce the beneficial results that we seek, unless the whole regime around it is constructed in a way designed to deliver.

Mr. Forth: In that context, does my hon. Friend also think that a general review of the concept of recycling is now long overdue? For too long, we have had an uncritical acceptance that it is somehow good. If we look at the totality of it, however—the energy cost, the cost

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of handling several times over, to say nothing of the processing involved to make sense of it—we may have reached the stage at which recycling, or certainly some of it, is counter-productive, not only in cost terms but even in environmental terms.

Mr. Hammond: My right hon. Friend is absolutely right. In a previous incarnation, I debated with Ministers in the Department of Trade and Industry the waste electrical and electronic equipment directive and the end-of-life vehicles directive. Clearly, even now, we are collecting and recycling some forms of plastic bottles, for example, when the energy cost of that recycling exceeds the benefit. Even in purely environmental terms, perhaps ignoring the sometimes bogus signals that market pricing sends, not all recycling makes sense. My right hon. Friend will know, however, that whether or not it makes sense, we will be mandated to do a great deal more of it, not as a result of anything that this Government may decide but as a result of directives determined by unelected officials in Brussels.

I part company entirely with the hon. Gentleman on the provision in clause 2 in relation to the energy efficiency of appliances, which is far too wide. It refers not to the energy efficiency of plant and equipment installed in the building—lifts, boilers and so on—but to appliances, which could include washing machines, photocopiers and refrigerators. All of those are perfectly legitimate issues of concern—it is perfectly legitimate for us to consider ways of ensuring that appliances that are sold are energy-efficient. Clearly, however, building regulations are not the means through which we should address that issue—it must be addressed at the point of sale of those appliances.

Critically, clause 2 moves into stickier territory by moving the trigger for the application of building regulations from the existing criteria of material change of use or material alteration to the building to "persons in occupation"—not even a new tenant or a new owner. The scenario envisaged is genuinely frightening. A person who owns an old, energy-inefficient home, who is perhaps low in the housing pecking order, having reached the position at which they can sell that home and move up to the next rung on the ladder, would find that the sale that they contemplate triggers a requirement for that home to comply with the current building regulations—I cannot interpret the hon. Gentleman's intentions otherwise. A huge burden of cost would be imposed on that home, and the practical effect would be that the poorest, most vulnerable households would be trapped in that substandard accommodation for ever.

Brian White: Is the hon. Gentleman aware that mortgage companies consider such issues already in surveys, and have done so for many years? The provisions that he has described already exist in building regulations, and I know the cost that that involves as I had to get a roof supported.

Mr. Hammond: There is no doubt that building societies take account of such issues and include them in the calculation of the value of properties. The idea, however, that on transmission of a tenancy or a freehold, or even a change of occupancy, major work must be done to bring a property up to or approaching current standards is simply unacceptable. It is a step way too far. One or two provisions such as that undermine the credibility of the Bill. As the hon. Gentleman says, building societies already sometimes consider the energy efficiency of homes in their surveys, and the EU directive will ultimately require certification of buildings' energy characteristics at the point of sale. Buyers will therefore be aware of what they are buying, but they will not be required to stick their hand in their pocket and spend perhaps tens of thousands of pounds on remedial work at a point when most people can least afford it—when they have just stretched themselves to buy a house.

During the debate it has become clear to me that there is a distinction between a wholesale requirement to bring aspects of a property up to date with current regulations when a new occupier arrives, and something very different which was raised by the hon. Member for Eccles. He said that when the owner of a building decides to make an improvement—not because he is required to do so by regulation, but of his own volition—that improvement should be made to the latest and most effective standards. In some instances that will not be possible: in a listed building or a building in a conservation area, it may not be possible to use the latest double-glazing technology. Moreover, it is one thing to say that a person replacing windows in his property should employ the latest standards in order to improve energy efficiency; it is quite another thing to say that a new tenant or buyer must ensure that the building is updated according to the standards in the most recent building regulations. Such a regime would intrude on the lives of ordinary home owners and other householders, and would involve a massive extension of the regulatory regime and a huge burden of cost.

I must confess to being baffled by the wording of clause 2(7), which relates to the extension or limiting of the effect of Crown immunity. There are some drafting issues, particularly the use of square brackets. I am not sure whether that implies that the hon. Member for Hazel Grove intends to remove the words involved. I assume, however, that the intention is simply to apply whatever regime is applied to the Crown. I am entirely in favour of regulations imposed on the citizen being imposed on the state as well. The state might then be a bit more careful about the extent of the burden that it places on citizens.

Clause 3 extends "continuing requirements"—that is, inspection regimes. The hon. Gentleman rightly corrected me earlier: nothing in the existing regulation regimes providing for continuing requirements, which I think are dealt with in schedule 1 of the Act, limits that to non-domestic properties. In fact, most requirements for ongoing inspections, if not all, apply to either commercial buildings or multiple dwellings. In tall blocks of flats lifts and fire escapes must be inspected, and the disproportionate-collapse regime must be applied continuously.

What the hon. Gentleman has said, and the drafting of clause 3, suggest that he expects the regime to be extended—for example, to ensure that those in new homes with intruder alarms fitted, by virtue of his proposals in clause 1, are also required by a continuing regulatory obligation to have them inspected and to

maintain them in working order. While that may be desirable, Conservative Members do not feel that it could reasonably be imposed by regulation. That would impose too great a burden on the householder.

Even the overall costs and benefits of the hon. Gentleman's proposals are not clear to me. The hon. Gentleman is very concerned about the environment, but an inspector or maintenance engineer who comes to look at an intruder alarm probably will not arrive on a pushbike. At least that has been my experience when people come to maintain my intruder alarm.

Clause 3 proposes that the regime should be retrospective. It is not just about building regulations; we are talking about the creation of a wholly new, intrusive and expensive regime of Government-dictated inspection of people's private homes. I know that my right hon. Friend the Member for Bromley and Chislehurst—he will doubtless return to his place in a few moments—would find that unacceptable. I suspect that most Conservative Members—and perhaps many Labour Members— would also view that as a step too far.

I can be more congratulatory about clause 4. It is a wholly sensible provision. I do not claim to be an expert on how it will work in practice, but the principle that statutory undertakers and school buildings must not be excluded from building regulations is surely right. The Minister and I sat through a lengthy debate on Monday, in which the issue of having mandatory sprinkler systems in schools was discussed. It was confidently assumed by all hon. Members that that matter would be most appropriately dealt with by amendments to the building regulations. I confess that I had no idea during Monday's debate that the building regulations excluded school buildings from their purview. It is surely acceptable to include such buildings.

On clause 5, I certainly welcome subsections (4) to (7), which require reports on progress under the Warm Homes and Energy Conservation Act 2000—a landmark measure achieved by the efforts of a private Member, which proves how much can be done on a Friday morning. That measure largely gave rise to the Government's fuel poverty action programme and I would welcome the results of that programme being subjected to the sort of scrutiny that subsections (4) to (7) envisage.

I am not entirely sure of the point of having reports on building stock, as envisaged in the earlier subsections. If the hon. Member for Hazel Grove believes that the Bill will have a significant impact retrospectively, he has gone a step too far for the House. That is certainly my impression from the comments expressed so far in the House and from Conservative Members' views. It is that aspect of the Bill that we believe is unworkable, and it will need to be watered down significantly if the Bill is to find favour with the House. If the Bill is to pass through the House, it must be shorn of its retrospective provisions. In those circumstances, there seems little point in asking the Secretary of State to undertake the huge costs that would be involved in reporting on the condition of the stock.

I return to subsection (3), which requires the Secretary of State to report on

"the number of buildings in England and Wales that are dwellings"—

he can do that relatively simply—and

"the number of other buildings in England and Wales."

To the best of my knowledge, that figure simply does not exist. The hon. Member for Hazel Grove prayed in aid the national non-domestic rating valuation system, but, as I explained in an earlier intervention, that system is based on hereditaments, not on buildings, and a hereditament may be a floor or other part of a building. As far as I am aware, no register is currently maintained of buildings other than dwellings. It would amount to a requirement to create a latter-day Domesday Book—a physical count of the building stock in the country. The suggestion that that could be done for £50,000 or £100,000 is quite extraordinary. It could perhaps be done for £100,000 per local authority, but that would represent a substantial cost burden to the Treasury.

Mr. Stunell *indicated dissent.*

Mr. Hammond: The hon. Gentleman shakes his head, and I would be happy to listen if he wants to intervene. No doubt he will comment when he winds up later.

Clause 6 sets out a certification regime, which draws attention to the suggested hugely bureaucratic elements and costs to the householder. I am not at all convinced that there is a need for a nominated person under building regulations. Of course there is a requirement to ensure that building regulations—and, indeed, planning regulations—are complied with. A nominated person for a development or alteration to a home—in that case, it would presumably be the householder—will not improve the situation. The system for new buildings is largely self-policed because new commercial buildings are generally built for sale to an investor and new dwellings are generally built for sale to a home buyer. In both cases, legal advisers will want to ensure as part of their pre-contract due diligence that the planning and building regulations requirements have been complied with and that certificates have been issued by the appropriate bodies. The hon. Gentleman is addressing a problem that does not exist. Clause 6 would create a bureaucratic regime to issue certificates for the retrospective work that he envisages under the Bill.

Clause 7 deals with renewable energy and allows planning authorities to set quotas for

"the proportion of the buildings' energy requirements on a building site to be supplied by renewable sources."

I imagine that the hon. Gentleman is referring not to the building site itself but to the finished buildings. However, he has slightly misled himself. He appeared to be thinking about on-site renewable energy generation, but the Bill addresses the percentage of energy requirements supplied by renewable sources.

I know that the hon. Gentleman takes a great interest in renewable energy. I first encountered him in 1997, shortly after we were both elected, in a debate on renewable energy—it was probably one of the first occasions on which he spoke in the House and certainly one of the first occasions on which I spoke. He knows that large-scale, predominantly offshore wind generation is the most likely way to meet the Government agenda to secure a substantial proportion of energy generation from cost-effective, renewable sources. He knows that renewable energy generation can make a large contribution to addressing the

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sustainability agenda, but it would be disingenuous to create a regime that mandated a proportion of probably expensive and perhaps inefficient on-site renewable generation, which would displace current moves towards very nearly market cost-effective offshore energy generation.

Renewable energy generation is not reliable and there must always be a back-up. It is no good having solar panels and a wind turbine in the back garden because a connection to the grid will still be necessary—there will be days when it is dark and no wind is blowing. Exactly the same gas-fired, coal-fired, nuclear-fired or oil-fired power capacity as there is today must be at the other end of the connection to the grid. The provision would build huge redundancy into the central generating system, which would impose a huge cost. We would have to maintain a 100 per cent. delivery capacity from conventional means within the generating system to deal with those occasions when the renewable system could not generate any power.

Brian White: The hon. Gentleman implies that there is one single renewable source rather than a diversity of renewable sources. The answer to his point is that 100 per cent. back-up will not be necessary because there will be a multitude of renewable sources of energy such as biofuels, wind farms and solar panels.

Mr. Hammond: In his opening speech, the hon. Member for Hazel Grove pointed out the need to reduce carbon emissions from dwellings and thus, by implication, from the sources that supply dwellings with energy. The hon. Member for Milton Keynes, North-East (Brian White) referred to biofuels, but they will not help us hugely in reducing carbon emissions. In respect of genuine renewables—non-carbon-producing renewables such as wind and solar energy—the hon. Gentleman may be happy to live in a home that relies either on the sun shining or the wind blowing, but I certainly would not be. I should want to be sure that a reasonable back-up system was available.

Mr. Stunell: May I commend to the hon. Gentleman BedZED—the Beddington zero energy development in Carshalton, the constituency of my hon. Friend the Member for Carshalton and Wallington (Tom Brake)? That development is fuelled entirely by wood chips produced from gardening in the adjacent borough—a renewable source with 24-hour availability.

Mr. Hammond: Of course, wood chips are a renewable source but presumably their combustion produces combustion gases—*[Interruption.]* Of course, the tree is a renewable source; the process does not consume non-renewable energy sources but it produces greenhouse gases.

Ian Stewart: Does the hon. Gentleman accept that his argument does not take into consideration the future development of some of those renewable sources?

Mr. Hammond: I shall be happy to debate that point with the hon. Gentleman and others once we have reached that technological horizon, but we should be careful not to get ahead of ourselves. I do not know whether the hon. Member for Hazel Grove was inspired to include the provision by the reported attempt of the Mayor of London to impose solar panels on all new development in London, but we must take care not to impose things that make no sense, in either financial or environmental cost-benefit terms.

Brian White *rose—*

Mr. Hammond: I want to make some progress, if the hon. Gentleman will allow me. Although this is a relatively small part of the Bill, I still have two more points to make about it.

Several Members have noted that the sustainable approach will bring improved visual amenities for communities. I suspect, however, that a quite few people might doubt whether a wind turbine in their neighbour's garden would constitute an improvement to their visual amenity. Some serious issues could arise.

If the provision has any place at all, it should be moved as an amendment to the Planning and Compulsory Purchase Bill that is currently wending its way through the other place. If the hon. Member for Hazel Grove thinks the matter worth taking further, may I suggest that he talk to his noble friends about tabling such an amendment?

The same point applies to clause 8, which imposes yet another burden on houses in multiple occupation. The provisions are way over the top and would be far better considered as an amendment to the Housing Bill, which is currently in Committee. I am sure that if the hon. Gentleman talks to the hon. Member for Ludlow, his party's Front-Bench spokesman on the Committee, he will find his hon. Friend only too willing to debate that point in the context of the Committee.

We must not forget that the clause applies to the housing sector that often serves the poorest and most vulnerable people in our society. Everybody understands the instinct to protect the most vulnerable, for example, by ensuring that the properties are properly fire-protected and as energy efficient as possible, but we cannot ignore the fact that we would be imposing a substantial cost burden on that housing. Unless the hon. Member for Hazel Grove is suggesting a Government-financed regime to bring HMOs up to standard, in insulation and other aspects, we would have to envisage a substantial increase in the rents paid by some of the poorest and most vulnerable people in our communities. I cannot believe that the people who live in those houses would thank us for deliberating day after day, week after week, on how we can improve the standard of their homes at a financial cost to them that might, in some cases, put their homes beyond affordability. We need to be extremely careful about that.

Matthew Green: As a serving member of the Standing Committee that is considering the Housing Bill, the hon. Gentleman might want to be made aware that his Front-Bench colleague—the hon. Member for South Holland and The Deepings (Mr. Hayes)—has broadly accepted the licensing arrangements in the Bill, but the hon. Gentleman now appears to suggest that they should not

be included on cost grounds. Perhaps those on the Conservative Front Bench ought to make sure that they are talking from the same book.

Mr. Hammond: For the sake of clarity, I can assure the House that I am not a member of that Committee. I spoke to my hon. Friend at length last night in preparing for this debate today. Of course the distinction is that we are now talking about imposing a further precondition for the licensing of HMOs that would involve substantial costs. There is no doubt about the fact—this is not speculation—that bringing HMOs up to the latest standards of energy efficiency under the building regulations would involve very substantial capital investments, and no hon. Member has yet indicated how that would be funded.

I am very anxious to ensure that other hon. Members have an opportunity to contribute to this interesting debate, so I should like to summarise my thoughts at this point. As I said at the outset, this is a very thought-provoking Bill. It certainly leads one off in many different directions, thinking about some of the very big issues that confront us. I hope that, if we allow ourselves to be drawn into the wider context, we shall readily understand that this narrow agenda cannot be tackled on its own; it must be considered as part of a much wider social and environmental agenda.

We would then be bound to recognise that other provisions in the Bill would impose a huge regulatory burden, are uncosted in financial and even environmental terms, and would have serious negative unintended consequences on other important parts of the social and environmental agenda. That is not to say that some provisions do not represent a sensible approach to moving that agenda forward. If we can separate the two, we can create a workable measure, but that must involve the removal of the wholesale retrospective application of building regulations triggered by a change in occupant, as proposed by the hon. Member for Hazel Grove. That is a step far too far and totally unacceptable.

I am afraid that, in the hon. Gentleman's underlying agenda in relation to construction and in his approach to on-site renewable energy sources, he has shown little regard to the minimal savings that would be generated in comparison with the huge up-front costs. As I have said before and will no doubt say again if the Bill progresses further, it is impossible to quantify those measures in the absence of a regulatory impact assessment.

Some of the Bill's objectives would be better addressed in other legislative vehicles; others would be better dealt with through fiscal and financial incentives. However, I say again that some provisions in the Bill represent further sensible steps forward on progress already made, through steadily increasing requirements in the building regulations in order to move in the direction that the hon. Gentleman and, indeed, all hon. Members seek. In trying to achieve his objective in one bound, however, the hon. Gentleman has gone too far and significant provisions in the Bill would need to be amended or deleted in Committee to make the measure acceptable.

If the hon. Gentleman's intention is to get the issue on to the agenda and to draw the attention of the Government and the House to it, he has done the House a service this morning, but he should recognise that trade-offs have to be made. The challenge before us, as always, is about getting the balance right. If the House decides that the Bill should go forward into Standing Committee, it will be possible, by amendment and debate, to mould it into an acceptable measure that will be less ambitious than he proposes but that, none the less, will be able to contribute meaningfully to the sustainability agenda.

12.34 pm

Mr. Andrew Dismore (Hendon) (Lab): I, too, congratulate the hon. Member for Hazel Grove (Mr. Stunell) on securing such a high place in the ballot and bringing forward the Bill. I shall probably pick up where the hon. Member for Runnymede and Weybridge (Mr. Hammond) left off.

As you know, Madam Deputy Speaker, I sit through many private Member's Bill debates on Fridays. For such a Bill to make real progress, it must be seen to be doing some good, not to be imposing significant costs on taxpayers or the public at large, and to be modest. Thought provoking though the Bill is—I support the aims of sustainability and security—I am worried that the hon. Member for Hazel Grove might have bitten off rather more than he can chew for a private Member's Bill. If he had focused on one or other of those aims, the Bill would have received much less criticism today and might have had a better chance of achieving one of them. It is laudable that the hon. Gentleman has put so much detail in the Bill because such enabling Bills usually contain little detail, and most of our debate is focused on what might be included in regulations that we would consider at a later stage. However, the natural consequence of that is that whole avenues of detailed scrutiny at this stage have been opened up.

My inclination, on balance, is that the Bill should receive its Second Reading, subject, of course, to what the hon. Gentleman says in response to the debate and the points that I put to him in my speech and interventions, and subject to what my hon. Friend the Minister says on behalf of the Government. However, unless significant changes are made to the Bill, the hon. Gentleman might find difficulties—certainly with me—getting it through Report and Third Reading. I hope that there will be significant changes to the Bill as it progresses.

At the heart of my objections, some of which I flagged earlier, is the question of cost and cost benefits. Conservative Members were right to identify that point, as I tried to do during one or two of my interventions. We cannot only compare capital costs with revenue savings because we must consider some of the people whom the Bill would be likely to affect. I think of a pensioner in Edgware in my constituency living in a big old three-bedroomed house from which her family has long since moved away. She might be thinking of downsizing to a granny flat or, perhaps, moving elsewhere. It would cost her a significant amount if she were expected either to take the hit on the house's capital sale value or to spend capital to bring the house up to the standards required by the Bill. We already know how hard pressed pensioners are in my constituency and more widely, so it would be too great a burden to impose such a capital cost on people who would see little, if any, of the revenue savings. Although I am sure that such a

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pensioner would like a more energy efficient home—the Government have introduced many important measures to assist with the cost of achieving that—imposing such an obligation would make her situation difficult.

When Labour ran Barnet borough council, the authority in which I live, I was pleased that it introduced measures to give pensioners financial assistance to make their homes secure. However, those measures were not available to every pensioner because they were dependent on income. I am worried that although a pensioner might wish to make improvements to fire precautions or to help crime prevention, a significant cost element would be involved. One cannot consider capital costs on the one hand and the money that would be saved over 20, 30, 40 or 50 years on the other, because we must also consider who would pay and who would benefit. The hon. Member for Hazel Grove must address those serious points.

There are serious practical considerations in relation to costs. The hon. Gentleman's costs were probed, but so far we have received very few satisfactory answers from him. He runs the risk of the Bill being added to the Prime Minister's list for Question Time on Wednesday when he exposes the dodgy accounting practices of the Liberal Democrats, who make promises without considering the costs involved. The hon. Gentleman should think carefully about what the costs of the Bill would be to the taxpayer or the public at large, if he does not want the Prime Minister to add it to his shopping list for debate at Question Time.

We need to deal with the physical practicalities of the Bill. Is it, in physical terms, practical or realistic to do some of the things the hon. Gentleman expects, particularly in relation to older buildings? I shall deal with that shortly. I question the practicality of and necessity for the reports that the Secretary of State would be expected to produce under the Bill. We are told in great detail what the reports must contain, but we are not told why they must be compiled. The cost of producing them once again involves dodgy accounting. The Liberal Democrat estimate is £100,000, the notes on clauses say £50,000 and the Opposition say it is probably £100,000 per local authority. Bearing in mind that we would have to create a second Domesday Book, I suspect the latter figure is correct, rather than £100,000 for the nation as a whole.

Sue Doughty: Although it would be perfectly valid to discuss Liberal Democrat policy at another time, we are considering a private Member's Bill. Members' time is valuable, and it is wrong to make cheap political points in an all-party debate. Hon. Members are waiting to introduce other Bills.

Mr. Dismore: The hon. Lady may be aware that I have my own Bill on the Order Paper today, so her criticism is not fairly addressed to me. As a Member of the House, it is my job and, indeed, hers to make sure that any Bill that goes through its Second Reading is properly scrutinised. If, as a consequence of that, my own Bill unfortunately cannot make progress today, I have to take that risk, and so be it. If she suggests that I should be derelict in my duty to debate the present Bill in order to take my own Bill forward, that is another example of Liberal Democrat opportunism.

The hon. Lady is correct to say that on Fridays Bills are not whipped. The Government may well wish to see the Bill progress, but as the Bill is not whipped, that is not necessarily a view that I share, although I have indicated to the House that I am minded not to press it to a Division and to allow it to go through its Second Reading, subject to the response from my hon. Friend the Minister and from the hon. Member for Hazel Grove when he replies to the debate. Other Members may have their own views. The hon. Lady's intervention has, of course, taken up a considerable amount of my time and that of the House. I suggest that she bears that in mind, should she wish to make any further interventions.

The hon. Member for Runnymede and Weybridge made an important point when he said we must see how the Bill is stripped down during its progress through the House. In Committee, we need to strip it down and see how many bits are left on the garage floor when we try to put it back together again, and whether, having left all those bits out, the Bill continues to run. The hon. Gentleman was wrong to say that the Bill had a narrow focus. If it did, we might be able to make more progress with it. One of the problems is that it is so broad in its scope.

Mr. Hammond: The hon. Gentleman has misunderstood the point. By focusing narrowly on the sustainability agenda—on improving the energy efficiency and crime resistance of homes—the hon. Member for Hazel Grove (Mr. Stunell) has ignored the impact of pursuing that agenda on the wider questions of affordability and trying to get everybody in this country into decent housing.

Mr. Dismore: I am grateful to the hon. Gentleman for that clarification. I agree. The hon. Gentleman also made a valid point on the issue of voluntarism, but in reply to him and in support of the hon. Member for Hazel Grove, I would say that it is not necessarily an either/or.

We can use a carrot and stick approach. The very fact that to a degree the Bill is permissive and gives powers rather than forcing them on people is welcome, but the extent to which its provisions are mandatory militates against that welcome. Perhaps one way forward is for my hon. Friend the Minister to tell the building industry that, in respect of sustainability and security, it is drinking in the last-chance saloon; or, if the Bill is passed, for there to be a lengthy period before it comes into force, perhaps backed by a code of practice and, initially, light-touch regulations that might be ratcheted up if the industry does not get its act together. I am mindful of the fact that there is no regulatory impact assessment. The hon. Member for Runnymede and Weybridge made a telling point in that respect.

There is little in clause 1 to which one can object. I put my concern about subsection (1)(f) to the hon. Member for Hazel Grove in an intervention: the Bill makes no reference to fire prevention. It seems to me—perhaps this contradicts my previous argument—that we should not consider these matters in isolation. When one

requires, rather than advises, crime prevention measures to be implemented, there may be a conflict with other regulations on fire precautions. There is a tension between making one's house secure against burglars while allowing it to be sufficiently porous to enable one to get out quickly in the event of a fire. Window locks, for example, could have two opposing effects. I would have preferred the Bill to propose that building regulations take a combined approach to fire and crime prevention to ensure that the regulations do not conflict, and that the police and fire service put their heads together to produce a common approach that satisfies the requirements of both. That would be an important improvement to the Bill.

Subsection (3) refers to demolition, which is important to consider when building new properties. I assume that the provision is not retrospective in the sense that it applies also to existing buildings—it cannot be, but I hope that the hon. Gentleman will clarify that point. The problems now with the disposal and/or recycling of building materials may be very different from the problems that will face us in 100 years' time. Materials that are in short supply today may be plentiful in 100 years, and vice versa. Take the example of oil: if people building houses or using oil 100 years ago had been told that oil would be a scarce natural resource in 100 years' time, they would have laughed, but we now know that to be the case. Perhaps we are expecting a degree of foresight that will be extremely difficult to achieve.

My particular concern about demolition is not dealt with in the Bill. Fly-tipping is the bane of my constituency and many others, and if anything can be done through the Bill to reduce its incidence, that would be of great benefit to all concerned.

Clause 2 has a lot to recommend it, but I am concerned about the generic reference to "buildings". Introducing his Bill, the hon. Member for Hazel Grove seemed to switch between domestic buildings and buildings used for business purposes as it suited his argument, but the Bill does not make that distinction and therefore does not allow him to do that. It may well be feasible to expect a commercial operator—for example, a bank with enormous resources behind it—to implement security measures, which are probably already in situ, or, more important, sustainability measures, which are probably not, when it occupies a new building or moves on—

Mr. Stunell: Will the hon. Gentleman give way?

Mr. Dismore: In a moment.

However, it may not be appropriate to expect small shopkeepers or house owners to do that. I hope that when the hon. Gentleman replies to the debate—this may be the thrust of his intervention—or in Committee, he will try to clarify whether a distinction will be drawn between domestic and commercial property in the Bill or in the regulations.

Mr. Stunell: At the severe risk of delaying the hon. Gentleman, which I am most anxious not to do, I simply say that the whole point is that this is an enabling power, and it will be for his Government and his Minister to decide which parts will be applicable to which sectors. I can assure him that the assurance he seeks is in the Bill.

Mr. Dismore: The hon. Gentleman gives me the assurance now, but it is not in the Bill, and that is the point that I am making. I am sure that the Minister will also be able to give an assurance on behalf of this Government, but who knows what future Governments may or may not legislate for? Bearing in mind how much detail is in the Bill, I am surprised that the hon. Gentleman has not dealt specifically with this point.

The hon. Gentleman refers to gases and vapours, and I hope that that also includes all forms of nasty smell. For example, I am plagued by my neighbours' extractor fan, which squirts foul, noxious fried onion smells from their kitchen into my bedroom. I am not sure whether that is gas or vapour, but it is certainly a noxious smell. If the Bill is to be retrospective, that is one measure that I would support.

Questions also arise with regard to the installation and inspection of security systems. For example, I am surprised that there is no reference to the need to service those systems. The hon. Gentleman may assume that that is included, but it is not in the Bill.

On crime prevention, I agree that the present approach leaves out the building trade. I remember sitting through many sessions on the Crime and Disorder Bill in 1997 and 1998, when, for the first time, we imposed an obligation not only on the police to prevent crime, but on the police and local authorities to work together in partnership and with other agencies to reduce crime through crime reduction partnerships. If, as a consequence of this Bill, we could involve others in those partnerships—for example, the building trade locally—that would be very much a force for good. To go back to the hon. Gentleman's voluntarist approach, that is perhaps something that we should encourage, irrespective of whether the Bill becomes law. We should ensure that those people are brought into the loop.

The inclusion of recycling and composting facilities is, again, a laudable aim. Obviously, a lot more can be done and said about that, but I shall not go into detail, save to say that whatever is imposed in relation to recycling and composting facilities on the domestic or business occupier must be matched by the local authorities' services. There is little point in imposing those facilities if the local authority cannot service the outcome.

As the hon. Gentleman may be aware from one of my interventions, one of my main concerns about the Bill is its retrospective nature—the way in which it applies to old and existing buildings. There is a strong argument for the Bill covering new buildings. The costs in relation to security and sustainability can probably be absorbed in the building costs. When one is spending tens of thousands of pounds or more on a new building, a few hundred pounds extra does not amount to a great deal and could probably be absorbed without being noticed. However, that cannot be said in relation to old buildings, for two reasons. First, that is an up-front cost that will not be absorbed by a wider scheme of things, and secondly, it is an up-front cost that has to be absorbed by the owner or occupier of the building.

I put to the hon. Gentleman my concerns about clause 2(5), which refers to changes consequent not just upon sale, but upon letting or re-letting. If a building is sold,

[Mr. Dismore]

perhaps one could absorb the cost in the sale—subject to the reservations that I entered earlier about the problems of people who are of restricted means—but to impose that duty every time that a building is let or re-let would be serious. It might be different for buildings let or re-let on a long lease. I suppose that that would be equivalent to a sale, but the Bill does not say that. I am concerned about buildings that might be let on a tenanted basis for six months under a shorthold tenancy, or on an even shorter let to people in temporary accommodation who are in housing need. Each time that the building is re-let, when such tenants move on, the provisions of the Bill must be looked at afresh. That would impose a very heavy burden on, I assume, the freeholder or long leaseholder. I hope that the hon. Gentleman will be able to assure me that that is not his intention, and that he wants to take a more common-sense approach. I hope that he will table amendments in Committee to achieve that important objective.

There is also the question of flat conversions, modernisation of buildings and change of use. The use of a building may not change in accordance with the requirements of clause 2(5). Ownership may remain the same, yet the use to which the building is put might be very different. I am surprised that the hon. Gentleman has not dealt with that in clause 2(5).

Mr. Stunell: That provision is in existing legislation. Such an additional power is not necessary.

Mr. Dismore: I am grateful for that reassurance. If the hon. Gentleman is telling me that existing requirements on security measures and sustainability are sufficient to deal with change of use, as mirrored in the Bill, I would be very happy, but I suspect that he may not be quite correct. I think that the demands would be increased. No doubt we can explore that matter in Committee. If the hon. Gentleman is right, I would have to return to the subject on Report.

The proposals affecting modernisation of buildings and flat conversions could also be very expensive for the freeholder. Let us consider my flat in Westminster, for example. That is a flat conversion; originally, it was a house in multiple occupation. Indeed, when we moved in there were still environmental health notices pinned up. The building was converted into four flats. Converting one building may not be too much of a financial burden, but creating four separate flats may be a huge burden.

In one of my interventions on the hon. Gentleman I raised the question of the enforcement process and how the measures would be policed. He said that he would address that later in his speech. Unfortunately, he failed to do so, and I am none the wiser as to how the legislation will be enforced. I asked him what the penalties would be for breach of the legislation, but I am afraid that he did not know and promised to look into it.

When the House is asked to agree new laws, it must be sure that they can be enforced. There is far too much criticism that Bills on which we are happy to legislate bring Parliament into disrepute because there is nobody to enforce them. That is a valid criticism of this Bill—unless and until I get some assurances from the hon. Gentleman on the following. How would the Act be policed? Would the policing operation be a burden on the taxpayer? Who would pay for inspectors to check every time somebody moved house? Where would the financial burden of that inspectorate lie? What powers would the inspectors have? Would inspectors have, for example, the power to force entry if the owner of the property refused to allow them in? That might be a good way of testing the security measures in the Bill. What sort of police force does the hon. Gentleman think would enforce these new measures, and what would be the penalties on the property owner who fails to comply with them?

I have already spoken about clause 5, which deals with the reports that the Secretary of State is expected to produce. With the best will in the world, I cannot see what the hon. Gentleman is trying to achieve—he seems to be trying to create the Domesday Book mark 2. If he wants the Secretary of State to make a general policy statement on whether our standards for social housing are sufficient to eradicate fuel poverty, of course the Secretary of State will say that they are. That would be a rather self-serving requirement. Nevertheless, I would have no objection to expecting him to make a policy statement on this or on any other matter in the Bill, because that costs no more than the civil servants' time in drafting it and the Minister's time in approving it.

However, the Bill goes far beyond that because it requires the compilation of detailed statistics. That prompts the question not only of who is to do the compiling, how many people will be required and what it will cost, but, more importantly, of the purpose of the statistics and what they will achieve. Will they be yet another Government report gathering dust on shelves around the country, never read or reported in the newspapers because they are so dry and provide little information? Clause 5(3) refers to

"the number of buildings in England and Wales"—

that is, not only the dwellings, but the total number. That would include my garden shed. The hon. Gentleman must be more specific and realistic about his requirements for reporting on building stock. We should either remove these provisions or replace them with the requirement for a general policy statement on how the Secretary of State envisages policy developing in that area.

Under clause 7, planning authorities may be empowered to set targets. Although that is a laudable aim, I am concerned that different approaches to it could distort the housing market. If planning authorities were to include in their development plans targets on a building's energy requirements, the building industry might start to take such matters more seriously. However, as the Bill stands the targets are voluntary, so we are still left with the question of how they are to be monitored and enforced and the amount of council tax payers' resources that will be devoted to achieving them.

Energy efficiency in houses in multiple occupation is an important issue. Over the years, the House has neglected the needs of people living in HMOs. When I started in politics as a local government councillor in the City of Westminster, we constantly came across the problems faced by people living in substandard accommodation in HMOs. When we went out knocking on doors, we often found that people living in such

accommodation were the most socially aware and involved; they, of all people, would most welcome help with improvements to their energy efficiency.

I want the Bill to make progress and very much support its aims and objectives, although it remains to be seen on Report what improvements have been made. I should have liked to say a lot more about its good aspects, such as the provisions on sustainability and hardening homes against burglaries, but I hope that the hon. Member for Hazel Grove and other hon. Members will take those comments as read so that my criticisms are seen in the context of my overall support for the Bill. I hope that those concerns will be addressed in order to enable it ultimately to progress, albeit in a very modified form, on to the statute book.

1.4 pm

Matthew Green (Ludlow) (LD): I congratulate my hon. Friend the Member for Hazel Grove (Mr. Stunell) on securing first place in the ballot for private Member's Bills and on introducing a measure that promises much and could be a huge step forward. However, it would do that modestly by enabling the Government to change building regulations. I shall not speak for longer than a couple of minutes because some people spoke for too long, but I want to make a few points.

The Bill would allow two-way metering, if the Government choose to introduce that useful power. Micro-combined heat and power may mean that we need two-way metering in a few years. The crime prevention provisions are vital and I am sure that they have Government support. Enforcement of building regulations has not been especially effective until now, and these welcome provisions would help with that. Provisions to remove the exemption for schools and public utilities buildings and bring them back into line with other buildings are also very acceptable. The enhanced Government accountability for which the measure provides is welcome, too.

Much has been said about cost by people who know very little about the cost of building eco homes. Build cost, not land price, is approximately £78,000, compared with £75,000 for a conventional home. An eco standard home is therefore only about £3,000 more than a conventional home.

Mr. Dismore: Will the hon. Gentleman give way?

Matthew Green: No, I am not taking interventions. The figures are based on Shropshire prices; they would be higher in London and the south-east. Many comments on cost have been utter tosh.

I welcome the Bill and I hope that it receives a Second Reading, as it deserves to do. Committee proceedings could deal with any difficulties that have been highlighted and I am sure that my hon. Friend the Member for Hazel Grove would be happy to consider them, too.

1.7 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): I congratulate the hon. Member for Hazel Grove (Mr. Stunell) on securing the No. 1 slot in the private Member's Bill ballot. As the Minister with responsibility for building regulations, I am especially pleased that he has chosen a measure that will amend them under the Building Act 1984. On the whole, the measure will help to support Government policies and aspirations on sustainable development. We have a few reservations, which I shall outline shortly, but I hope that we can generally support the Bill.

The measure has triggered a full debate. My hon. Friends the Members for Eccles (Ian Stewart) and for Hendon (Mr. Dismore), and the hon. Members for Runnymede and Weybridge (Mr. Hammond) and for Ludlow (Matthew Green) made considerable contributions and detailed points, many of which we will tackle in Committee rather than this afternoon. The hon. Member for Hazel Grove took many interventions in his introductory remarks, and tried to deal fairly and fully with many points.

I had hoped to speak at greater length about the general context and explain that the Bill is only part of a wider strategy to promote sustainable development and security. I appreciate that the hon. Member for Runnymede and Weybridge cannot be with us for the end of the debate. He made the point that there is a variety of other levers, mechanisms, incentives, encouragements and so on that we use to try to promote sustainable development and security. The Government have promoted many of those in different ways, for example, through grants, to make change happen. So the Bill is part of a wider package of important measures to promote those issues.

In the time available to me, I should like to examine each of the clauses from the Government's point of view. Clause 1 deals with the "Purposes of building regulations". We currently make regulations to deal with the conservation of fuel and power and to prevent the waste and misuse of water. We have also used the existing powers to make regulations to require fittings such as boilers and windows to be more energy efficient. They do not, however, allow us fully to address environmental protection and sustainable development issues, such as controlling greenhouse emissions from buildings or recycling building materials. The new powers in the Bill would allow us to do so.

Nor do the current powers allow us to address crime prevention and security issues through building regulations—that comes as quite a surprise to most people—even though we have powers relating to fire safety, and part B of the building regulations deals with many similar areas. On Monday, we debated the Fire and Rescue Services Bill and discussed water sprinklers and many other issues, but, under the Building Act 1984, we do not have the powers that I have just described. This Bill would give us those powers, so that simple items, such as better locks on doors and windows, could be required through building regulations. Clause 1 also extends the matters about which regulations could be made to include demolition, a subject that several hon. Members have mentioned today. That is necessary if we wish to ensure that material is collected for recycling and reuse. I am therefore pleased to say that the Government fully support clause 1.

Clause 2 deals with the "Contents of building regulations". Subsections (1) to (4) add to the list in paragraph (7) to schedule 1 of the Building Act 1984 of matters that regulations may cover within the general

[Phil Hope]

purposes in section 1. We are not convinced that all the items in clause 2(4) are necessary, as they are already covered in section 1 of the Building Act, as I think the hon. Member for Runnymede and Weybridge pointed out. The hon. Member for Ludlow voiced his concern about two-way electricity meters. At this stage, we would like to consider these issues further and to clarify in Committee some of the detailed points that have been triggered by the Bill and raised today.

The second part of clause 2 extends the powers to make regulations to deal with existing buildings. It is a general principle of building regulations that they are not retrospective. That means that buildings need comply only with the requirements in force at the time that they were built or altered. There are some exceptions, however. They would apply, for example, when a building, or part of it, is altered, when there is a change of use, or when certain replacement services, fittings or equipment are installed.

Clause 2(5) and (6) would add to those exceptions and allow regulations to apply to existing buildings in circumstances involving demolition, the use of recycled materials—that is very important—the conservation of fuel and power, the reduction of emissions, a change of occupancy of all or part of a building, or planned work on the building. We have heard a great deal of discussion today about retrospective application. The Government consider that the additions are both sensible and necessary if we are fully to address the issues of the recycling of building materials, the conservation of fuel and power, and the reduction of emissions.

I note a technical amendment to section 44 of the Building Act 1984 to ensure that the substantive changes made in respect of other buildings could apply also to Crown buildings, and I am pleased that there appears to be consensus on that proposal on both sides of the House. The Government can support clause 2, with the one reservation that I mentioned, on which we shall seek further clarification in Committee.

Clause 3 has exercised hon. Members today more than any other. It deals with "Continuing requirements of building regulations" and would allow regulations to impose continuing requirements on the owners and occupiers of buildings, when such requirements are needed for the purposes of conserving fuel and power or reducing emissions. The hon. Member for Uxbridge (Mr. Randall), who currently occupies the Opposition Front Bench, asked what we were talking about in that regard. Nitrous oxide is one example, and carbon dioxide is another. A variety of vapours and gases are incorporated into that—I am not sure whether that covers the point made by my hon. Friend the Member for Hendon.

The requirements that could be imposed for those purposes are inspection and testing of the building or its services, fittings or equipment; implementation of measures in relation to the building or its services, fittings or equipment; keeping of appropriate records on those matters; and making reports to prescribed authorities on them. Again, I note a technical amendment to section 44 to allow the same duties to be imposed on Crown buildings as on other buildings. The Government consider that the clause would ensure that buildings were appropriately maintained and improved in respect of conservation of fuel and power and reduction of emissions.

Many Members have raised concerns about how we would use those powers. The point about the Bill is that it provides enabling powers, and it will become a matter of whether those powers are enacted through building regulations. Many of the points that have been made about costs and benefits will be matters for the detailed building regulations. I want to make it clear to the House that none of the powers in the Bill would come into effect, were it to become an Act of Parliament, until they became building regulations. It is an important point, about which many Members have been concerned. All proposed regulations will be subject to full public consultation to gauge technical practicality, competence of builders and installers to carry them out, and public acceptability. Of course, as has been mentioned, a full regulatory impact assessment would be needed to examine costs and benefits.

I shall not rehearse the full process through which building regulations must go before they are enacted as such, but it is extremely thorough. When new regulations are required, the Building Regulations Advisory Committee examines the proposals through working parties, draft regulatory impact assessments must be undertaken, which must be approved by Ministers as proposals, public consultation for a minimum of three months follows, the working party of the Building Regulations Advisory Committee must consider those responses, which triggers another revision to the regulatory impact assessment, and the advisory committee must consider the issues and advise Ministers on whether to proceed. Even then, a statutory instrument must be laid before Parliament, with a debate on a negative resolution if requested, and changes would normally only come into force six months after the statutory instrument was laid. A complex, fully open and transparent public process of accountability therefore takes place when drafting building regulations to ensure that many of the concerns that hon. Members have raised are taken fully into account.

In addition, when we examine the regulatory impact, the criteria we use include the following. Is regulation the only way of achieving the Bill's objectives? Are the requirements proportionate—a critical word—to the problem?

Brian White: During those discussions, best practice often comes forward, and a number of companies are leading the way in bringing forward such improvements ahead of building regulations. Can the Minister make sure that those are taken on board during the consultation process?

Phil Hope: My hon. Friend makes an important point: we need to consult widely when we undertake those discussions. We need to take into account a range of views of stakeholders, both experts and non-experts, in relation to the concerns and fears. We need to test rigorously the impact of such interventions to ensure that unintended consequences do not follow, and that checks and balances exist in the system. Certainly, we ensure that proposals avoid creating unnecessary technical risks. The point was made earlier that these are

standards, with flexibility for designers and builders to apply the building regulations in a common-sense way that works, and that there is variety in the mechanisms for doing so. Finally, we must ensure that the benefits outweigh any additional costs. That is critical, and Members are right to raise those concerns.

As most of us would accept, the building regulations have been successful in that regard. They have been developed well, thought through and implemented sensitively, and longer time scales have often been provided for implementation when a burden is clearly being introduced for individuals and developers in the building sector. I want Members to understand that their concerns are being taken fully into account.

Clause 4 concerns the removal of exemptions. Section 4 of the Act currently exempts certain educational establishments and buildings of statutory undertakers, mainly utilities and transport undertakers, from compliance with building regulations. An operational railway station, for instance, is covered by the Act and by regulations.

The exemption for educational establishments can no longer apply owing to changes in education legislation made over the past few years. Its removal would therefore constitute a tidying-up exercise. We feel that the exemption for some buildings or statutory undertakers is now difficult to justify: we see no reason for them not to meet, and be seen to meet, the requirements of current and future regulations, especially those relating to sustainability. All the statutory undertakers are trying to meet the requirements, and many consult building control bodies on how to do so. Removal of the exemptions is unlikely to impose a significant additional burden on them, although we would consult each undertaker before removing an exemption as it applied to that undertaker specifically. We fully support the clause.

Clause 5 requires the Secretary of State to report to Parliament biennially on progress towards sustainability of building stock. There has been great confusion over the cost of this measure, and I hope to clarify matters.

In general, the Government can support subsections (1) to (3), as we accept that Parliament and the public should be kept periodically informed of such progress. Among others, my hon. Friend the Member for Hendon and the hon. Member for Runnymede and Weybridge have suggested that that would create a massive new burden. A clear mechanism already applies to dwellings, but there is no simple registration system for other buildings. However, the Department for Environment, Food and Rural Affairs has questioned the rating-system statistics. It would like to build what it describes as a non-domestic stock model—a model, not a count. That would avoid the burdens to which hon. Members have referred, and would enable the Government to track reasonably accurately at national level. It is probably the most likely basis of any reporting system. The costs mentioned in the notes accompanying the Bill—£50,000 or so—are, therefore, correct.

I have some doubts about the requirement for the report to deal with "considerations of setting" targets for "specific building types" and "specific technologies". Building regulations set requirements, not targets. We shall need to consider that further, and an amendment may be needed in Committee.

That was the good news about clause 5; I am afraid there is also some bad news. We cannot support the requirement for a statutory report

"in connection with the Warm Homes and Energy Conservation Act 2000".

We see no need for it, as the Act already requires reports on progress from time to time. I understand that DEFRA has undertaken to produce an annual report covering, at least to some degree, all the requirements of clause 5(5).

The clause is also defective in assuming that fuel poverty can be eradicated through energy efficiency measures alone. It relates just as much to the incomes of householders and to fuel prices, as was pointed out earlier. We do not think it would make sense to report on only one of those factors, and given that we have accepted the first three subsections, I hope that the hon. Member for Hazel Grove will agree to withdraw this part of the clause.

Clause 6, headed "Proper person", would amend schedule 1 and section 57 of the Building Act 1984. The amendment to the schedule would provide for a new sort of certificate to be given to the building control body by

"a person of a prescribed class or description".

In response to some earlier questions, the amendment is an enabling measure, leaving the detail to be set out in regulations after the usual processes of consultation and regulatory impact assessment. However, the new power might be used to create a new sort of certificate that would be given to the building control body by the builder or main contractor, stating that the project is complete and complies with the regulations.

Currently, the regulations require the person carrying out the work to give a completion notice to the local authority, where it is carrying out the building control function. There is no requirement for the notice to include a declaration of compliance. Where an approved inspector does the building control, there is no requirement for the builder to give a completion notice.

The amendment would allow regulations to require certificates from builders stating that the completed work complied both where the local authority had the building control function and where an approved inspector acted as the building control body. We believe that that could have a salutary affect. It would serve to remind builders and main contractors that it is their responsibility to achieve compliance of completed building work with the technical requirements of the building regulations. They will not be able to shelter behind subcontractors or designers or building control bodies. Builders may have contractual avenues of redress if they have reasonably relied on specialist subcontractors, architects and so forth to reach the conclusion that the project as a whole complies. A requirement for a building certificate, however, could act as a strong incentive to builders to put in place contractual arrangements and quality control processes better calculated to deliver 100 per cent. compliant projects.

Mr. Dismore: I presume that failure to comply properly will lead to the offence of having a false or misleading certificate, and that there is no defence of good faith in respect of the preparation of such a certificate. Is it intended that prosecution will follow

[Mr. Dismore]

only if the builder has deliberately or recklessly produced such a certificate? If the builder can demonstrate good faith, will it be a defence to a charge under the clause?

Phil Hope: My hon. Friend raises an important point, which we shall have to deal with in more detail in Committee. The penalties for failure to comply are fairly tough. On summary conviction there can be a fine up to the statutory maximum or up to six months in prison, or both. On conviction or indictment, there is the maximum fine again or up to two years in prison, or both. Those are pretty severe penalties, so my hon. Friend makes a good point about the circumstances under which conviction will arise, which we shall have to explore further in Committee.

The Government can support clause 6, but the detail of the wording could be improved. If the Bill receives its Second Reading today, we intend to table some technical amendments. For example, we believe that it would be helpful expressly to provide for the acceptance or rejection of the new-style certificates by the building control body. The regulations could provide for an accepted certificate as evidence of the compliance of the work, and the new-style certificates could be made a requirement wherever a building project is subject to building control. If so, that should mean that clients and other interested parties, such as prospective purchasers, could obtain copies of accepted builders' certificates or check for the existence of such certificates in respect of most regulated building projects. That would provide assurance that the finished project did, in fact, comply with the building regulations.

Mr. Dismore: I am sorry to press my hon. Friend on this issue, but is it intended that such a certificate would add to the rights in civil law of those involved in the construction project, or is it solely for regulatory purposes? In other words, would it give rise to civil rights in itself, or be evidence to support a claim under existing civil laws?

Phil Hope: I hope that my description of how we would like to amend the clause provides some comfort to my hon. Friend, who is obviously concerned about how it will work in practice. My description of how we would like it to operate makes it clear that the measures that the nominated person must take—producing the certificate and developing proof of compliance—are reasonable and take into account the many variables that might affect that action. I understand my hon. Friend's concern and his detailed points about status in law. If we are given sufficient time today, we may consider those detailed points in Committee and see whether we can resolve his concerns.

Clause 7 concerns the energy requirements of buildings. This will sound harsh to the hon. Member for Hazel Grove, but it serves no purpose. It is already possible for local planning authorities to include in development plans policies that would set an expectation for the percentage of total energy in new buildings to come from renewable sources—indeed, some local planning authorities already do so. As the clause is only permissive, it would add nothing to what is already being done. I must stress that the Government fully support the use of renewable energy sources, but for the reasons that I have mentioned we cannot support the clause, and I hope that the hon. Gentleman will agree to withdraw it.

Clause 8 concerns the energy efficiency of houses in multiple occupation, and again I must disappoint the hon. Gentleman. Hon. Members know that we propose to establish through the Housing Bill a system of licensing for houses in multiple occupation. Clause 8 seeks to make it a condition of a licence being granted that such houses must have reached a minimum of energy efficiency. The hon. Gentleman mentioned what happened when such measures were pursued in the past. The Government have not pursued the energy efficiency requirements for existing buildings in the Home Energy Conservation Act 1995, because the housing health and safety rating system will achieve similar ends in a more proportionate manner—proportionality is a key idea in today's debate.

I regret to say that the Government find the clause totally unacceptable. We have already heard that many houses that would require a licence are rather old, and many of them could not reach a minimum standard even if it were set at a very low level. The minimum standard would have to be set so low for such buildings to meet it that it would be meaningless in terms of encouraging greater energy efficiency.

Brian White: Can the Minister indicate how long it would take to upgrade the housing stock by using that rating system?

Phil Hope: We must try to address the fact that if we were to impose the clause upon the stock of houses in multiple occupation there would be a number of unintended consequences. There are questions about how long it would take to renew the housing stock, but such houses are typically tenanted by young people, many of whom are students. If a licence were refused for a house in multiple occupation on energy efficiency grounds, it would be necessary to remove the tenants. The moot point is: where would the tenants go?

I understand that the hon. Member for Hazel Grove wants to drive forward the energy efficiency arguments and I applaud his enthusiasm, but we must act proportionately and implement the provisions in a way that works. A proportion of the owners of houses in multiple occupation would not upgrade their buildings to meet minimum standards, and in some cases they could not afford to do so. Some of them would sell the building, while others would change its use so that it no longer fell within the category requiring licensing, which would mean no resulting gain in energy efficiency.

None the less, existing requirements in part L of the building regulations, particularly those in relation to replacement boilers, hot water storage systems and replacement windows and doors, and the powers in clauses 2 and 3, will enable improvements in energy efficiency to be made in houses in multiple occupation, as in other buildings, in appropriate circumstances. All is not lost, but for all those reasons the Government cannot support clause 8, and I hope that the hon. Gentleman will agree to withdraw it.

I have not said much yet about security and crime reduction, which has occupied much of the debate. We welcome the inclusion of a provision to enable building

regulations to be made for the purposes of furthering the detection and prevention of crime. The Government are committed to creating sustainable communities, but we must recognise that sustainable communities are not only thriving, inclusive, well designed, attractive environments to live and work in, but places where freedom from crime and the fear of crime improves the quality of life. None of us wants to live in an area blighted by crime. Part of our commitment has been to put crime prevention at the heart of the planning system, through good urban design.

One of the concerns raised by several hon. Members was the possibility of a conflict between measures to improve fire safety and those to improve crime prevention. The Home Office, the Department for Transport and the Office of the Deputy Prime Minister have worked with the Association of Chief Police Officers, the Commission for Architecture and the Built Environment, and the Planning Officers Society on new guidance for local authorities, planners, designers, builders and others that emphasises that designing out crime and designing in community safety should be central to the planning and delivery of new development.

Any regulations dealing with security, such as those in the Bill, would have to make fire protection no worse. When we introduce and consult on the regulations, we will need to take that into account.

Mr. Dismore: My hon. Friend will be aware that I pursued that issue in the debate. Who will be involved in the preparation of the draft regulations? Surely it would be sensible to consult the Chief and Assistant Chief Fire Officers Association in the early stages, at the same time as ACPO. Otherwise, the fire precaution element has to be bolted on at the end, rather than being a seamless part of the whole. That could lead to arguments later.

Phil Hope: My hon. Friend is right. We have also established, within the new framework for promoting fire safety, both the practitioners forum and the community and business safety forum, so that experts can give us advice on how to proceed. It is sensible to involve organisations such as CACFOA and others with a real interest in the issue at an early stage as we develop the regulations, and my hon. Friend makes an important proposal in that respect. I have responsibility for fire safety as well as building regulations, so ultimately I will have to talk to myself to ensure that I have got things right.

Community safety must be central to what we do. It makes sense to ensure that not only is the environment planned—the Bill does not deal with the planning system, but we have talked about it before—in terms of layout, but that individual buildings, whether new or refurbished, have good basic security built in from the start. Some builders already do that, but regrettably others will not. This enabling legislation would pave the way for minimum security requirements to be introduced, after detailed consultation with all the appropriate bodies. What we will be looking for will not be onerous.

According to the 2002–03 British crime survey, some 974,000 domestic burglaries were committed in 2002–03. I am pleased to say that that is 25 per cent. fewer than in 1999, but it is still far too many. Evidence from the survey suggests that security measures are strongly associated with reduced risk of becoming a victim of burglary. Households with basic security measures in place, such as deadlocks on outside doors and locks that need keys to open them on all accessible windows, are at less risk of being burgled. That is why the Bill would have an important and valuable impact.

The Home Office, the Department for Environment, Food and Rural Affairs and the ODPM work with a range of bodies, including the police, local authorities, local crime and disorder reduction partnerships and both private and public sector housing providers, to increase awareness of the need for security measures. We have funded many programmes to install locks in the homes of some of the most vulnerable members of our community. However, too many people increase their security only after they have been victims of burglary. I must confess that that is what happened to me. We were burgled because we did not have locks on the windows. The day after, a copper came round and did his inspection and I went down to the shop, bought some locks and put them on. However, the horse had already bolted. It was a harsh lesson; we lost the video, the television and a computer. The thieves were stealing to order—or at least with a view to going down to the local pub and flogging the equipment.

Ian Stewart: Earlier, my hon. Friend was describing some extremely important elements, but does he agree that burglary also has human effects on the sufferers and their families? It is an extremely sensitive situation, because the sense of intrusion can be deep.

Phil Hope: My hon. Friend is right. It is distressing to wake up one morning, go down to the front room and find the contents of a handbag strewn around but the credit cards stolen or an empty space where the television used to be. I was in bed when the burglary took place; I did not know that anything was happening until I went downstairs, and there it was. Someone had broken into my house, stolen some things and gone away. It was very distressing.

Mr. Randall: The Minister mentioned various people with whom he was holding discussions. Does he also have discussions with insurers? Insurance is important, and is something that people can do beforehand.

Phil Hope: The hon. Gentleman raises a good point about insurance companies. Most insurers require homeowners to have good quality locks and to ensure that they are being used. We are working with the building and insurance industries on projects such as Secured by Design, which the hon. Member for Hazel Grove mentioned. It is a flagship initiative developed by the police, which supports some of the principles for designing out crime, and actively involves the building and insurance industries in developing new ways of working. It is supported and managed by ACPO and works with the trade across the board. Research undertaken by Huddersfield university showed that residents of Secured by Design developments are half as likely to be burgled, two and a half times less likely to suffer vehicle crime, and suffer 25 per cent. less criminal

[Phil Hope]

damage. That is just one example of good practice; there are many other design standards—such matters would be for the regulations.

My hon. Friend the Member for Eccles mentioned the personal impact of burglary on individuals and the need for victim support. It is important that people know that there will be positive action to track the perpetrators of the crime against them and bring them to justice. I understand all too well the concerns that Members have raised.

I want to reduce the number of people who become victims and who have to experience such trauma and intrusion, and we are happy to support the Bill's proposals in that regard. Statistics on security measures from the trade show that only 41 per cent. of people who were burgled had window locks, compared with 71 per cent. of those who had not been burgled. We are much less likely to be burgled if window locks are fitted. There are similar statistics for doors. Furthermore, only 8 per cent. of those burgled had internal light timers and sensors, compared with 23 per cent.—

Mr. Dismore: Or a dog.

Phil Hope: Yes. Unfortunately, we cannot regulate to ensure that everyone has a dog—[HON. MEMBERS: "Not yet."]

The Bill is much to be welcomed. We have had an excellent debate. The hon. Member for Hazel Grove has been put through quite a grilling today, and has come out of it well. The measure will help to support Government policies and aspirations for sustainable development and improving security. I have highlighted specific clauses and subsections that we want to clarify or amend in Committee, as well as specific provisions that are unacceptable, which I should like the hon. Gentleman to indicate his willingness to withdraw. With that reassurance, I hope that we can take the Bill to Committee, to take these excellent measures to the next stage in making them law, to improve people's lives and their environment.

1.44 pm

Mr. Stunell: The debate has been well-informed and penetrating. I very much appreciate the time that Members have given to make points and express their concerns. I hope that the House will not take it amiss if I begin by responding to some of the points made by the Minister, as I intend to come back to some of the other points later.

In fact, I can tell the House that, during the debate, I have been contacted again by Mr. Hodge, from Greater Manchester police, who tells me that the score so far on the second estate is two break-ins and that the defective patio window is still being installed, so that is a practical working example of one of the things that my Bill is designed to tackle.

I very much appreciate the Minister's words in regard to clauses 1, 2 and 3, and some of the things that he has said about the Government's acceptance of the reporting obligation that would be placed upon them. If I have sown any confusion about the cost of that measure as the result of some sloppy speech earlier, I certainly apologise to the House for so doing. We need to remember that building regulations have saved more lives than doctors have in the past 150 years. The requirements for sewerage, clean water, and dry and warm homes are far more effective than doctors at saving lives—if any doctor is in the House, I apologise. Building inspectors are useful and so are building regulations.

The Minister quite properly pointed out what I tried to point out not very adequately earlier: the need to produce some enabling powers. Of course that is why there is no regulatory impact assessment. Until we see what is being enabled or what is proposed to be enabled, there is nothing to assess. So the lack of such an assessment is not a defect in my proposal; it is intrinsic to a Bill that only introduces primary legislative enabling powers.

Mr. Randall: I have heard many hon. Members who sit on the Liberal Democrat and the Conservative Front Benches express great concern about enabling legislation when it is proposed by the Government. I wonder whether there has been a change of policy.

Mr. Stunell: Fortunately, circumstances alter cases, do they not? Let me move on quickly. The important thing is to ensure that the powers are proportionate and appropriate and that the regulatory follow-through happens. The Minister has rightly emphasised the great length of time and care taken in that respect. Some hon. Members are frustrated that such things sometimes take so long, but the process will never even begin without such powers to start it, so I very much appreciate what the Minister has said on that point.

Not just the Minister, but a number of other hon. Members have pointed the evil finger at clauses 7 and 8 and some subsections in clause 5. I certainly give an undertaking to the Minister that, if the Bill gets to Committee, I will take very clearly into account what he has said about the acceptability of clauses 7 and 8. I wish to make it clear that I want at least half a loaf, not no bread at all, and I absolutely give him the undertaking that he sought in that regard. I shall certainly bear in mind what was said about the later provisions in clause 5, although I noticed that the Conservative Front-Bench spokesman seemed to be strongly in favour of them, so that may be a matter on which further discussion is required.

I hope to have some early discussions with officials, so that we can find out how some of the other points that the Minister drew to my attention might best be dealt with in the Bill. It is for the benefit of the Government and the House that the legislation should be as comprehensive as possible, and I hope that he and his officials will be open to considering how we can do that.

I wish to turn briefly to some of the points made by other hon. Members, but I do not intend to detain the House. I thank the hon. Member for Eccles (Ian Stewart) very much indeed for his strongly supportive words. As he will have heard other hon. Members say, matters of detail remain to be worked out, and I am sure that we can do that. The hon. Gentleman said

that regulations governing fire safety and crime safety should be built in, simultaneously, from the beginning. That is absolutely vital, but we cannot do so at the moment because there is no opportunity to produce matching regulations in relation to crime reduction. That opportunity exists for fire regulations, as the hon. Member for Hendon (Mr. Dismore) said. I want to reassure the hon. Member for Eccles that that is exactly what I aim to do.

The hon. Member for Runnymede and Weybridge (Mr. Hammond) made a wide-ranging speech, but it would not be appropriate for me to pick up on all his points at this time. I want to draw attention to his hope that the insurance industry would come to the rescue when it came to the installation of otherwise unaffordable security equipment and devices. The current record of the insurance industry does not fill me with any real confidence that that would be the case. In fact, I had cause to draw to the attention of a Minister from the Department of Trade and Industry the impact on small businesses of rising insurance premiums, which affected my constituency. There is a clearly a big gap between what the insurance industry considers to be affordable and what those who need insurance believe to be affordable.

I have already dealt with the point made by the hon. Member for Hendon about fire regulations, but he made several other points. The Minister partly responded to them—I certainly attempted to do that—so I hope that he is much more reassured that we have addressed his concerns. If not, I look forward to seeing him in Committee. I thank my hon. Friend the Member for Ludlow (Matthew Green) for his support for parts of the Bill, at least. I understand that he shares several worries that have been expressed by other hon. Members, but let us iron those things out in Committee rather than standing in the way of what is an essential and useful Bill.

When the debate started much earlier today, I said that the Bill was modest, and it is obviously going to be even more modest when it comes out of Committee. I am sorry about that, but it will nevertheless be important: important for crime reduction, important for sustainability, and important for holding the Government to account. It will prove to be proportionate and appropriate, so it should have the support of the House on Second Reading.

Question put and agreed to.

Read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).

Performance of Companies and Government Departments (Reporting) Bill

Order for Second Reading read.

1.52 pm

Andy King (Rugby and Kenilworth) (Lab): I beg to move, That the Bill be now read a Second time.

In recent years the growing size, influence and power of large corporations has led many people to realise that they can have serious effects on the environment and communities. Many leading companies have recognised that and have run environmental and community schemes. On the other hand, the public have also realised it, often because of negative impacts on them and their communities. In fact, one could say that the agenda has been driven by a mix of disaster and inspiration. Companies such as Nestlé and Cadbury have faced great criticism of their policies and actions. In my constituency, local people have been extremely concerned by RMC's desire to burn tyres as an alternative fuel. The company insists on continuing with that plan despite the enormous concerns about health issues raised by the people of Rugby and Kenilworth. Companies that have implemented positive schemes have fostered a growing realisation that they can be a force for good. For example, the Co-operative bank continues to thrive and is widely admired for its ethical screening of investments.

Brian White (Milton Keynes, North-East) (Lab): Is not one of the problems that the media do not pick up on such good stories? They are happy to report the bad stories, but they should concentrate on good stories because they would promote what is happening in our communities.

Andy King: I thank my hon. Friend for his welcome intervention and agree wholeheartedly with him.

Companies have effects that reach further than their shareholders. I believe that it is the role of Parliament to set laws that encourage and allow companies to appreciate fully the repercussions of their actions. There is an important point to make here. When failures in company law have affected the richest and most powerful in society, we have always acted. Post-Enron and post-BCCI, there was a clamour for rules and regulations to protect investors who lost out. I applaud such regulations and believe that they represent a correct use of the powers of Parliament, but we must act with equal determination on behalf of those who are less well off.

That is recognised by the many organisations that back the Bill—Amnesty International, Christian Aid, Friends of the Earth, Save the Children, and even the women's institute, to name just a few. Support is growing by the day. Major unions have come on board, including, I am pleased to say, my own union, Unison, in addition to the Transport and General Workers Union and Amicus. I was delighted to receive a letter today from Brendan Barber of the TUC, who wished the Bill well. More development agencies have added their support, such as CAFOD and the World Development Movement. The need for the debate is recognised by business, too. Traidcraft, B & Q and the Co-op bank have all joined in calls for the Bill to go to Committee so that the matters can be debated further.

It is against this background that I speak to the Bill. It would require large companies to report every year on their impacts on the environment and on the communities in which they operate. It would also place a duty on directors to minimise such impacts while continuing to ensure the success of the company. Because there has not been an adequate response from companies to the voluntary approach, I believe the time has come for that to become mandatory.

In October 2000 in his speech to the CBI, the Prime Minister challenged the top 350 companies to publish such reports by the end of 2001. Only about a quarter of those companies met his challenge. Although more companies have done so since, about half the companies still do not report on their social and environmental impacts.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Will the hon. Gentleman allow me to intervene?

Andy King: Very briefly, please.

Mr. Forth: I am grateful to the hon. Gentleman, and I apologise for not being present for the start of his remarks. I have searched in vain for references in his Bill to Ministers. Although they appear in the title, they are not in the Bill. Why is he letting the Government off the hook while banging on about companies?

Andy King: I am glad the right hon. Gentleman spotted that minor omission. I have decided to make the Bill more modest—

Mr. Forth: Ah!

Andy King: —in order to make progress. However, I agree with the right hon. Gentleman as regards the principle of the Bill. That explains the reference to the Government in the title.

It is not fair to anyone if reporting is not standardised. Many of the companies that produce reports do not provide a full picture of their impacts. Many of the reports are glossy and PR-led, but do not provide information that enables investors to compare the performance of different companies or to track the performance of a single company year on year. We need mandatory reporting and cannot rely on a voluntary scheme—too many will opt out. Mandatory reports will prevent companies with high brand recognition from being undercut by companies less exposed to public attention. Requiring all companies to report will level the playing field.

The first requirement of my Bill in clause 1 is for the annual publication of an operating and financial review, or OFR, to include reports on a company's social, environmental and economic impacts and performance. Clause 1(3) defines the objective of the OFR as allowing an "informed assessment" of the company's operations, financial position, future plans and its impact on the environment and on the communities in which it operates. Clauses 2 and 3 set out the matters that must be included in the OFR, and the matters that need to be included only if they are necessary to allow an "informed assessment".

Clause 4 sets out the process for signing off the review. Clauses 5, 6 and 7 define which companies are "major" and therefore must publish an OFR. I understand that the conditions would capture about 1,000 of the largest companies, although clause 5(7) and (8) would allow Ministers, following a review, to include more companies as reporting methods develop.

The Bill would amend the basic duties on company directors by adding to the duty to return maximum profit to the shareholders further duties to consider social and environmental impacts. Because maximising return to shareholders is legally required of company directors, profit is the ultimate measure of all corporate decisions. A sole duty to profit enables companies to put profit before community well-being, worker safety, public health and environmental preservation. The Bill would change that.

Clause 8 sets out the key duty that directors must act in accordance with the company's constitution. Clause 9 requires a director to promote the success of the company and, in subsection (1)(b), requires that he consider all material factors. Material factors are further defined in the clause to include, among other matters, impacts on communities and the environment. The clause also requires directors to reduce as far as possible damaging impacts on the environment and communities. Such impacts were highlighted in a recent report by Christian Aid, "Behind the mask: The real face of corporate social responsibility". What some of the largest companies are doing in the UK and across the world is appalling and must end.

Clause 10 sets restrictions to prevent directors delegating their duties to others, except in certain well-defined circumstances. Clause 11 determines the standards of care and diligence that will be expected of directors.

I acknowledge that much of the work on those clauses was done not by me, but by the Government. As much as 95 per cent. of the Bill is taken from the White Paper "Modernising Company Law", which included a set of draft clauses. I have altered those proposals—modestly—to increase the extent to which environmental and social matters are included in the reports. I have also allowed the OFR rules to extend to smaller companies in time.

However strongly I recommend the changes to the Minister, even more important is that there is a change in gear in implementing the proposals. It is three years since the Prime Minister issued his challenge, yet it has largely not been met. The company law review, having begun in March 1998, is now almost into its sixth year, yet we still have no requirement for reporting. In 1994, the Labour party published its environment policy, "In Trust for Tomorrow", which promised

"a requirement on larger companies to report on environmental performance and strategy, helping to optimise resource use, reduce pollution and disseminate best practice."

Ten years on, that commitment is just as valid.

An advance in this field is vital to every Member of Parliament and everyone across the country. The proposals in the Bill will benefit us all. I hope that the Minister will recognise the pressure for change and redouble the efforts of his Department and others to get the measures introduced and operating as soon as possible. I commend the Bill to the House.

2.2 pm

Angela Watkinson (Upminster) (Con): There is no doubt that corporate social responsibility is highly desirable, and the Opposition support fully the idea that the business activities of Government Departments and of UK companies both at home and in the underdeveloped world should have a positive effect on the economies and the environments in which they work. More important, their impact should not be negative.

The question is whether legislation is the best way to achieve those ends. The Bill is well intentioned, but it might prove to be counter-productive. Business is already overburdened with red tape, and there is a danger that yet more red tape and regulation would discourage those companies that feel that they are already doing a good job by helping to create wealth and employment. The hon. Member for Rugby and Kenilworth (Andy King) referred to companies with a good reputation. Legislation could have precisely the opposite effect to the one intended by eroding existing good will. On the principle that one volunteer is worth 10 pressed men, encouragement is likely to bear more fruit than compulsion.

The main provisions of the Bill are to require large companies—those employing more than 500 people and with a turnover in excess of £50 million a year—to report on their impacts on the environment and on society, and to expand the duties of directors to incorporate a duty of care for the environment.

I draw the attention of the House to clause 9, which details the promotion of company's objectives. Subsection (1) states:

"A director of a company must in any given case . . .

(c) take all reasonable steps to minimise the impact of the company's impact on the communities it affects and on the environment."

That seems to presume that the impact of the company's activities will be negative— if they are to be minimised, one must assume that they are negative—and it does not allow for the possibility that the company might have a positive impact on the environment and community in which it operates. I hope that some redrafting will be considered if the Bill progresses to Committee stage.

The proposal for company reports, exactly what they should report on, to whom and how that information should made available, what measures would be used to assess their findings, against what standards those findings would be judged, and in particular what sanctions might flow from such reports if they were deemed to be unsatisfactory or to fall short of those agreed standards, are all important details that are absent from the Bill. It is expressed in general terms and open to wide interpretation, and those are some of the many matters that could be thrashed out in Committee. That is why the Opposition would be happy for the Bill to proceed to Committee stage if that is the will of the House.

Similarly, the proposal to extend the duties of company directors to include a duty of care for the environment and the community requires clarification as to exactly what those duties are. The term "duty of care" could be interpreted in many ways, but it needs to be specific if sanctions are to apply following failure to fulfil those duties.

[Angela Watkinson]

Clause 1(5) states:

"The directors must comply with any rules about the manner in which the operating and financial review is to be prepared."

That is clarified further in subsection (9), which states:

"Rules under this section may be made by regulations made by the Secretary of State."

That is an extremely wide power, and, again, I hope that that will be more clearly defined when it is looked at in more detail.

Various interest groups have contacted me, and, I dare say, every other Member, in support of the Bill and the introduction of mandatory international measures to oblige companies in law to fulfil their corporate social responsibilities. The hon. Gentleman has circulated a list of supporting companies and other bodies, including many retail and other types of companies, which illustrates that there are examples of good practice, and that business per se is not all bad.

Christian Aid has contacted me and it takes rather a pessimistic view of the activities of business and concentrates its remarks on bad practice rather than good. The other side of that coin is that to burden all businesses because of the bad practice of some could be counter-productive when some are operating very responsibly.The corporate responsibility coalition, which incorporates Friends of the Earth, the WWF, Unison, Amnesty International and many other well-known organisations, also takes that view.

But there is a third-party view from an organisation that champions corporate social responsibility in the business sector, Business in the Community, which has hit back at claims that corporate social responsibility has turned into what others might call a dangerous public relations exercise and a vehicle for opposing regulation. Mallen Baker, the development director of Business in the Community, has said:

"Corporate social responsibility is about best practice. Responsibility is inherently voluntary, so it has to be about the choices that a company makes within its set business environment. Simply complying with the law is not CSR."

The implication is that some companies would set themselves higher standards than the minimum for which the Bill might aim—although, of course, such aims remain to be clarified.

It is clear that there is a great deal to be debated, but I am aware of the shortness of time and that other hon. Members might want to speak. I shall therefore curtail what was to be a very long speech in order to allow others to make their remarks. If it is the will of the House, we shall be happy to allow the Bill to go into Committee.

2.10 pm

The Minister for Trade and Investment (Mr. Mike O'Brien): I begin by expressing my thanks to my hon. Friend the Member for Rugby and Kenilworth (Andy King) for entering into substantial discussions with my right hon. Friend the Minister for Industry and the Regions, who has responsibility for these matters, on developing the key proposals of this private Member's Bill.

As that consultation will have confirmed, the Government fully appreciate and support the general objectives that lie behind my hon. Friend's Bill. I believe that we all want business to make a full, positive and constructive contribution to Britain's society. Business is not just about jobs, wealth creation and delivering the goods and services that we expect—important though they all are; it is also critical to achieving our environmental and social objectives.

This Government set up the first major review of company law for more than a generation. I pay tribute to the members of the independent steering group, to those who were involved in the CORE coalition and to the hundreds of people who took part in the work of examining company law. We are working hard to bring forward a Bill, building on the review's recommendations. In the interim, the Companies (Audit, Investigations and Community Enterprise) Bill is in the other place. That is as tightly focused as its title suggests. It is designed chiefly to implement the recommendations of the post-Enron reviews, to allow for the creation of community interest companies and to improve the company investigation regime.

The first seven clauses of my hon. Friend's Bill deal with the operating and financial review—the OFR. The company law review rightly criticised the fact that company accounting and reporting remain essentially backward-looking and based on financial indicators. There are few statutory requirements to report on the main qualitative factors that underlie past and especially future performance, such as business strategies, a skilled work force or successful brands. The review recommended that companies of significant economic size should be required to publish an OFR as part of their annual report and accounts.

Mr. Forth: I would be very interested in the Minister's and the Government's view on how practical it would be under clause 3 to expect any company to measure the impact of its policies on the environment. I would be even more interested in the Minister's definition of social and community issues in the context of company impacts. What on earth has the business of the law to do with a company's reputation? Is this not just nonsense?

Mr. O'Brien: I am pleased that the right hon. Gentleman is interested in the Government's view. I assure him that I will explain at some length the Government's view on each of those factors.

As my hon. Friend said, in July 2002 the Government published a White Paper, "Modernising Company Law", which contained some illustrative clauses on the OFR that were designed for discussion. The draft clauses form the basis of clauses 1 to 7 of the Bill. The initial clauses that we drafted were essentially to provide the opportunity for the public, various company directors, non-governmental organisations and others to give feedback on what they thought such a Bill might look like. We published the White Paper as part of our overall reform of company law. However, we have since decided to take forward the OFR in regulations, not in primary legislation. On 10 July last year, my right hon. Friend the Minister for Industry and the Regions

announced, in a written statement on company law, that we would publish draft regulations for consultation in due course.

We have now had the benefit of considering more than 250 responses to the White Paper regarding the OFR. They are mostly supportive of the principle of a statutory OFR, although a wide range of views is expressed on the detail. We have continued to develop the policy and to draft detailed legislation on matters such as the role of auditors and enforcement, which are somewhat sketchy in the White Paper. One of the objectives of the revised proposal was to ensure that we do not impose unnecessary burdens on companies by requiring them to comply separately with the requirements of the OFR and the EU modernisation directive, which was adopted last year. Understandably, my hon. Friend's Bill takes no account of that directive, part of which requires additional reporting by companies, including on information relating to environmental and employee matters. As that comes into force at the beginning of 2005, it makes sense to deal with it and the OFR in a single, coherent piece of legislation to avoid companies having to make two separate but overlapping reports, which would be duplicative and bureaucratic. We want to place this on a much more rational and sensible basis.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD) *rose—*

Mr. Edward Leigh (Gainsborough) (Con) *rose—*

Mr. O'Brien: I just want to make the following point, then I will give way with pleasure.

I ask my hon. Friend and other supporters of the Bill to be patient for a little longer. The Government will soon publish revised proposals on the OFR, which will be a significant improvement on the illustrative clauses that were published in the White Paper and are largely reproduced in the Bill. We will publish with the draft regulations a document setting out our policies and the reasons for them.

Mr. Andrew Dismore (Hendon) (Lab): Will my hon. Friend give way?

Mr. O'Brien: I shall first give way to the hon. Members for Gainsborough (Mr. Leigh) and for West Aberdeenshire and Kincardine (Sir Robert Smith).

Mr. Leigh: Have the Government made an assessment of the Bill's regulatory impact on companies? Will such an assessment be made available to the House?

Mr. O'Brien: Not at this stage. The detailed proposals in the Bill were published only recently and, obviously, have only just reached Second Reading. If they were likely to become law, we would make a full regulatory impact assessment—not only of the Bill's effects on companies and their employees, but of all the environmental and social consequences that would flow from it. In developing this strategy, we want to publish some further proposals and to gather some ideas about potential effects from the various organisations involved.

Sir Robert Smith: The Minister suggested that hon. Members should be patient. Witnesses who appeared before the Select Committee on Trade and Industry were attracted by the White Paper's vision of company law finally being brought together in one overarching Bill and the burden on smaller businesses being reduced by the nature of its structure. The Minister says that the Government are working hard on the Bill. Can he give the House some idea of when it will be produced and put before us, so that we can see that the promises in the White Paper are being delivered?

Mr. O'Brien: To some extent, that will depend on the way in which the continuing work results in outside organisations expressing concerns that we have to take into account. I cannot therefore give a clear timetable. We are working reasonably quickly, but when we consider introducing complex legislation that will have a significant impact on many companies we are required to take full account of the views of a range of companies, the trade unions and various non-governmental organisations that have contributed so far. We want to ensure that they get the opportunity for a further say on, for example, any Government proposals on regulation, the Bill and the formal statutory legislation that we want to introduce in due course.

Mr. Dismore: As my hon. Friend knows, I am a sponsor of the Bill and I feel strongly about the issues that it covers. I want to raise a similar point to that made by the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith). My hon. Friend mentioned that the Government would produce draft regulations soon. How soon is that? Does he anticipate a further round of consultation on the draft regulations or will they be laid before Parliament and processed relatively quickly?

Mr. O'Brien: On the timetable for producing and consulting on the draft regulations, it would probably be best if I got some details from my right hon. Friend the Minister for Industry and the Regions. I shall write to my hon. Friend the Member for Hendon (Mr. Dismore), the Liberal Democrats and the Opposition so that they have some idea of when we shall introduce the regulations. We have the Bill and the regulations, so many issues still require consultation.

My hon. Friend the Member for Rugby and Kenilworth kindly noted that the provisions on directors' duties relate closely to the clauses in the review. We are grateful to those in the CORE coalition, who commented on the drafts. That has led us to conclude that several essentially technical improvements should be made. We shall consult on them in due course. The clauses also help to answer one of the most important questions in company law: in whose interests a company should be run.

The company law review considered the matter in detail and consulted on it on several occasions. It recognised, as I do, that many argue that a company should be required to serve a wider range of interests beyond simply those of the shareholders. Such a

[Mr. O'Brien]

pluralist approach inevitably involves balancing potentially conflicting interests. The right hon. Member for Bromley and Chislehurst (Mr. Forth) mentioned that and the way in which the various balancing interests would need to be resolved by a company director answering the question that the measure proposes. We need more detailed examination of how a director could consider all those issues. The right hon. Gentleman appears to be itching to jump out of his seat. I should hate to disappoint him by allowing him to do that. However, it might be helpful if I gave him an example of the approach and perhaps he could intervene subsequently.

Let us suppose that a group of directors is considering which of two factories to expand. I hope that we all agree that they should take a wide range of factors into account. They could include the availability of a work force for each site, which site would best meet the customers' needs, the impact on the two different communities and on the environment and so on. Let us suppose that the group's evaluation shows that expanding on site A would produce 100 additional jobs in an area of high unemployment, when there is essentially full employment at site B. However, let us further suppose that the impact on suppliers of expanding on site A is slightly greater than that of expanding on site B. How do the directors decide whether creating 100 additional jobs in an area of high unemployment is worth the marginally greater impact on their suppliers? They would need some form of common measure to enable them to strike a balance, as the right hon. Member for Bromley and Chislehurst suggested earlier. I should like to make it clear that the Government reject any suggestion that this should involve the view only of the directors looking after the short-term interests of shareholders' profits. There needs to be a wider test. We need a more practical and inclusive solution, involving what the company law review described as enlightened shareholder value. And on the issue of enlightened shareholder values, I give way to the right hon. Member for Bromley and Chislehurst.

Mr. Forth: The Minister's analysis is very helpful to the House, not only today but when we consider the measures to be introduced in the future. Will he comment on clause 9, which puzzles me and, I suspect, might puzzle the Minister as well? Clause 9(1)(a) states that the director of a company must

"act . . . in good faith"

in a way that

"would be most likely to promote the success of the company for the benefit of its members as a whole".

I wonder whether the phrase

"of its members as a whole"

has a particular legal meaning. Does it, in other words, mean the shareholders? Or does the term "members" encompass shareholders, employees, directors and anyone else we can think of? Language such as that strikes me as somewhat problematic in the drafting, if not in the philosophy behind the Bill.

Mr. O'Brien: The right hon. Gentleman makes a reasonable point. We must be clear, when we are placing a duty on the directors of a company, precisely to whom they owe that duty. Clarity in the law is essential, because if directors have a duty in law that is only vaguely set out, they could well find themselves being challenged in court over the precise consultations and circumstances that they took into account when making a particular decision. We might think that that is very unlikely, but if a large number of jobs were at stake in a community, it would not be. In such circumstances, the directors of a company could well find that the trade unions would, in many ways justifiably, see an opportunity to protect the interests of their members or of the wider community.

It is therefore important that the wording of a Bill should be clear. Normally, the members of a company are regarded as the shareholders. That is the position in company law. The way in which the legislation is presumably set out here would therefore involve that definition, if it is using the normal description used by company lawyers. I cannot, however, see a separate definition of that term in the Bill. If I remember my company law well—it is now some years since I practised it—it is set out in the Companies Act 1948, but it could have been regularly superseded since then.

We need a view of the responsibilities of directors that shows that they have regard for enlightened shareholder value. That means that the basic goal for a director is to do what he judges to be in the best collective interest of the shareholders. Crucially, in deciding this, he must take into account all the material factors that he can practically identify in the particular circumstances of that decision. What are those material factors? Clearly, a director must take account of the relevant short and long-term consequences of any decision, but there is much more involved. A director must also take account of all the other factors that a person of care and skill would regard as relevant. Depending on the decision, this could, for example, include relationships with trade unions, employees, customers and suppliers, the company's reputation, and its social and environmental impact on the community and the working environment. That is presumably what clause 9(1)(a) and (b) are about.

My hon. Friend referred in his speech to the changes that he had made to our proposals. At first sight, the addition of subsection (1)(c) to clause 9 might appear a mere technicality. As I have just said, I agree with my hon. Friend that, wherever it is relevant, directors should take into account the impact of the company's operations on the communities that it affects and on the environment. Indeed, the House will see that that is set out in subsection (3)(b). Repeating it in subsection (1)(c), however, makes a fundamental change, making the duties pluralist. As I have explained, that is not the practical way forward. It may be only two dozen words, and they may appear a little technical—

Madam Deputy Speaker: Order.

Debate to be resumed on Friday 26 March.

Remaining Private Members' Bills

CIVIL SERVICE BILL

Order for Second Reading read.—[Queen's Consent, on behalf of the Crown, signified.]

Hon. Members: Object.

Debate to be deferred till Friday 27 February.

CROWN EMPLOYMENT (NATIONALITY) BILL

Order for Second Reading read.—[Queen's Consent, on behalf of the Crown, signified.]

Hon. Members: Object.

Debate to be deferred till Friday 27 February.

Bedwetting and Continence Services

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Prentice.]*

2.31 pm

Dr. Jenny Tonge (Richmond Park) (LD): This may seem a strange topic on which to end the week, but I assure you, Madam Deputy Speaker, that it is important.

When I was preparing for the children's Bill in my former life, I read the Victoria Climbié inquiry report—Victoria Climbié was born in the Ivory Coast in 1991 and died in this country in 1998. It is harrowing reading, as I am sure the Minister knows. I was approached by a voluntary organisation called ERIC—the Enuresis Resource and Information Centre—which was concerned about the Victoria Climbié report, as I was, and wanted me to raise in this House the question of incontinence services. As I had some experience of the matter when I was in medical practice, I thought it appropriate to do so.

In the UK, about 750,000 children over the age of five wet or soil themselves. It causes great distress to children and parents alike, yet some children simply cannot grow out of it. They need proper, sympathetic treatment to avoid child abuse, in some cases, and bullying at school. Bedwetting—or nocturnal enuresis, to use the medical term—affects half a million children between five and 16 years old—yes, as old as 16. Daytime wetting affects a smaller number—120,000 children—and more than 100,000 children in the same age group, five to 16, experience soiling problems. The cause is often physical. It can be caused by a lack of control between the bladder and the brain—an overactive bladder, as it is commonly described—or can be due to a lack of a hormone called vasopressin, which suppresses urine production at night. It can also be due to serious or minor kidney and bladder disease, which is often undiagnosed. Soiling is often due to constipation, which is itself caused by poor diet. We have heard a lot about poor diets in recent weeks, and low fluid intake in many children is an increasing worry.

Children who have had disturbing events in their lives, such as bereavements, removal from home or school trauma can also develop these problems, and any further trauma or punishment makes matters worse, so it becomes a vicious circle. It causes acute embarrassment and stress; those affected feel isolated, different and guilty, terrified of being found out by other children, and they become socially excluded and terrified of the usual childhood treats, which my children all enjoyed, such as school trips or sleepovers in their friends' houses.

The consequences for family life and for the child affected can be dire. Most parents and carers are patient and concerned, but others—especially if they have social or partner problems, or live in very cramped accommodation—punish their children, thus starting the vicious circle of increased stress, more bedwetting and worse punishment. It can lead to child abuse.

That was what led me to bring the problem to the attention of the House. When reading the Victoria Climbié inquiry report, I tried and tried to understand why that tragic little girl had died such an agonising death after months of torture, in this country. She had been given no attention, no love, no affection.

[Dr. Jenny Tonge]

A major trigger in Victoria's terrible abuse and death was bedwetting. It started, presumably, when she was given to an aunt to be brought to Europe and start a better life, far from her family on the Cote d'Ivoire. I want to refer to the inquiry, because I feel that this child should be remembered.

Victoria was bedwetting, which was a great nuisance to her aunt and her aunt's boy friend. She was taken to a local church. The priest was told about her incontinence, and

"he formed the view that she was possessed by an evil spirit. He advised that the problem could be solved by prayer . . . The incontinence appears to have continued . . . the sofa bed Victoria had been sleeping on was thrown out",

and she was made to spend her nights in the bathroom of the couple's flat. This child was seven years old.

When Victoria was in the bathroom,

"the door was kept closed and the light was switched off. She began to spend her nights alone, cold and in pitch darkness."

Later,

"she was tied up inside a black plastic bag in an effort to stop her from soiling the bath",

so she lay

"in her own urine and faeces"

in the cold. Her hands were "bound with masking tape", and she was

"forced to eat by pushing her face towards the food, like a dog . . . As well as being forced to spend much of her time in inhuman conditions, Victoria was also beaten on a regular basis"

by her aunt and her aunt's boy friend.

I am sorry to have subjected the House to that, but it started with bedwetting, which is why I wanted Members to concentrate on the subject, if only for half an hour. If only someone had intervened and saved Victoria. That is why the subject is so important.

I have tried to quantify the costs to family and society. A bedwetting child probably costs a family more than £1,000 a year in extra washing, bedding, nightclothes and disposable nappies. A child who soils is even more of a problem. A child with both problems—and perhaps other special needs, for children with special needs often suffer from these problems—costs parents far more than that. Sadly, many parents are still not taken seriously by some doctors, who are much too busy to investigate further, and simply say "Do not worry, they will grow out of it". However, parents of a child living in an area with a proper incontinence service will receive full advice, guidance, treatment and follow-up enabling them to manage the problem. There are many products on the market that can help, apart from advice.

I know of only one voluntary organisation that gives advice and guidance, and that is ERIC, the aforementioned Enuresis Resource and Information Centre. It has its own website and a telephone advice centre. It knows which primary care trusts have catered for the problem, but it is of course chronically underfunded.

There are 814 primary care NHS treatment centres for the problem in the UK, with 50 per cent. treating bedwetting and daytime wetting and a lower percentage dealing with soiling; and 63 per cent. of the clinics are nurse led, as they should be. The cost of treatment is minimal and the impact on families and children could save huge sums of money for the NHS in the longer term.

We can also use existing personnel to set up an effective paediatric continence service. That is perfectly feasible; I have seen it done in my professional life. Before the Minister tells me that the Liberal Democrats are calling for yet another spending commitment, I am not. Existing staff can do it at no extra cost. I can assure him of that and, if he wants to see it done, I shall take him somewhere and show him.

Links can be forged with schools and other professions allied to medicine, which would hugely help to develop the whole network that we want to build up to prevent child abuse. It would mean a broader network, with more people talking and looking after one child. All primary care trusts should surely be asked to provide that service for GPs in the area. If health visitors are being devolved to GP surgeries, there is no reason why one of them should not train for and run a continence clinic for several practices in the trust.

The children's national service framework should surely include clear standards for paediatric continence and urge every primary care trust to provide access for a proper integrated paediatric continence service. I plead with the Minister to consider the issue very seriously in order to prevent the suffering—and often the tragedy—that the problem can cause.

2.41 pm

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): I begin by congratulating the hon. Member for Richmond Park (Dr. Tonge) on securing the debate. As she said, this is an important subject. This has been an exciting parliamentary week, but she has no need to apologise for finishing the week in this way, on a subject that is so important to many people. It helps to remind us what Parliament is really all about.

The hon. Lady should not fear that Victoria Climbié will be forgotten. The Government's Green Paper, "Every child matters", was at least partly inspired by the need to ensure that there are no more Victoria Climbiés, and when the children's Bill eventually comes before the House it will, I hope, be an appropriate epitaph for her short and tragic life. The hon. Lady is right that incontinence played a significant role in what led to the events that ended Victoria's life.

Paediatric continence issues cover the whole spectrum of bowel and bladder problems, ranging from infants born with life-threatening congenital bowel and bladder abnormalities to the adolescent who feels totally alone and socially isolated because of persistent wetting or soiling problems. As the hon. Lady said, it is estimated that continence conditions affect more than 500,000 children and young people over the age of five, and such conditions also continue into early adulthood and may even persist into later life.

It is well established that bedwetting reduces children's social opportunities. It causes them to feel "different" from others and to fear teasing and bullying by their peers. Children with learning and/or physical disabilities experience particular problems, and they need specific help and support, particularly at school. There are also associations, as the hon. Lady identified

in the case of Victoria Climbié, between continence problems and child abuse. All in all, continence problems can create every gradation in distress from the quiet desperation of unfulfilled life opportunities to the extremes of misery and abuse.

That is why the Department issued the document "Good practice in continence services" in April 2000. It provides guidance to primary care trusts on continence services. The guidance includes the advice that primary care trusts should have specialist continence services that provide patients with an individual assessment of their needs. In the past, those services have been fragmented. That is unacceptable because it leads to poorer, less effective care for patients. People need skilled assessment and treatment, with early identification of their problems. That is why the guidance stresses the need for locally provided continence services that include a director of continence services, continence nurse specialists including paediatric continence nurse specialists, continence physiotherapists, designated medical and surgical specialists, investigation and treatment facilities, and national or regional units for specialist surgery. Those arrangements should cover all aspects of continence management raised by a urologist or gynaecologist, a physician for older people or a paediatrician for children.

I am also glad that clarity has been brought to incontinence aids and supports such as the provision of pads, which should be equally available to anyone in a geographical area, regardless of where they live and according to need. Flexibility should be allowed for special cases such as very young children with multiple handicaps, and decisions should be made by liaising with the designated paediatrician. Pads should be provided in quantities appropriate to the individual's continence needs—arbitrary ceilings are wholly inappropriate.

Continence poses particular educational concerns, and it is associated with difficulties with school attendance, school trips and other essential parts of childhood and growing up—again, the hon. Lady alluded to that point. It is vital that those concerns are addressed and action is taken. Therefore all schools in England were made aware in June 2000 of the guidance in the Department of Health publication "Good Practice in Continence Services", which includes dedicated sections on school and pre-school institutions, covering targets and interventions.

As I have indicated, provision of continence services in England is a matter for primary care trusts, which are responsible for determining the level of services required to meet the needs of their local populations. However, we must clearly ensure that primary care trusts have the necessary resources. That is why we have ensured that every PCT budget will grow by a minimum of 29 per cent., with the average PCT budget growing by almost £42 million by 2005–06.

None of the growth money has been identified for specific purposes. PCTs will be able to use those extra resources to deliver on both national and local priorities. More than 75 per cent. of the NHS budget will be in the direct control of local PCTs. That is about devolving power and resources direct to the NHS front line to decide service provision and levels. We want to see the NHS—primary care, community health services and hospitals—working together to tackle problems and improve services.

The good practice guidance on continence services sets out a range of actions, and we expect to see significant improvements for patients and their carers as a result. That is reflected in the national service framework for older people, which states that by April 2004,

"all local health and social care systems should have established an integrated continence service".

Progress by NHS and social care organisations on implementing NSF standards will be measured so that good practice is shared and immediate action can be taken where necessary further to improve services. A review will therefore be carried out during the course of this year by the Commission for Healthcare Audit and Inspection and the Commission for Social Care Inspection. It will build upon existing work—for example, the Audit Commission NHS plan review and the Audit Commission study of services that promote independence and well-being.

Dr. Tonge: May I assume that the guidance will also be built into the national service framework for children's services?

Dr. Ladyman: I was just about to discuss the national service framework for children's services, but it would clearly be inappropriate to confirm or deny what will be in a document that we have not yet published. Suffice it to say that I would be extremely surprised if the guidance were not included.

We must ensure that all parts of the NHS are involved in improvements. PCTs must highlight the issues relating to service provision specifically for the management of paediatric continence, and focus on the core and essential aspects of care in delivering a quality continence service for children. That is why I welcome the Modernisation Agency's recent publication "Good Practice in Paediatric Continence Services—Benchmarking in action". The document is the result of an NHS commitment to address the key factors and improve service provision.

I am particularly glad that paediatric continence advisers and other NHS staff nationwide have been closely involved in working up that initiative. A number of trusts around the country have looked at and scored their practice against the continence benchmark. They have examined benchmarking paediatric continence services with best practice statements from the point of view of children and their families. From that, it becomes possible to highlight examples of good practice and to discover variability and inconsistency. The exercise also served to highlight evidence of the key factors that can help to reduce the cost to the NHS of issuing products inappropriately, and of inappropriate referral to the acute sector.

In essence, the Modernisation Agency's benchmark exercise sets out that services should be based on and evolve from local continence advisory services; ensure that users and carers are involved in the planning, provision and audit of services; ensure that systematic efforts are made to identify cases of incontinence; enable treatment based on assessment to be delivered in the

[Dr. Ladyman]

most appropriate setting, which is usually primary care in the first instance; be cohesive and comprehensive, covering urinary and faecal incontinence, adults and children, people resident in their own homes and people who live elsewhere; and, finally, allow easy access to specialist care when it is needed. It is important that services be fully inclusive and accessible to all children regardless of age or disability, and that they include children with special needs who should have the same access, where appropriate, to all investigation and treatment programmes.

The children's national service framework is a broader-brush initiative to set standards for a range of health and social care services for children and young people. Rather than address specific conditions, the generic standards are likely to outline what support should be available to children and their parents in managing a wide range of conditions and problems, such as paediatric incontinence. In so doing, the NSF will emphasise the promotion of evidence-based clinical guidelines and provide examples of practice.

No consideration of those matters could possibly be complete without reference to that most focused and dedicated voluntary organisation, to which the hon. Lady has already referred, the Enuresis Resource and Information Centre, otherwise known as ERIC. ERIC has been involved in producing the Modernisation Agency's paediatric continence guidance, and in discussions on the children's national service framework, as well as running a series of very informed and productive campaigns targeted at providing the interventions necessary and the considerations essential to addressing this problem.

The national bedwetting awareness week gives particular focus to those activities. That campaign, primarily run through school nurses and enuresis specialists in schools across the country, aims to educate children, as well as parents, about the condition and the support mechanisms available to them both in and out of school. Activities during and around the awareness week include school nurses, health visitors and enuresis specialists speaking to children in and out of school about bedwetting; open clinics, which are held to offer advice to parents and children about bedwetting and to suggest appropriate steps; and a regional and national print, radio and television publicity campaign raising awareness of the condition and the existence of information sources.

All that activity is geared to emphasise the fact that bedwetting is not necessarily a reaction to stress and worry, which will fade away, nor just a passing phase that all children will grow out of without intervention. Bedwetting is a condition that can be treated successfully, but which if left untreated can have a huge and long-lasting psychological and social impact. Things do not have to be that way, and ERIC is very much in the vanguard of explaining why not.

To conclude, we are continuing to learn and to implement what we learn. By applying the good practice guidance on continence services, PCTs have both guidance on provision and a means of comparing their performance. By looking at local service provision in line with the Modernisation Agency's paediatric continence benchmarking best practice tool, trusts will be able to identify service provision deficits and remedy them. By sharing best practice with other areas and working together to improve services, the NHS will achieve an overall consistently high quality of service.

Once again, I thank the hon. Lady for raising this important matter. I imagine that it is one to which we shall return from time to time, but I hope that when she studies my words in the *Official Report* she will be reassured that the Government take it as seriously as she does, and that we are doing our best to address it.

Question put and agreed to.

Adjourned accordingly at six minutes to Three o'clock.

House of Commons

Monday 2 February 2004

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Olympic Bid

1. **Huw Irranca-Davies** (Ogmore) (Lab): If she will make a statement on the impact of the Olympic bid on grass-roots sport. [151920]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): We decided to bid for the Olympics for two reasons: first, as an expression of our ambition for sport and for Britain to be given the chance to host the greatest sports event in the world; and secondly because the process of bidding will enthuse and inspire young people to participate in sport at every level.

Huw Irranca-Davies: I thank the Secretary of State for that reply. She will know that one of the most lasting long-term benefits of hosting any Olympics is its impact on grass-roots sports, not only through the development of infrastructure, but through providing champions, such as the excellent Lyn "The Leap" Davies from Nant-y-moel in the 1964 Tokyo Olympics. However, although it is quite understandable that the majority of the infrastructure development will take place in the south-east, how will she spread the benefits for our youngsters in Wales and elsewhere to inspire them to go on to future Olympics beyond 2012?

Tessa Jowell: I thank my hon. Friend for both his question and his interest in and concern about the matter. This is one of the most important challenges facing my Department and the Government, and we are seeking to rise to it in two ways: first, through unprecedented levels of investment in new facilities—nearly £700 million for England alone and £750 million from the New Opportunities Fund if one includes Wales and Scotland—and also by ensuring that by 2007–08, every child will have the opportunity to undertake at least two hours of high-quality physical education and sport every week. That is expressed as a target, but we are seeking first to invest in facilities, and secondly, to ensure that young people are motivated to take part in sport to help to deliver champions for 2012.

Mr. Nick Hawkins (Surrey Heath) (Con): The Secretary of State is well aware that Conservative Members strongly support the Olympic bid, but does she recognise that it would be possible to raise even more money for grass-roots sport if the new Olympic lottery game were not to start in 2005—when, as we hope, we win the bid—as her Government have suggested, but contrarily, as we have suggested, to start so that it coincides with the Athens Olympics when the Olympics will be at the height of public interest? The Minister for Sport and Tourism has accepted that it would be possible under International Olympic Committee rules to start an Olympic lottery to coincide with this year's Athens Olympics. That would raise more money for sport, so will she continue to consider that?

Tessa Jowell: The hon. Gentleman will be aware that we will no doubt return to that matter during the business of the House later this afternoon. I shall make it absolutely clear why we have taken our decision: first, as he will be aware, because the IOC will simply not permit an Olympic lottery to be mounted on any premature assumption that a specific city will host the games; and secondly, because I have given undertakings to the many good causes that will suffer some reduction in funds as a result of the Olympic lottery that that will not happen until and unless—as we all hope—London wins the bid to stage the Olympics. That decision will be announced in 2005.

Mr. Barry Gardiner (Brent, North) (Lab): I am sure that the whole House agrees with the Secretary of State about the way in which a London 2012 Olympics could inspire a new generation of young athletes. Will she tell the House what she will do to ensure that the 2012 games will be clean and free of drugs? How are we going to get drugs out of sport so that our young people know that the role models who they follow are good, clean role models?

Tessa Jowell: I thank my hon. Friend for that point. Of course, the issue is of great concern to not only the IOC, but, more generally, the governing bodies of sport. We can say with great pride that our contribution to the World Anti-Doping Agency is widely recognised by the IOC and, indeed, I hope that that will be seen as a strength when our bid is considered. I place on record my appreciation for the efforts of my right hon. Friend the Minister for Sport and Tourism in ensuring that the UK Government maintain leadership on that important matter.

Tourism

2. **Mr. David Heathcoat-Amory** (Wells) (Con): Whether she seeks to spend an equivalent sum per head of population in England on tourism promotion as is spent in other parts of the UK. [151921]

The Minister for Sport and Tourism (Mr. Richard Caborn): I am satisfied that the current level of funding is producing excellent results, particularly in England. For the first time for many years, as I think the right hon. Gentleman knows, we are now promoting England domestically. Last November, VisitBritain launched its domestic marketing strategy for England, which has a

strong emphasis on the public-private partnership. Building on the success of last autumn's enjoy England campaign has given us good results indeed.

Mr. Heathcoat-Amory: Will the Minister confirm that Government expenditure on tourism promotion is 24p per head of population for England per year, but that the equivalent figure for Scotland is £5.50 a head and in Wales it is £8.10? Does he think that that is in any way reasonable or fair? What would he say to a west country tourism operator who sees tourists and tourism jobs going across to neighbouring Wales simply because of the large state subsidy, much of which is paid for by English taxpayers?

Mr. Caborn: Not to be too pedantic, the expenditure is actually 21p in England and 570p in Scotland—*[Interruption.]* I said "not to be too pedantic". Output is relevant as well. I am sure that the right hon. Gentleman is a good Conservative and wants good value for money. We spend that 21p in England and receive £208 per head spend from inbound visitors. In Scotland, the spend from visitors is £159 per head and in Wales it is £86 per head. It is real value for money when 21p brings in £208 in England and 570p brings in £159 in Scotland. As a very good Conservative, the right hon. Gentleman should welcome those figures.

Jim Knight (South Dorset) (Lab): I certainly praise the value for money we receive in England for our tourism spend and press the case for the south-west to get even more value for money by getting more money.

The Minister will know from talking to the Secretary of State following her big conversation in Dorset, how important the tourism industry is to the south-west but tourism is not just about spending; other issues matter as well. Will the Minister spread some light on his conversations with the Department for Education and Skills about the six-term organisation of the school year and its effect on the tourism industry?

Mr. Caborn: The school year is a matter for local authorities.

On the south-west, we recently moved all matters relating to tourism into the development agencies so that they could become a major part of the economic driver. *[Interruption.]* The right hon. Member for Wells (Mr. Heathcoat-Amory) just crowed on about putting more money into tourism and if he just would listen, he would hear me confirm that the South West of England Regional Development Agency is now putting £14 million into the south-west. One NorthEast is investing £13.1 million in its area. That dwarfs the 21p per head that he mentioned. The regional development agencies are taking tourism seriously and see it as one of the major developments in terms of inward investment and employment. Many of them are doing a first-class job with VisitBritain.

Mr. Patrick McLoughlin (West Derbyshire) (Con): If the Minister is correct that the Government are giving more importance to the amount of money spent by individuals when they visit areas, will he consider ways in which he could help the peak district, which gets more than 20 million visitors a year who, on average, spend very little? That is not good for the rural industries in the area.

Mr. Caborn: The hon. Gentleman raises an interesting and serious point: how can we get tourists, especially those who come to see day attractions, to stop overnight? It is a good question. The industry is working hard on that. VisitBritain and VisitEngland are also working to that end. The major visitor attractions are trying not only to get people to stay overnight, but to extend the tourist year. A lot is going on. We have regional development agencies and I hope that tourism is now seen as a major part of the economic development of the regions.

The trade deficit in tourism is £15 billion a year, but the business reaps in around £75 billion a year. By 2010, that will have reached £100 billion. We have to grow it at 3p to 3.5p per annum to stand still. That is the challenge to the industry.

Mr. Kelvin Hopkins (Luton, North) (Lab): My right hon. Friend mentions the trade deficit in tourism. Is he concerned about the depreciation of the dollar and the continuing high parity of the pound, which must be having a serious effect on tourism? Has he made an assessment of that and will he look into it to see what can be done about it?

Mr. Caborn: We always make a continuous assessment. In terms of tourists from north America, it is not so much the dollar that matters. We are working hard to get those visitors back into the UK, but it is about confidence. VisitBritain's work and its million visitor campaign in north America has paid dividends, but the parity of the dollar and the pound is not that important at this stage for north American visitors.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): According to Tourism Alliance, 85 per cent. of overseas visitors to the UK come to England, but we heard the derisory and paltry figures that are spent on promoting England. In view of the balance of payments deficit in tourism, to which the Minister alluded, does he agree that we should invest more, not less, in promoting England as a destination?

If we adopt the Government's present strategy of investing more through the regions, will we not pit region against region instead of concentrating on promoting the whole?

Mr. Caborn: It is unfortunate that the hon. Gentleman finished in that tone, because there has been nothing of that sort involving the regional development agencies. When the agencies were set up, there was the negative argument that region would be set against region, but that has not been the reality: on the contrary, the agencies have worked together. There have been many examples of such collaboration over the past three to four years.

We must address many structural weaknesses in the tourism industry as we seek to develop it, for example, the industry's skills base. If we ask young people in schools and career offices whether they would consider going into the tourism industry, they reject it as second-

rate. To help the industry, we have set up a sector skills council that will begin to operate within the next two months. As a result, I hope that we will be able to put tourism alongside any other industry by ensuring that it offers opportunities, well-paid jobs and a career structure. It is important to change current attitudes, because that is how we shall see a growth in tourism.

Chris Bryant (Rhondda) (Lab): Is it not true that we need to get the tourist associations from Wales, Scotland, England and Northern Ireland working far more closely together? The vast majority of international visitors coming to the UK visit only London. If they leave this country without having seen the beauties of Scotland or Wales, we have not served them very well.

Mr. Caborn: We all work together through VisitBritain, which is a UK-wide organisation that my right hon. Friend the Secretary of State set up. We also meet the Tourism Ministers of the devolved Administrations. My right hon. Friend has developed that joint structure much more firmly and has brought the Tourism Alliance together so that, for the first time, the industry speaks with one voice. In that sense, we are trying to bring the UK tourism industry together. I hope that we are working with a much stronger partnership because we want to tackle some of the structural weaknesses in the industry.

Rural Radio Stations

3. **Mr. Ian Liddell-Grainger** (Bridgwater) (Con): If she will make a statement on rural radio stations. [151922]

The Minister for the Arts (Estelle Morris): Independent radio in the UK is licensed and regulated by Ofcom. Both Ofcom and the Government value the important contribution that all independent radio stations, including those in rural areas, make to a local community.

Mr. Liddell-Grainger: The Minister will be aware that rural radio stations play a vital part in all communities. However, we have a problem in Exmoor, where the local radio station cannot get its signal out across the area. That is partly because it is in a national park—an area of outstanding natural beauty. The station cannot afford to erect hidden trees or trees disguised as masts. [*Laughter.*] Will the Minister provide a solution so that that local radio station can transmit to its entire area, namely Exmoor?

Estelle Morris: I might again disappoint the hon. Gentleman tremendously by saying that at the start of a busy week, and having just experienced one, the issue has not occupied a large amount of my thinking time.

There are 260 local analogue radio stations, and throughout the nation, including rural areas, there is a trend for more radio stations to come into operation rather than fewer. Inevitably, because of the geography of the nation, there are parts of the country where reception is not as good as in other areas. However, the situation becomes better year by year rather than worse and I hope that in due course Exmoor will also benefit from that progress.

Mr. David Drew (Stroud) (Lab/Co-op): In the Cotswolds, we can see the wood for the trees, but we have a slightly different problem in as much as reception, which depends upon the hills, is often poor. Many of my constituents complain that as much as they would like to listen to local radio, they are frequently prevented from doing so if they are on the wrong side of the hill. Will my right hon. Friend examine this issue, especially when licences are being granted, to ensure that coverage is as full as possible?

Estelle Morris: I will not look at the issue, but I am sure that Ofcom will do so because it is its responsibility—it is not the responsibility of government. Previously, we were talking about the beauty of the hills, but in this instance it seems that the hills are causing the problem. There is not a great deal that can be done about that.

Many successful local radio stations broadcast within small geographical areas. They are extremely successful because they are local. That is the point of them. Inevitably there will be difficulties, but further investment is being directed into making broadcasting more effective. If there is a problem in the hills of my hon. Friend's constituency, I am sure that Ofcom will read his comments and reflect on them.

Mr. Tim Boswell (Daventry) (Con): We on the Conservative Benches share the enthusiasm for local radio, and acknowledge that most rural radio stations do not always have access to the large staff or the regulatory or legal expertise of bigger groups. In the light of that, will Ministers do their utmost to limit regulation of those stations to a necessary minimum and, in particular, will they exercise severe self-restraint before invoking any overriding test of public interest?

Estelle Morris: I take the hon. Gentleman's point that we do not want bureaucracy in small radio stations—many local radio stations are small—especially the new community radio stations that will start to operate after the pilot. However, we need to get the balance right. We want to safeguard the public interest and make sure that any local radio station operates within the legislative framework. The Communications Act 2003 affords us an opportunity to do so, but I take the hon. Gentleman's question seriously. It is appropriate that it is asked from time to time so that Ofcom and the Government make sure that they do not go over the top.

Mr. Tom Watson (West Bromwich, East) (Lab): Is my right hon. Friend aware that today is Groundhog day?

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) (Lab/Co-op): So was yesterday.

Mr. Watson: Is that right? Given that a large part of the BBC licence fee is spent on rural radio, will my right hon. Friend take the opportunity to confirm to the House that the Government have no plans to privatise the BBC so that we do not repeat that sterile argument today, tomorrow, next week and next month?

Estelle Morris: There is of course no question of our privatising the BBC. I congratulate my hon. Friend on combining his question with a celebration of

Groundhog day—another thing on which I did not reflect very much over the weekend. My right hon. Friend the Secretary of State has continually said that there is absolutely no case for privatising the BBC, and I am happy to repeat that at the Dispatch Box.

Draft Gambling Bill

4. **Michael Fabricant** (Lichfield) (Con): What representations she has received from the operators of charity lotteries with regard to the draft Gambling Bill; and if she will make a statement. [151923]

The Minister for Sport and Tourism (Mr. Richard Caborn): Most representations from charity lotteries are about the distinction between lotteries and commercial prize competitions. We believe the Bill contains legal tests that make that distinction clear. Representations have also been made on the proposed 24-hour rule, which will control faster draws. We are reflecting on that rule and the representations at the moment.

Michael Fabricant: I thank the Minister for his answer. While the whole House will acknowledge the marvellous work done by the national lottery, does he agree that private lotteries such as those operated by hospices have an important part to play? Does he accept that the current draft Gambling Bill presents serious obstacles to the success of those hospice lotteries, on which those hospices depend to look after people in our communities? Has he received representations from groups such as the Acorn Children's hospice lottery and the St. Giles hospice lottery, which—

Mr. Speaker: Order. The hon. Gentleman's question is far too long.

Mr. Caborn: I got the gist of the question, Mr. Speaker, and I have some sympathy with such groups. When we were considering the Gambling Bill we had to clarify the role of the national lottery, probably the most successful lottery in the world, all of the proceeds of which go to good causes. We made a political decision to protect that role. We were also mindful of other charitable lotteries, which the hon. Gentleman has just raised. Indeed, we tried to be fair and responded to all their questions about stakes, prize money and roll overs, and that is reflected in the Gambling Bill. As I have said, we tried to protect the role of lotteries in total, and draw a distinction between them and prize competitions. I believe that the hon. Gentleman knows that the pre-legislative scrutiny Committee, ably chaired by the hon. Member for Ryedale (Mr. Greenway), is meeting representatives from the lotteries tomorrow. We will look very carefully at the results of that pre-legislative scrutiny, as we want to protect the lotteries, and make a clear distinction between them and prize competitions.

Miss Julie Kirkbride (Bromsgrove) (Con): I am grateful for the opportunity to question the Minister further on this matter as there is much at stake for charitable lotteries, many of which, as hon. Members know, do excellent work in their communities. The charitable lotteries are concerned about the Department's proposals because, compared with prize competitions, they must be registered, submit returns, and they must limit their prize money and stake. In addition, their participants must be over 16 and they cannot sell tickets in public kiosks. None of those things is included in regulations for prize competitions, and the charitable sector would like to know why. Given the fact that there has been a quarter drop in the amount of money given to charitable causes over the past 10 years as a percentage of gross domestic product, will the Minister promise to look again at creating a level playing field for the commercial and charitable sectors?

Mr. Caborn: The answer is yes, but there are two distinct issues. Lotteries for charity are one thing. We make it clear that the national lottery, which is for good causes, should continue and should not be undermined. I am surprised to hear the hon. Lady say that the charities do not support the steps taken by the Department. The Bill will remove the £2 cap, allow roll overs and allow the sale of tickets by machines. The top prize money has been doubled, as the charities requested. The maximum price of tickets has been doubled to £2 and the Bill will remove that cap altogether. However, there is still a problem, which is why we look to the pre-legislative scrutiny Committee to make a clear distinction between lotteries and prize competitions. That is where the real commercial market exists. I give an assurance that we will take account of the pre-legislative scrutiny Committee's views.

Cycle Racing

5. **Jon Trickett** (Hemsworth) (Lab): What engagements she has carried out in relation to the sport of cycle racing in the past 12 months; what funds were made available to the sport; and what steps are being taken to encourage participation by school children in the sport. [151924]

Hon. Members: On yer bike.

The Minister for Sport and Tourism (Mr. Richard Caborn): Yes—very apt. I met representatives of cycling with my hon. Friend on 1 December last year to discuss major events in the sport. I confirmed the Government's support for cycling on that occasion, and I am delighted to announce today that funding is being made available to the sport to improve links between schools and amateur clubs, under the club links programme. That will apply to another 14 sports, which we will announce later today.

Jon Trickett: As a passionate cyclist, I often feel that my sport is undervalued and under-recognised, yet it achieved a fantastic result of 13 medals at the Commonwealth games in Manchester. There is a vast voluntary sector comprising 1,200 clubs across every community and neighbourhood. Will my right hon. Friend undertake to pay particular attention to cycling and to the development of support, where possible, for that valuable voluntary sector, which is represented in every constituency?

Mr. Caborn: Yes. We support club-to-school links, in which cycling is involved, and we support the sport's national governing body, the national coaching task force and the new coaching facility. We support the

modernisation of 22 governing bodies, in which cycling is involved. Through the Millennium Commission, £43 million was invested in the first phase of the national cycling network. There is real commitment not just to the sport, but to cycling for leisure and to getting more young people active in cycling, which we consider important for health reasons.

Bob Russell (Colchester) (LD): I thank the Minister for his personal interest in the sport of cycling. Can he assure me that some of the additional money he mentioned will find its way into cycle speedway—a largely unrepresented aspect of cycling, which is a minority sport anyway? If my right hon. Friend would like to see cycle speedway first-hand, I extend to him an invitation to come to the Colchester Stars cycle speedway club.

Mr. Caborn: I shall look in my diary and see when I can take up that invitation. It is for the governing bodies to make representations to Sport England, as I have no doubt they will do. Following its modernisation, I pay tribute to the governing body of cycling, which did a first-class job and is fitting into the development of sports colleges and promoting cycling across the spectrum. The investment to which the hon. Gentleman refers is important, as it tends to bring young people into the sport in pursuit of their icons, and that is what drives sport forward.

English Heritage

6. **Dr. Vincent Cable** (Twickenham) (LD): If she will make a statement on the funding of English Heritage. [151925]

The Minister for the Arts (Estelle Morris): English Heritage received Government funding of £115.4 million in the financial year 2002–03. The allocation for 2003–04, 2004–05 and 2005–06 is £121.7 million in each year. In addition, it received £1.5 million this year to support its modernisation programme.

Dr. Cable: Granted the need for financial economy in English Heritage, is the Minister aware of the crass and incompetent way in which it has gone about drastically reducing public access to Marble Hill house in my constituency, one of the leading English historic homes, and the anger that that has created among local supporters who have spent years generating money for it? Will she therefore intervene to ask for a postponement of that decision until there can be proper public consultation and consideration of other options?

Estelle Morris: I understand the strength of feeling of which the hon. Gentleman speaks, because I know that this is a very important issue in his constituency. English Heritage is an organisation at arm's length from the Government and it is not for Ministers to tell it to stop carrying out its proper business either because hon. Members raise a matter in the House or because there is local opposition. English Heritage must look at the management of its properties, and the proposal of which the hon. Gentleman speaks is in response to the quinquennial review. Where I would share with him a concern is in the local heartache that such difficult decisions can cause, and from what I have heard, the consultation may not have been as effective as it might have been. In that respect, I shall ensure that my view is passed back, but I emphasise that that is not with a view to stopping English Heritage carrying out its proper business.

Lawrie Quinn (Scarborough and Whitby) (Lab): Does my right hon. Friend agree that world-class visitor attractions, such as Whitby abbey, which are managed by English Heritage, should be working not only to attract visitors from outside the region but with local communities so that they can understand their heritage and culture? Will she look closely, with English Heritage, to see whether local schemes might allow easier and regular access for local people to make use of these world-class facilities?

Estelle Morris: I agree with my hon. Friend, and that must be a priority for English Heritage. Interestingly, the savings that are being made, as in the example that we have just heard of in Richmond, are in part being used to fund outreach workers who will ensure greater access to and a greater understanding of our heritage of beautiful buildings throughout the country. My hon. Friend may very well find in the coming years that there are people in his locality who can take forward the sort of work to which he refers.

Sir Patrick Cormack (South Staffordshire) (Con): Bearing in mind the enormous sum of money brought into this country every year by tourism, will the Minister acknowledge that the amount spent by English Heritage is very modest, and will she talk to her right hon. Friend the Chancellor of the Exchequer and see what he can do about increasing it in the Budget?

Estelle Morris: I would never say no if my right hon. Friend the Chancellor offered more money for English Heritage or any other area of our Department's activities, but a considerable amount of money is spent, and a £6 million increase in that expenditure is guaranteed for each of the next three years. I am sure that the hon. Gentleman will agree that it is also incumbent on English Heritage to ensure that that money is spent to best effect, and that is why I support its work in considering the portfolio of buildings. However, I agree that this is an area of activity where however many millions or even billions of pounds were put in, the money could always be put to good and effective use. As ever, we will try to secure more resources for our Department, but we should acknowledge that English Heritage has more money now and that that will continue to be the case in each of the next two years.

Sports Coaches

7. **Ms Meg Munn** (Sheffield, Heeley) (Lab/Co-op): What plans she has to increase the number of qualified sports coaches employed at a local level. [151927]

The Minister for Sport and Tourism (Mr. Richard Caborn): My Department is working closely with Sport England to create 3,000 full and part-time community sports coaches by 2006. They will work across a range

of schools, clubs and local authorities to ensure that the maximum number of young people benefit from good quality coaching.

Ms Munn: When I visited an athletics camp in Norfolk park in my constituency in the summer, the athletics development worker told me that he had more funding for the six weeks of the holiday than he did for the rest of the year. Will my right hon. Friend look into this and also consider the need to provide funds where possible for youngsters from poorer areas for transport to venues to pursue their sports and for equipment?

Mr. Caborn: The summer splash programmes were highly successful and we must put such programmes on to a more sustainable basis. That is but one part of trying to invest strategically and make sustainable Britain's sports infrastructure. That is why, through the sports colleges, we are committed to two hours of quality physical activity or sport for every child every week from the ages of five to 16. I have already mentioned the club-to-school link. Seventy per cent. of our young people do not continue to participate in an active sport when they leave school. We are dealing with the structural weaknesses in the club structure and in coaching. We will not make the system sustainable by addressing them singly—it has to be done in a much more strategic and focused way.

Mr. Don Foster (Bath) (LD): The Minister rightly points to the 3,000 people who will benefit from the coach match scheme, but does he recognise that about 1.5 million volunteers who are assisting in the development of sport will not benefit from it? To assist them, will he renew his energies in working with his colleagues in the Department for Education and Skills to ensure that the sports governing bodies coaching award schemes meet the criteria for funding from the Learning and Skills Council?

Mr. Caborn: Yes. Although we are investing in sport in general, the hon. Gentleman is right to identify the particular area of coaching. That is why we have not only invested in 3,000 coaches, but are looking for the first time at making coaching a profession in its own right. To that end, Sports Coach UK has developed five levels of coaching. All the governing bodies have come together to sign up to that, which is a welcome first. Those involved in sport are making a concerted effort collectively to ensure that its systems and structures are much more sustainable. Where we can invest in those areas, we want to continue to do so.

Mr. Michael Foster (Worcester) (Lab): Having a large number of qualified sports coaches may do some good, but without a decent—or safe—infrastructure, the work that they do will come to nothing. On Friday, I came across the case of Nunnery Wood athletics track in Worcester, which, having been promised 50 per cent. match funding under the community athletics refurbishment programme to make its track safe, was told by Sport England that it is now to get less than 20 per cent. match funding. Will my right hon. Friend undertake to look at that case and to try to ensure that we have decent tracks and infrastructure, as well as a large number of qualified sports coaches?

Mr. Caborn: If my hon. Friend writes to me with the details, I will do so. He should take note of the fact that Sport England is trying, with our support, to develop multisport clubs to arrest the figure of 70 per cent. of young people who do not continue sport when they leave school. Those clubs will have the facilities and coaching that are necessary to ensure that the governing bodies and local club structures can work together much more effectively. Young people are more likely to stay in sport if they are given access to a range of sports, rather than a single sport. We need a cultural change in how we deliver sport.

Miss Anne McIntosh (Vale of York) (Con): Does the right hon. Gentleman accept that his proposals put even more pressure on local authority budgets to provide coaches at a time when several swimming pools in north Yorkshire and elsewhere are coming under threat because of the amount of money that they need? The funds from Sport England are simply not enough. What does the right hon. Gentleman propose to do to relieve local authorities' budgets?

Mr. Caborn: That is true, and we are working with local authorities in that regard. Changes are taking place in our society and in our communities as regards sports facilities. There are now more swimming pools in this country than there have been for many years, many of which are in the private sector. We have to develop a structure with the various governing bodies, including those for swimming. Ofsted uses swimming as one of the benchmarks by which it measures schools' activity levels. We are working with swimming associations and local authorities to ensure that the facilities are there for the C, D and E groups.

Mr. Andy Reed (Loughborough) (Lab/Co-op): As my right hon. Friend knows, I warmly welcome the introduction of coaches, especially at grass-roots level. However, will he ensure that that is only the first stage? As he rightly said, we need to ensure that coaches who would not necessarily benefit from the project now realise that there is a form of career progression in coaching, which is a much-maligned profession that has not been especially well supported in the past. Will he ensure that the scheme is a good example of moving forward and that, after a successful 12 to 24 months, he will take it back to the Exchequer to show that we can deliver when we put Exchequer funding into sports projects?

Mr. Caborn: Very much so. I know that my hon. Friend has been active in such matters for many years. We have a foreign coach for nearly all our national sports, including soccer, and we could be condemned for that because it says much about the lack of professionalism in the structure of coaching. Our young people—and, indeed, our coaches—are as good as any in the world. We are trying to ensure that there is proper investment and that we have a proper career structure—*[Interruption.]* The hon. Member for North-East Cambridgeshire (Mr. Moss) goes on about it. When the Tories were in power, they did nothing about the coaching profession. Since we have come to power, we have developed with the governing bodies a proper structure and a profession in which young people can get sustainable employment. We will deliver national games with national coaches from the United Kingdom.

Olympic Bid

8. **Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy) (PC): What assessment she has made of the projected economic benefits of a successful London Olympic bid. [151928]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): We commissioned a cost-benefit analysis from Ove Arup before deciding to endorse the decision to bid to host the games in London in 2012. Staging the games would bring general economic benefits to Britain through business opportunities and potential tourism benefits through increased visitors. It will specifically benefit one of our most deprived parts of London.

Mr. Llwyd: I thank the right hon. Lady for that response. Although I fully endorse the London Olympic bid, I respectfully remind her that we need to bring the people of Scotland and Wales with us because £1.3 billion in lottery funding will be used to prop up the bid. May I remind her that there is excellent sailing in Wales, we are shortly to host the Ryder cup and the millennium stadium is probably the best in Europe?

Tessa Jowell: I thank the hon. Gentleman for that contribution and I greatly appreciate the spirit of cross-party support for the London bid, which is an important element of our strength. I take the hon. Gentleman's points. We hope that we will stage the games; their impact and ability to benefit every part of the UK will be an important test of their success.

Mr. Andrew Love (Edmonton) (Lab/Co-op): One of the biggest economic beneficiaries of the Olympics should be the local community in which they will be sited in the Lea valley, which is one of the most deprived communities in the country. What efforts is my right hon. Friend making to involve that community in the development of the bid to ensure that when we do win the Olympics it will benefit?

Tessa Jowell: My hon. Friend is right. Community support for the Olympics will be one of the important tests that the International Olympic Committee will apply. It is not only an important test for the committee, but for us as a Government. Involvement, regeneration, an estimated 9,000 new jobs to the area and the legacy of social housing will bring benefits to the part of London about which my hon. Friend is so concerned.

Richard Ottaway (Croydon, South) (Con): I am sure that the Secretary of State agrees that a key component of the bid is the decision to site the yachting events at Weymouth and Portland harbour. It is a natural harbour and the obvious location. However, does she share my concern that Powergen has submitted planning applications to build a wind farm on the breakwater of Portland harbour? That will obviously have a detrimental effect on sailing and the Olympic bid. Does she agree that unless the whole country—including business—gets behind the bid, there will be no economic benefit?

Tessa Jowell: I will resist the temptation to express a view on planning matters, which are rightly a matter for the local authority. London 2012 has made the decision about the location of the yachting facilities. My hon. Friend the Member for South Dorset (Jim Knight), who is not currently in his place, like the hon. Member for Croydon, South (Richard Ottaway), has been a powerful advocate for the location. It will be an excellent venue.

9. **Laura Moffatt** (Crawley) (Lab): If she will discuss with Sport England the use of Crawley's new leisure facilities as part of the Olympic games 2012 bid. [151930]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): The venues proposed for the games were announced by the bidding company, London 2012, on 16 January, the day after the technical bid was submitted to the International Olympic Committee. They were chosen by 2012 to best fit the needs of the athletes and Olympic sports. If we win the bid, sporting facilities across the country will be used by national teams for training camps, and at that time Sport England will look at the range of facilities available.

Laura Moffatt: We in Crawley are desperate to share what will be first-class facilities, to be completed next year. We would very much like to be able to show the world that the Olympic bid is not just about London, but about the ability for the rest of the country to contribute. For us it will be the icing on the cake.

Tessa Jowell: I could not agree more about the importance of ensuring that the benefits of the Olympics spread throughout the United Kingdom, including Crawley. That is why we have the biggest-ever programme of investment in sporting facilities. Last year, I announced a further £100 million of lottery money to fund the Active England programme, so that we could meet our dual objectives of winning the Olympic bid and hosting the games in London, and increasing participation in sport. We want to inspire young people throughout the country, including Crawley, to become champions.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Cathedrals

18. **Hugh Bayley** (City of York) (Lab): In what circumstances Church of England cathedrals may (a) be made bankrupt and (b) lose their charitable status. [151910]

Second Church Estates Commissioner (Sir Stuart Bell): First, let me thank the hon. Members for Buckingham (Mr. Bercow) and for Gosport (Mr. Viggers) for their kind remarks about the conferring of an honour on me in the New Year's honours list. The House can be very generous on these occasions.

When a charitable corporation, such as a Church of England cathedral, establishes a separate company under the companies legislation, that company can be

wound up under the Insolvency Act 1986 in the same way as any other company set up under the Companies Acts. Cathedrals are established for purposes which are recognised by law as charitable. The interaction between insolvency law and the law on charitable corporations is, however, untested as yet in the courts.

Hugh Bayley: May I add my congratulations on my hon. Friend's honour to those already expressed?

I think my hon. Friend may have missed the point. He will know that Bradford cathedral has a county court judgment against it from my constituents in a company called Fast Forward for a sum amounting to more than £100,000. The judgment is not against a company set up by Bradford cathedral, but against the cathedral itself. Does my hon. Friend think it acceptable that a Church of England cathedral can have a judgment against it for such a large sum and simply refuse to pay? If it were a commercial body, bankruptcy proceedings would follow. If it were any other form of charity—

Mr. Speaker: Order.

Sir Stuart Bell: I am grateful to my hon. Friend for taking up the cause of his constituents in a very proper and fastidious manner. He and I have arranged a meeting to discuss the details, to which I look forward.

Legally and financially, cathedrals are independent bodies governed by the Cathedrals Measure passed by Parliament in 1999. The commissioners have a very limited statutory role in relation to cathedrals, which means that they have no power to compel Bradford cathedral to reach a settlement, and no power to provide funds.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Postal Elections

19. **Michael Fabricant** (Lichfield) (Con): If he will urge the commission to recommend the expansion of all-postal elections; and if he will make a statement. [151911]

Mr. Peter Viggers (Gosport): No. The Electoral Commission is an independent body, and the statutory functions of the Speaker's Committee do not extend to influencing its position on matters such as this. The commission itself, in its July 2003 report "The Shape of Elections to Come", recommended that all-postal voting should become the norm for local elections in England and Wales, but it believes that it would first be necessary to tighten the law relating to electoral fraud and, in particular, to move to individual electoral registration.

Michael Fabricant: I am reassured by that answer. What steps can my hon. Friend take to ensure that, for example, when postal ballots are delivered to large blocks of flats they are not stolen? We want to see as many people as possible vote in general elections, but what steps can be taken to ensure that personation does not take place?

Mr. Viggers: My hon. Friend is on to an important point. The commission recognises that all-postal voting has resulted in increased turnout, which it welcomes. It has made it clear in all its published reports, however, that it is convinced that the risks of personation and intimidation must be addressed through specific changes to the law before all-postal voting is made more widely available.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): When the Electoral Commission has considered all-postal voting in the past, has it taken into account the fact that young people are more likely to vote if there is a facility for postal voting, and that all-postal voting therefore has a particularly helpful effect in encouraging young people to exercise their right to vote?

Mr. Viggers: Turnout among younger people has been disappointing. In fact, it is estimated that the turnout among 18 to 24-year-olds in the 2001 general election was only 39 per cent. Moves to encourage voting by all people, especially young people, will indeed be welcomed.

Mr. David Heath (Somerton and Frome) (LD): What is the point of the Electoral Commission producing well-researched reports if the Government ignore the results? In the forthcoming European elections, only two regions were suggested as suitable for all-postal ballots, yet the Government have decided to go ahead with the pilot in four regions—including the whole of the north of England—disregarding colleagues from Scotland who supported Scotland's case to be included and without the safeguards that the hon. Member for Gosport (Mr. Viggers) mentioned earlier. Does he find that satisfactory?

Mr. Viggers: The Electoral Commission was invited by the Government to nominate up to three regions in which all-postal voting could take place. It recommended two, and the Government have announced four.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Why?

Mr. Viggers: It is not for me, as a ventriloquisee, to have a view on those facts.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Clergy Terms of Service

21. **Mr. Ben Chapman** (Wirral, South) (Lab): If he will make a statement on clergy terms of service. [151913]

Second Church Estates Commissioner (Sir Stuart Bell): The McClean report on clergy terms of service recommends conferring through Church legislation a new package of rights and responsibilities for clergy. These include access to employment tribunals to claim unfair dismissal; legal entitlement to the rights covered by section 23 of the Employment Relations Act 1999, except for the right not to work on Sundays; a new form of tenure, known as common tenure, under which appointments for clergy without the freehold would normally be made until retirement; new clergy terms of service regulations which would clarify the responsibilities of clergy on a national basis; and a capability procedure to be invoked where clergy are failing to reach minimum standards.

Mr. Chapman: I very much agree with my hon. Friend that the first report of the McClean commission represents a step forward. However, the final decision on employment rights for workers with atypical working arrangements rests with the Department of Trade and Industry. Given that, and other factors, what time scale does my hon. Friend envisage for the culmination of this somewhat drawn-out process?

Sir Stuart Bell: I repeat my gratitude to my hon. Friend for the tenacity with which he has pursued this matter throughout his term in Parliament. I think that he would agree that the Church has acted with considerable speed on the issue. It has produced an extensive report on the first phase of its work within a year of being set up. Subject to the views of the Synod, that report will go out for further consultation throughout the Church. We will then liaise with the DTI to reach a conclusion.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Postal Elections

22. **Huw Irranca-Davies** (Ogmore) (Lab): If he will make a statement on the postal voting pilots. [151914]

Mr. Peter Viggers (Gosport): Postal voting pilot schemes have taken place at various elections since 2000. In September last year, the Government introduced the European Parliamentary and Local Elections (Pilots) Bill to provide for electoral pilot schemes at the June 2004 elections. At the same time, the Government asked the Electoral Commission to recommend up to three regions in which it would be suitable to run pilot schemes. The commission submitted its report on 8 December 2003.

Huw Irranca-Davies: The hon. Gentleman will know that the evidence shows clearly that when there has been one all-postal pilot scheme in an area, turnout is increased, and when there have been two, turnout is boosted further. He will also know that in Wales there has been a single all-postal ballot in one community council. Does he therefore share my disappointment that Wales has not been fortunate on this occasion? Does he agree that we must try to be innovative, while taking on board the concerns of the hon. Member for Lichfield (Michael Fabricant) and others? Otherwise, Wales risks being the also-rans in terms of trying to increase democratic turnout.

Mr. Viggers: The commission's evaluation of pilot schemes has identified that turnout has been higher when all-postal voting is used, and the effect is sustained when postal voting is used for the second or even third time. The hon. Gentleman is therefore correct. As to the June 2004 elections, the commission concluded that too high an element of risk would be involved in a pilot in Wales, as the combination of European elections and local government elections in every local authority created greater complexity than in other areas under consideration. As to the longer term, however, the commission has already recommended that all-postal voting be made widely available in England and Wales, for all local elections, subject to certain security measures.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Has the commission considered the rules under which these postal votes will take place? What is the position in relation to supplying information to political parties during the return of ballot papers via the postal system?

Mr. Viggers: The Electoral Commission has expressed concern about the very point that my hon. Friend has made. It issued a statement on 23 January, in which it called on the Government to abandon plans to provide pre-poll information in the pilot areas. In the event that the Government are unwilling to do so, the commission has called for the introduction of a number of safeguards. I am therefore grateful to my hon. Friend for that question.

Mr. Harry Barnes (North-East Derbyshire) (Lab): What evidence does the Electoral Commission produce as to who made use of the postal votes? If the vote of young people has increased, are we sure that those votes were not exercised by their parents or some other dominant influence in their community? Do we not need to watch that, because ultimately postal votes might come to be treated like another piece of junk mail?

Mr. Viggers: The commission takes seriously the thrust of the hon. Gentleman's thinking. It has recommended a wide range of measures, including replacement of the current declaration of identity with a new security statement; inclusion of new secrecy warnings on postal literature and ballot papers; more effective tools for prosecutors; a new police power of arrest on reasonable suspicion of personation at any location, not just at polling stations; a marked register showing who has cast a vote by post; and tighter controls on the handling of postal ballot papers. The Electoral Commission is therefore seized of the concerns that the hon. Gentleman has expressed.

Election Broadcasts

23. **Chris Bryant** (Rhondda) (Lab): If he will make a statement on reforming party election broadcasts. [151915]

Mr. Peter Viggers (Gosport): The Electoral Commission published recommendations for the reform of party election broadcasts in January 2003, following a formal review of party political broadcasting arrangements, and submitted them to the Lord Chancellor and the Secretary of State for Culture, Media and Sport. The commission supported the continued role of party election broadcasts in the democratic process, but made a number of detailed recommendations for changes to the legislation and practice regarding the allocation of broadcasts to political parties.

Chris Bryant: Does the hon. Gentleman agree that free party political broadcasts, which have been a tradition in this country for many decades, are an essential part of British democracy? The system, however, is now ripe for reform, to allow, for instance, shorter, pithier party political broadcasts, especially on all digital channels, not just on some, as is the case at present. Has he had an opportunity to see the submission of the Conservative party, which, alone among all the parties, it has kept secret until now?

Mr. Viggers: I have not been involved in discussions with the Conservative party. The main recommendations of the Electoral Commission were that the ban on paid advertising should be retained and that there should be a statutory duty to determine rules that would govern party political broadcasts, which are not currently on a statutory basis. As to the specific point made by the hon. Gentleman, he has on other occasions recommended that party political broadcasts should be shortened to as little as 30 seconds. The view of the Electoral Commission is that it would be better if broadcasts were shortened to not less than 90 seconds, thereby clearly distinguishing them from ordinary commercials.

Mr. Andrew Mackay (Bracknell) (Con): Would it not be in the public interest to scrap all these party political broadcasts, which would have the added benefit of avoiding the electricity power surge when everyone goes out to the kitchen to put the kettle on?

Mr. Viggers: The Electoral Commission formed the view that the broadcasts should be continued. There is a technical point, in that human rights legislation might bite and require us to have paid advertising if we were not to have party political broadcasts.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Church of England's Pension Fund

24. **Mr. Michael Jack** (Fylde) (Con): What assessment the commissioners have made of the cumulative impact on the Church of England's pension fund of the ending of the payable tax credit. [151916]

Second Church Estates Commissioner (Sir Stuart Bell): Once the transitional arrangements have come to an end in April 2004, the commissioners' income will have reduced by around £12 million per annum. Furthermore, the funded scheme responsible for pensions arising from service after 1 January 1998 had to increase the pension contribution rate as a direct result of the tax credit changes, and it is estimated that this additional cost to the Church is £5 million per annum.

Mr. Jack: Should not the Government revisit this matter, given the difficulties that the Church of England will have in replacing income of that order through the collecting plate or through other means?

Sir Stuart Bell: The figures that I have given are our contribution to the state, thanks to the Treasury. We are always happy to make submissions along the lines that the right hon. Gentleman suggested for the next Budget.

Chairmanship of the BBC

3.31 pm

David Winnick (Walsall, North) (Lab) *(urgent question)*: To ask the Secretary of State for Culture, Media and Sport if she will explain the procedure for the appointment of a new chair of the BBC governors.

The Secretary of State for Culture, Media and Sport (Tessa Jowell): I thank my hon. Friend for his question and welcome the opportunity to respond, for several reasons. First, whatever the strength of the disagreement between the Government and the BBC over Mr. Gilligan's story, I want to place on the record the appreciation of the House for the outstanding contribution made by Gavyn Davies, both as vice-chairman and as chairman of the BBC. I regret that we now have to appoint a new chairman. *[Interruption.]* The fact that the decision to resign was Gavyn's, and his alone, is a mark of his honour and integrity and demonstrates his overriding concern for the interests of the BBC.

In similar vein, I wish to take this opportunity to pay tribute to the director-general, Greg Dyke, for his inspirational leadership. It is now, of course, for the governors to appoint his successor. *[Interruption.]* The whole House will note how the opportunists on the Conservative Benches are not even prepared to observe the normal courtesies.

The two resignations happened over the past week, and this has been a very difficult period for the BBC, but we must now look to safeguard its future. The corporation needs strong leadership, stability and the capacity to engage fully with the charter review process, which is already under way. We will therefore move swiftly to appoint a new chairman. The process for appointing Mr. Davies's successor will follow in full the Nolan rules.

Specifically, that means that we will publish a role specification against which all candidates will be assessed; the post will be advertised in the national press and on the internet; and the shortlisted candidates will be interviewed by a panel including an independent assessor, who will be involved throughout the process. Under the BBC's royal charter, the appointment will be made by the Queen in Council, following this process, on the advice of Ministers.

It is worth recording, for the benefit of the House, that Gavyn Davies was the first BBC chairman to be appointed through the transparent Nolan process, which is now, under this Government, standard for all public appointments. The process is held in wide respect, but because of the public interest in this appointment, we have decided to enhance it further.

Dame Rennie Fritchie, the Commissioner for Public Appointments, has agreed to act as guarantor for the fairness of the process, and she will convene a scrutiny panel to ensure its integrity. The panel will be made up of Privy Councillors from the three main parties, and I hope that their names will be announced in the coming days. I hope that the double lock of Nolan and the scrutiny panel will give the public, this House and staff at the BBC the reassurances that they deserve about the independence of this process.

We all want a strong BBC that is independent of government, and anyone who cares about politics, standards in public life and the quality of our media knows just how much the BBC matters. It provides this nation and the wider world with a cradle-to-grave public service. Because of that, it should have the self-confidence to promote those values and to defend them against all comers. Central to that independence and self-confidence is the leadership of the BBC chairman. I can assure the House that whosoever is chosen will be chosen fairly, freely and with the best interests of the BBC at heart.

David Winnick: I am not sure why the panel should be confined simply to Privy Councillors, but let that be. Is my right hon. Friend aware that many people in this country want to ensure that the BBC will retain its independence, and that its integrity will be respected by all—I repeat all—Governments? Will she resist those who want to use the current situation as an opportunity to put forward the agenda that they have had over the years, which involves the downsizing, or even the privatisation, of the BBC? Unfortunately, that view is held not only among the Tory ranks; one or two of our own colleagues have also put forward such ideas.

Should we not understand that the BBC has a reputation for the excellence of its broadcasting, not only in Britain but throughout the world? We should not be in the business, under any circumstances, of undermining that fine tradition.

Tessa Jowell: I agree with my hon. Friend, and central to the BBC's responsibility—it is a source of both its strength and its independence—is the responsibility that rests with the governors to ensure accuracy and impartiality in news reporting. That is important not just in terms of the BBC as an institution, public expectations of it and the integrity that flows from that; it is also important because the BBC has to be a bedrock of accuracy and truth that the public understand in our highly diversified and polemical media, which are unregulated so far as newspapers are concerned. The contract, as it were, between the BBC and the public relies on precisely the characteristics that my hon. Friend outlines.

Miss Julie Kirkbride (Bromsgrove) (Con): We Conservatives would like to pay tribute to Greg Dyke and Gavyn Davies, the outgoing chairman and director-general of the BBC; that is in stark contrast with the Secretary of State's crocodile tears. We welcome the fact that Dame Rennie Fritchie will oversee the appointment. She comes with a distinguished record, having already exposed the Government for stashing health quangos with Labour placemen.

Can the Secretary of State confirm that, had she accepted our amendment, which would have placed the BBC under Ofcom, this whole sorry business of having to find a new chairman might not have arisen? Does she accept that the public are rightly concerned about Greg Dyke's accusation that he and journalists at the BBC were systematically bullied and intimidated by this Government, and that that makes it all the more important that the process of appointing a new chairman be free, fair and impartial?

[Miss Julie Kirkbride]

Given that morale at the BBC is clearly extremely low, will the Secretary of State ensure that the new chairman is appointed speedily, in order to give direction to the BBC at this critical time? Finally, will this new, independent process for selecting the chairman of the BBC be made permanent both for the chairman and for all future governors?

Tessa Jowell: The hon. Lady seizes once again what she views as an opportunity to make a political point. However, I would like to remind the House how the appointment of the chairman of the BBC was made under the previous Government. Let me recount Marmaduke Hussey's account of how he was appointed. There was no independent panel, no public advertisement and no Dame Rennie Fritchie. Instead, while he was staying in Ullapool on a salmon fishing holiday, he had a conversation about how the vacant post of chairmanship of the BBC would be filled. In response to that question, Duke Hussey replied:

"I have no idea . . . but the BBC is in a terrible state, obviously out of control with some pretty unreliable characters there too. They'll be hard pushed to persuade some idiot to take it on".

Three days later, the telephone rang, as he describes in his account, at about 9.30 in the evening:

"Oh Dukie, it's Douglas Hurd here, with a very odd question to ask you. Would you like to be Chairman of the BBC?"

Douglas Hurd told him that he was inviting him

"on behalf of the cabinet",

but the problem was that he had to have an answer by Saturday lunchtime. That is the difference between the present Government and the Conservative party: the Government are committed to a fair and independent process; the Conservative party, when in government, did it by patronage.

Mr. Chris Smith (Islington, South and Finsbury) (Lab): Given that it is my strong view that neither the chairman nor the director-general of the BBC needed to resign last week, and given that the primary task facing us all now is to reassert as strongly as we can the robust independence of the BBC as a public service broadcaster and to restore the morale of a very battered organisation, would it not make sense for the Secretary of State to increase the independent element in both the shortlisting and the interviewing part of the process, so that more than just one independent person is involved in both those processes?

Tessa Jowell: First, it was the decision—and their decision alone—of the chairman and the director-general to resign. Our job now is, through the speedy appointment of the chairman, to enable the organisation to move on. I would like to say that I am well aware of the demoralisation among BBC staff and I would not for one moment—I am sure that the House would not for one moment—want to suggest that the serious shortcomings found by Lord Hutton with specific reference to Andrew Gilligan's story are shortcomings that are generalised across the news coverage of the BBC, which has to meet standards of accuracy and impartiality by constitutional obligation.

In response to my right hon. Friend's final suggestion, I say no. Given that Dame Rennie Fritchie has undertaken to discharge the oversight responsibility, we have to be confident of the enhanced independence of the process which, as my right hon. Friend well knows, is used to fill almost every public appointment.

Mr. Don Foster (Bath) (LD): Does the Secretary of State agree that events over the past few days have left the BBC rudderless and that staff morale is at rock bottom? In that light, will she join me in praising BBC staff for their skill and impartiality in the way in which they covered their own difficulties? As to the new role of the new chairman of the BBC, will she ensure that it will never be necessary again for a new governor to have to deal with the sort of Blitzkrieg attack launched by No. 10 Downing street over coverage of the Iraq war? Does she agree that that has left fear and intimidation—

Mr. Speaker: Order. We are talking about the appointment of the chairman of the BBC.

Tessa Jowell: First, the BBC is not rudderless: Lord Ryder is an extremely fine acting chairman and Mark Byford is an extremely competent and much admired acting director-general whom many people regard as embodying the values of public service broadcasting. Secondly, the BBC has shown its independence throughout its angry exchanges with the Government. Such exchanges happen—they happened under Conservative Governments and they have happened under our Government. We are determined to safeguard the BBC's independence, not in our interests but in those of the people of this country.

Tony Wright (Cannock Chase) (Lab): My right hon. Friend has rightly reminded the Conservative party of how such matters used to be arranged, but I am a little puzzled by her comments about the new process. Dame Rennie Fritchie is known for her robust independence as the overseer and regulator of the Nolan system. Why does she need enhanced scrutiny, and will the arrangement be permanent? Has my right hon. Friend seen last year's Public Administration Committee report, which said that the Committee can see no reason for keeping public appointments within ministerial hands and that such appointments should go to an independent commission? If Ministers want to make key public appointments, a Committee of this House should vet such appointments.

Tessa Jowell: It is an oversight, but I am afraid that the detail of last year's report has escaped me. There are three reasons why we are grateful that Dame Rennie Fritchie has accepted the responsibility. First, the circumstances are exceptional. Secondly, we want quickly to appoint Gavyn Davies's successor. Thirdly, although the Public Administration Committee, which is chaired by my hon. Friend, will obviously further consider whatever general issues may arise about public appointments, it was my view in discussion with the Prime Minister that, given the particular circumstances, we had to raise the bar for this particular appointment, in the public interest, so that everybody can be confident in the independence of the process and in the integrity of the person who is appointed.

Mr. Roger Gale (North Thanet) (Con): As a former BBC current affairs producer and director, I am naturally delighted to learn about the right hon. Lady's commitment to an independent BBC. That being so, will she answer the question—she has failed to answer it so far—put to her by my hon. Friend the Member for Bromsgrove (Miss Kirkbride)? Can she guarantee that the next chairman and the next director-general of the BBC will not be subjected to political interference from a mendacious, foul-mouthed spokesman from Downing street?

Tessa Jowell: The chairman and director-general of the BBC were not subjected to interference. As people would expect, the exchanges were robust. I wish that the Conservative party, which the process has left bankrupt and exposed, would not seek to reinvent history.

Mr. Dennis Skinner (Bolsover) (Lab): Although the Secretary of State refers to the integrity of the BBC—a lot of people will applaud her for that—the truth is that some Labour Members who represent workers in the country take a different view. Twenty years ago, the BBC was a tool of the Government during the miners' strike. I have never changed my view about its impartiality and integrity, especially when one of its senior political operators told me a few years ago that his job was to carry out the role of the Opposition because the Opposition were not capable of doing it—

Mr. Speaker: Order.

Mr. Skinner: I have not finished—

Mr. Speaker: Order. I have. I call Mr. Salmond.

Mr. Alex Salmond (Banff and Buchan) (SNP): Will the Secretary of State now answer the question in detail? How exactly will a new system of appointment protect the BBC from the campaign of bullying and intimidation, as described by the director-general? In addition to the process, is not a code of practice for Downing street advisers required, to prevent such political thuggery from undermining the independence of the BBC?

Tessa Jowell: What is important is that the BBC is true to its constitutional responsibilities in relation to accuracy and impartiality and that it is strong and independent. So strongly do we in the Government believe in those principles for the BBC that we are setting before the House today an enhanced process for the immediate appointment of the chairman, in order to ensure them.

Mr. Gerald Kaufman (Manchester, Gorton) (Lab): Since my right hon. Friend makes it clear that, in the end, the appointment will be made on the advice of Ministers, will she accept that it would be a very serious mistake indeed to appoint anybody who is publicly associated with any political party, as of course was the case when the Conservatives, in their last appointment, appointed an active member of the Conservative party who was also a former Conservative candidate? Independence from political parties is vital for the person, because that is the only way in which the independence and the reputation for integrity of the BBC can be restored. Does my right hon. Friend also accept that it would do no harm if the person concerned had some knowledge of the media?

Tessa Jowell: I thank my right hon. Friend for his question. What is clear, and what history and the accounts of past chairmen show, is that when the Conservatives were in government they made no pretence at all of independence or integrity in the appointment of the BBC chairman. We take an entirely different position, because the independence and strength of the BBC are so important.

My right hon. Friend raised the question of whether people who have had—or who have—a particular political affiliation should be discounted from the process. We have to proceed on the basis that we are seeking the very best person to do the job and that the process that I have set out today will subject a range of candidates to that kind of scrutiny. Nobody would believe that it was right for the person who becomes chairman of the BBC to be actively political—[HON. MEMBERS: "Ah."]—of course not. The point is that if we put on the advertisement specifically that people will be ruled out because of their past political affiliation, we might rule out candidates, from any party in the House, who were worthy of, and deserved, proper consideration.

Mr. Edward Garnier (Harborough) (Con): Who will write Dame Rennie's guarantee? Who will be the judge of its effectiveness? How will it be enforced, and what remedies will flow if there is a breach?

Tessa Jowell: Those will all be matters for Dame Rennie.

Mr. Tam Dalyell (Linlithgow) (Lab): In view of the tenor of some of the questions this afternoon—such as "Blitzkrieg"—would it not be wise to place in the Library the letters that Alastair Campbell sent so that we can make an adult judgment on this vexatious subject?

Tessa Jowell: I understand that the urgent question focuses specifically on the appointment of the chairman of the BBC—*[Interruption.]*

Mr. Speaker: Order. The right hon. Lady does not need to answer that question—it has nothing to do with the statement.

Points of Order

3.54 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Speaker. I seek your guidance on a matter of which I have given you notice. You will know that we have been calling, as have others on both sides of the House, for a full inquiry into the intelligence on Iraq's weapons of mass destruction, given that none has been found. According to today's Downing street briefing, a decision is to be made shortly. Would it not be right for the opposition—the other parties in the House—to be consulted on who should undertake the inquiry and its terms of reference so that it could command cross-party support? Can you assure us, Mr. Speaker, that if the decision is announced tomorrow at the Liaison Committee, when the Prime Minister gives evidence, you will ensure, through the powers available to you, that the whole House will have the opportunity to question the Prime Minister on this very important matter?

Mr. Speaker: That is not a matter for me. If something is going to happen tomorrow, I will look at the situation tomorrow, but today there is nothing before me regarding that matter.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Further to that point of order, Mr. Speaker. There is a media frenzy outside about the subject—shifting sands regarding WMDs and so on and so forth. Bearing in mind the importance of the whole issue to the future of the Prime Minister, should not a statement be made in this House, and not elsewhere?

Mr. Speaker: The media always seem to be in a frenzy.

Mr. Don Foster (Bath) (LD): Further to that point of order, Mr. Speaker. In view of rulings that you have given on previous occasions about matters of great importance coming to this House first, and given that representatives on both sides of the House have been clamouring for an inquiry of the type that might be about to be announced, could you use your good offices to ensure that there will not be a statement by the Prime Minister to the Liaison Committee and that there categorically will be a statement in this House?

Mr. Speaker: As I say, the matter is not before me at the moment.

Mr. Tam Dalyell (Linlithgow) (Lab): On a point of order, Mr. Speaker. As a simple seeker after truth, may I ask whether you were not a little quick on the draw, Mr. Speaker, in saying that my question should not be answered, because a lot of people are asking it?

Mr. Speaker: Order. The Father of the House has been here for a long time. The question did not relate to the statement, which is why I was rather quick.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) (Lab/Co-op): On a point of order, Mr. Speaker. In view of the spurious nature of the interventions so far, will you consider running a master class on points of order?

Mr. Speaker: One day, perhaps, I will get a proper point of order.

Mr. Eric Forth (Bromley and Chislehurst) (Con) *rose—*

Mr. Speaker: Even from the right hon. Gentleman.

Mr. Forth: On a genuine point of order, a genuine one, Mr. Speaker. Could you confirm to the House that our Standing Orders now allow for a thing called an urgent question to be submitted to you on matters that are deemed by you to be both important and urgent? Without wanting to speculate on anything that might happen in the future, could you not at least contemplate that the sort of subject that has been raised this afternoon might be just that thing?

Mr. Speaker: The statement that we heard from the right hon. Lady was made because an urgent question was granted. I look at requests for urgent questions every day.

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Mr. Speaker. Could you perhaps ensure that whatever in future appears on the monitor to inform Members of business is correct in its nature? When we had the urgent question, the title on the monitor was "Chairmanship of the BBC". Many of us would therefore have thought that what the Father of House said was a matter that related to the chairmanship of the BBC.

Mr. Speaker: No matter what is on the monitor, the best thing is always for hon. Gentlemen and Ladies to come in and hear the statement. The supplementaries can then be related to the statement.

Alistair Burt (North-East Bedfordshire) (Con): Further to the point of order raised by the Father of the House, Mr. Speaker. Is it not a matter relating to the process of selecting the chairman of the BBC that all information necessary for a prospective chairman to make a decision on what the job entails should be made public and open? A desire to understand the nature of the relationship between—

Mr. Speaker: Order.

Alistair Burt *rose—*

Mr. Speaker: Order. The hon. Gentleman should not defy the Speaker. I stopped proceedings on the statement five minutes ago—we are finished with it.

Orders of the Day

Horserace Betting and Olympic Lottery Bill

As amended in the Standing Committee, considered.

Clause 4

TAX

3.59 pm

The Minister for Sport and Tourism (Mr. Richard Caborn): I beg to move amendment No. 10, in page 3, line 16, at end insert—

'(3) Nothing in this Part constitutes arrangements for the purposes of—

(a) section 42(2) of the Finance Act 1930 (c. 28) (relief from stamp duty),

(b) section 27(3) of the Finance Act 1967 (c. 54) (stamp duty), or

(c) paragraph 2 of Schedule 7 to the Finance Act 2003 (c. 14) (relief from stamp duty land tax).'.

This technical amendment would put it beyond doubt that the powers in part 1 do not amount to arrangements falling within section 42(2) of the Finance Act 1930 or section 27(3) of the Finance Act 1967, which relate to stamp duty, or within paragraph (2) of schedule 7 to the Finance Act 2003, which relates to stamp duty and land tax, commonly known as SDLT—no doubt that is now clear to the House.

If the powers in part 1 were to amount to such arrangements, their existence would mean that the group relief from stamp duty on a transfer of shares, or SDLT on a transfer of an interest in land, was not available for transfers between members of the Tote group after the Bill becomes law but before the Tote is vested in a successor company. The amendment ensures that such a claim to relief does not fall on those grounds. Any subsequent transfer outside the Tote group will be subject to stamp duty or SDLT under the normal rules.

Amendment agreed to.

Clause 5

PRE-SALE ISSUE OF SHARES, &C. TO GOVERNMENT

Mr. James Paice (South-East Cambridgeshire) (Con): I beg to move amendment No. 5, in page 3, line 22, at end insert—

'(1A) The Secretary of State shall not nominate any person unless satisfied that the person nominated will use all surpluses generated by the company for the support or improvement of horseracing.'.

The amendment is a response to debates on Second Reading and in Committee in which we discussed at some length, although not at exceeding length, to whom the Tote should be sold. Opposition Members were worried by the Minister's assertion, repeatedly made in Committee—I have the text in front of me—that the House was deciding to sell the Tote full stop and that any constraints on whom it should be sold to would frustrate the will of the House.

The amendment would slightly constrain the Government in whom they sell the Tote to—or, to be more precise, in whom they sell shares in the successor body to—by ensuring that the Secretary of State can nominate someone for transfer of shares in the successor company only if she is satisfied that the person who is nominated will use the surpluses for the support or improvement of horse racing.

The House is familiar with the fact that the Tote's role is to operate an exclusive pool betting system and that all the profits from that, together with substantial sponsorship, go back into horse racing. Various figures have been quoted. For instance, the Tote put roughly £14 million into horse racing in the last financial year. That is a significant sum. It is widely accepted by everyone in the horse racing industry and, I think, by the Minister that we should do our level best to ensure that that flow of resources from the Tote into racing continues.

The Minister made it clear, as did his predecessors and various Secretaries of State, that it is the Government's desire to sell the Tote to a racing trust. Indeed, the House knows that a shadow racing trust already exists and is waiting to negotiate the details with the Government. However, as the Minister said in Committee:

"No one can give us a complete guarantee that racing will be in a position to buy it."

We cannot counter that argument. It is conceivable that the racing industry will not be able to buy the Tote in the envisaged format. What worries me is that if that sale falls through for an unforeseen reason, the flow of resources from the Tote into racing should continue, whatever happens to the Tote itself. Later in response to what he described as a "hypothetical question", the Minister said:

"The answer is yes, we would sell into something. If we cannot sell into a racing trust, and the House of Commons has said that it wants to sell the Tote, we will be in some difficulties. We would have a piece of legislation instructing us to sell the Tote, and we would therefore have to consider options. That is not our intention."—[*Official Report, Standing Committee D*, 20 January 2004; c. 25-26.]

I think that the Minister showed that he misunderstood the desire of the House. Anyone who paid attention to our debates on Second Reading and in Committee will know that everyone who contributed to the debates did so on the understanding that the Tote would be sold to the racing trust, or at least into an organisation whose interests would be synonymous with those of racing.

The House is not instructing the Minister; rather, it is enabling the Minister or the Government—this is an enabling piece of legislation—to sell the Tote, or at least to transfer the shares in the successor company. I think that the Minister is wrong to suggest, as he did in Committee, that somehow we are instructing the Government to sell and then, by moving amendments, such as amendment No. 5, putting an obstacle in the way.

I have made it clear that I want to see the Tote sold into the hands of the racing trust. Failing that, I want to see it sold into the hands of individuals or a group of people who will ensure that the flow of money into racing continues. That is the only constraint that I wish to put on the Government, and it is only a minor constraint.

[Mr. James Paice]

The Minister clearly believes that he should have complete freedom, despite the undertakings that he has given to sell to a racing trust. I do not believe that the House wants to give carte blanche to the Minister to sell to anybody regardless. I think that the right hon. Gentleman is making a serious error of judgment if he thinks that that is the view of the House. The Bill does not instruct the Minister to sell; it simply enables him to carry out the policy that he has enunciated on several occasions.

I move the amendment in the hope that the Minister will respond seriously to our points of concern. We all hope that the sale to the racing trust will go through. That is the desire of Members on both sides of the House, including the Minister. However, we must consider what happens if, for some reason, the sale falls through. I seek to introduce a small constraint, which is that the Secretary of State should allow the transfer of shares, or nominate someone for that transfer, if she or he is persuaded that that person has the interests of racing at heart, and that that is where any surpluses that are generated will go.

The Minister may find some technical grounds to reject the amendment. That is commonplace in the House. However, I want him to address the principal issue. Whatever happens to the amendment, the fundamental issue that people in the racing industry want to know is whether he is determined to sell the Tote come what may, regardless of whether the shadow racing trust can purchase it and regardless of whether anyone with an interest in racing can or wishes to purchase it. Is the right hon. Gentleman determined to sell it regardless of those concerns? Is he prepared to sell to anyone, including, possibly, another bookmaker? That is the question that needs to be answered.

I hope that the Minister will say no. I hope that he will make it clear that it is the Government's intention to sell to the racing trust if that is possible, and that if that falls through, he will ensure that the Tote is sold in a way that is equally beneficial to racing. I am looking for that answer from the Minister.

This is an important repetition of debate in Committee. It goes to the heart of future ownership of the Tote and its contribution to racing.

Mr. Don Foster (Bath) (LD): People who studied our deliberations on Second Reading and in Committee will know that they were distinguished by broad support for the Bill among Members on both sides of the House. It is an enabling measure that, as several hon. Members said on Second Reading, has a number of gaps. The amendment seeks to address a gap that was discussed at considerable length in Committee. The whole House has made it clear that it is in favour of the sale of the Tote if it would benefit both the taxpayer and racing. Committee members agreed that profits should be split 50:50, but there was a clear understanding in Committee and on Second Reading that the purchasers of the Tote were expected to put all the profits from the operation of the Tote back for the benefit of racing. The Minister has implied that he is in favour of such an arrangement.

It is only fair, however, to point out a problem that arose in Committee. Some hon. Members argued that the Government should be required to sell the Tote only to the racing trust. Others, including me, thought that that would tie the Government's hands, and we fully believed that, if the racing trust could not purchase the Tote, there should be an opportunity for negotiation with other bodies. The difficulty is clear in our deliberations on 20 January, especially at column 26, when as the hon. Member for South-East Cambridgeshire (Mr. Paice) said, we failed to get a clear, categorical answer from the Minister to a simple question. I asked whether the Minister would tell the Committee

"whether he believes that there are any circumstances in which the Government would be prepared to sanction a sale of the Tote to a body that does not intend to put the entirety of the profits received from the Tote into racing".—[*Official Report, Standing Committee D*, 20 January 2004; c. 26.]

Unfortunately, we did not get a clear and unequivocal answer. I suspect that the hon. Member for South-East Cambridgeshire would be happy to withdraw his amendment if we now received a clear assurance from the Minister.

The Bill is an enabling measure and does not require the Secretary of State to sell the Tote. It is possible that the interests of both racing and the taxpayer would be best served if there were no sale. The only circumstances in which I can envisage that happening are if the sale were to be made to an organisation that would not invest the profits in racing. I suspect that the Minister agrees with everything that I have just said. The Bill's progress through the House would be speeded up if he said that he does, and then we would all be happy.

Mr. Alex Salmond (Banff and Buchan) (SNP): I shall approach amendment No. 5 from a slightly different angle.

I did not serve on the Standing Committee, but I have read its proceedings. Under normal circumstances, I could accept the defence that the Minister made in Committee in response to requests for an assurance to be included in the Bill. However, these are not normal circumstances for the racing industry. There is a great pall of uncertainty because of the intervention of the Office of Fair Trading and speculation about the eventual consequences. Since Second Reading, the broadcasting of racing has been up in the air. Contracts that were supposed to be in place are being renegotiated as we speak. In that fevered atmosphere, if the Minister cannot find a way to include such an assurance in the Bill, could he not act as a beacon of stability and try to provide assurances about one aspect of the future of the racing industry? This applies to other amendments as well.

I notice that we have the Minister somewhat outnumbered. We will push our case not on that basis, but on the logic of the argument. I am sure that neither the Conservative party nor the Liberals would be guilty of trying to trap the Minister into doing something to which his civil servants would be opposed. Instead, we appeal to his good will. All sectors of the racing industry have looked to him in recent times to chart a way out of the instability, which could be extremely damaging. The aspect under discussion is under the Minister's control, and no one doubts his good will. Can he not find a way to quell the uncertainty and provide a guiding light as we debate this and other amendments?

4.15 pm

Mr. Richard Page (South-West Hertfordshire) (Con): Not surprisingly, I support the amendment of my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice). It was debated at reasonable length and with good humour in Committee, so I shall not gallop over that ground again. For most of the debate on the Bill, the Minister has been saying, hand on his heart, "Trust me, I'm a politician." He made a host of generous and warm remarks, which fell just a tad short of commitment. My hon. Friend's amendment asks for a little commitment.

Everyone wants the sale to the racing trust to go through, but the Minister agreed that if it did not, a racing trust could substitute. I understand that the Government do not want their hands tied if all the options fall through—let us hope that they do not fall through, as that would be disastrous for racing. As my hon. Friend said, racing desperately needs the support of the Tote's money. Its finances have improved dramatically over the past couple of years, thanks to the actions of several dedicated and hard-working individuals, but as we heard, various negotiations are taking place.

One or two people may think that the comments and views of the Office of Fair Trading on the matter have not helped the financing of racing, so we are looking for an assurance that the money from the Tote will be available for racing. It is a valuable industry. I shall not go through all the statistics mentioned on Second Reading and in Committee. I cannot see the Minister accepting the amendment at this point, but I hope he can give some encouragement that when the Bill goes to the other place, there will be a little more direction and a little more commitment. The Bill lacks a few datum points that would provide certainty for the negotiations and the way forward. I shall return to that in the context of other amendments.

Mr. Laurence Robertson (Tewkesbury) (Con): I support the amendment moved by my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice). The purpose of the Bill is not to nationalise the Tote, but to privatise it or change its status. It is rather odd that that objective is not in the Bill. The Bill deals with the nationalisation of the Tote, which is not the objective.

As we know, the Tote was set up in the 1920s for the purpose of racing. That is why a racing trust, as opposed to any other form of trust, has been set up. Of course, the Tote takes bets on all manner of sports, but a racing trust has been set up because the Tote was set up for the benefit of racing. The Tote is not just any old bookmaker. Other bookies also put money into racing, but the Tote's profits go into racing, as well as the sponsorship that it puts in. It is therefore a national institution. It has run the exclusive pool betting licence for the benefit of racing and for the benefit of the punters. One pool, as opposed to several pools, means that if the punter is fortunate enough to win, they get a bigger prize than if there were many different pools.

A sale to any body other than one set up purely to benefit racing would be wrong and would miss the point of the Bill. In a brief speech, the hon. Member for Banff and Buchan (Mr. Salmond) described racing's uncertain finances. For example, there is the change in the Attheraces deal, we have uncertainty with regard to the future of the levy board, and the OFT creates great uncertainty everywhere it treads. The last thing that racing needs at the moment is the possibility, albeit small and albeit inadvertent, of any further loss of income if the Tote sale does not go to the racing trust, as we all intend and as I am sure the Government intend.

Given all that, I am left wondering why the amendment is not already in the Bill, and why it is unacceptable to the Government. I cannot foresee circumstances, unless they are brought about by the heavy hand of the Treasury, whereby the amendment should not be included in the Bill. I hope that when the Minister replies he will tell us why it cannot be agreed to and under what circumstances he could envisage selling the Tote to a body other than an organisation set up exclusively for the benefit of racing.

Mr. Caborn: Amendment No. 5 would require the Secretary of State to be satisfied that any purchaser of the Tote would use operating surpluses in the interests of racing, in effect guaranteeing the sale to a racing trust or something like it.

The hon. Member for South-East Cambridgeshire (Mr. Paice) tabled a similar amendment in Committee, as he said, and I repeat yet again that the Government intend to sell to a racing trust. That has always been our intention and it has been restated repeatedly, although it seems to have fallen on deaf ears.

Let us consider the circumstances in which we would not sell to a racing trust. We have heard many arguments about whether the Treasury, and the OFT in its recommendation, which is a matter of public record, are saying that there should be no exclusive licence and the Tote should be sold in the private marketplace. We took a view that that would be wrong. Let us put the Tote into perspective. About 20 per cent. of the Tote's business is the pool, and 80 per cent. is in fixed odds, which, to a large extent, is out there in the marketplace.

I do not believe that the argument for amendment No. 5 has been made. The Government do not believe that we need such a provision in the Bill. We have always said that we want to sell the Tote to a racing trust. We have protected it for seven years and we have set up a shadow racing trust, with which we have had detailed negotiations and which is now in detailed negotiations with the Treasury.

While the Bill was in Committee, I met representatives of the industry for other reasons, but I took up with them the point raised in Committee about the sale of the Tote to an outside body. Could anyone imagine that the industry, given the opportunity, with a seven-year protection and with all the safeguards that we have provided on the price, including the independent evaluation, would not be sold to a racing trust and that the profits would not go back into the industry?

If the argument was that the Tote should be sold in the marketplace in order to obtain a better price, that could well take place. But all the actions that the Government have taken to date show that that is not the case and will not be the case. I can assure the House that the Government want to ensure that it goes to a racing trust.

Mr. Paice: A few minutes ago, the Minister said that the argument for amendment No. 5 had not been made,

[Mr. Paice]

but now he is making it himself. He is making precisely the point that we are making—namely, that the Tote should be sold to an organisation whose best interests are synonymous with those of racing. We do not doubt his intention, but if he is as determined as he says he is, all we ask is that that be included in the Bill.

Mr. Caborn: We cannot include every hypothetical case in the Bill. To a large extent, that is what we were asked to do in Committee. The case for including this provision in the Bill has not been made, in view of the assurances that have been given and the actions that have been taken. The shadow trust has been set up and there have been negotiations and discussions with the industry. People in the real world—in the money markets and betting industry—believe in our intention to sell to a racing trust; only Conservative Members do not. The Tote and the industry asked for this action to be taken, and it has been under discussion for some considerable time.

Mr. Don Foster: The Minister says that he will not answer allegedly hypothetical questions, but he did so when he said:

"If we cannot sell into a racing trust, and the House of Commons has said that it wants to sell the Tote, we will be in some difficulties. We would have a piece of legislation instructing us to sell the Tote, and we would therefore have to consider options."—[*Official Report, Standing Committee D*, 20 January 2004; c. 26.]

Can he give us a clear assurance that if it is necessary to sell the Tote, it will not be sold to an organisation that has no intention of putting the profits back into racing? All that we want is a clear guarantee.

Mr. Caborn: The industry has been given all the advantages of protection for seven years to ensure that it can go into the marketplace in an orderly way. We set up the shadow racing trust and worked with the industry to achieve that objective. We cannot accept the amendment, because the case for it has not been made.

Mr. Salmond: Let us say that the right hon. Gentleman's excellent work as Minister for Sport is rewarded by a well-merited promotion to the higher echelons of Government, and that one of the young bloods from the Labour Back Benches who is daft enough to want to privatise the BBC is put in his place. What would happen to his guarantee, which I entirely believe he thinks is right and proper, if it was not in the Bill?

Mr. Caborn: I took over this portfolio from previous Ministers, not only in my Department, but in the Home Office, and the commitment has been consistent throughout. It was a manifesto commitment, and we adhere to those. We set up the shadow trust, and our discussions with the industry clearly show that we have the same intentions. With that goodwill on both sides, we shall achieve our objective.

It is playing with semantics to try to put such a provision on the face of the Bill and I therefore ask the hon. Gentleman to withdraw the amendment.

4.30 pm

Mr. Paice: Given last week's events, I am slightly concerned when the Minister prays in aid his manifesto. He is renowned for his robust approach to life, but as my hon. Friend the Member for South-West Hertfordshire (Mr. Page) said from a sedentary position behind me, to lead with the chin in such a way is brave if not foolhardy. The Minister has told the House what actions that the Government have taken to enable the Tote to be sold to a shadow racing trust—to all of which I say "Hear, hear." The Government have given their word over and again that they want to sell to a racing trust. They have helped to set up a racing trust, they have entered into negotiations with the trust and they have repeated their intentions time and again. Like the hon. Member for Banff and Buchan (Mr. Salmond), I accept the Minister's word as I accepted his predecessor's word.

However, the Minister appears to have a blind spot. If all that I have said is the case, and if hon. Members of all parties take it as read, why cannot he accept the amendment? It does not go as far as to say that the Tote will be sold to the shadow racing trust; the Minister effectively says that it will be sold to a racing trust. If it is, I shall be delighted and Conservative Members will rejoice, but the Minister said on Second Reading and in Committee that we should not fetter the Government or tie their hands in negotiations. As I said earlier, the Minister said in Committee:

"No one can give us a complete guarantee that racing will be in a position to buy it."—[*Official Report, Standing Committee D*, 20 January 2004; c. 25.]

Despite the fact that the Minister has spent the past few minutes trying to convince hon. Members of his utter determination to sell to a racing trust, he wants a way out and an opportunity to sell somewhere else if he cannot sell or negotiate the right deal. We all hope that that does not happen. The Minister accepts that there is a slight chance that a sale to a racing trust might not happen. I therefore ask only that if the Tote is not sold to a racing trust, it should be sold at least to an individual, a group or another organisation that will put the money back into racing.

The Minister appears to have a blind spot about the amendment. Clearly, he will not change his position and we must therefore move to other amendments on which we may make progress. Perhaps I am over-optimistic, but I live in hope. However, I emphasise that the issue causes grave concern. I hope that when the Bill gets to another place, the Minister's colleague there will be able to report that negotiations have reached the stage when he can confirm that the sale is going ahead. If not, and if when the measure is debated in another place the position remains vague and negotiations have not progressed to the point of determination, my noble Friends will try to get the assurances that we have sought tonight.

The race has only two possible outcomes and we will lose, at least on the figures if not on the argument. I cannot understand the Minister's refusal to put in the Bill the outcome that he is determined to persuade hon. Members will be achieved. However, he continues to refuse and, in the light of that refusal, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 8

EXCLUSIVE LICENCE

Mr. Caborn: I beg to move amendment No. 11, in page 5, line 7, at end insert—

'(1A) The exclusive licence shall, unless revoked under subsection (6), have effect for the period of seven years beginning with the date of issue.'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following:

Government amendment No. 12.

Amendment No. 7, in page 5, leave out lines 10 and 11 and insert

'any terms or conditions of the licence other than its duration.'

Amendment No. 1, in page 5, line 16 , leave out from 'Crown' to the end of line 17 and insert—

'(c) shall require the Gaming Board prior to the expiry of the exclusive licence to offer for open competition a further exclusive licence for a fixed period provided that such a further exclusive licence shall only be granted to a body whose purpose in holding such a licence is to generate income for the support or improvement of horseracing, and

(d) shall appoint prior to the expiry of the exclusive licence an independent inquiry to advise him whether a further exclusive licence should be issued and whether such a further licence, if issued, should be issued to the successor company or another body.'.

Government amendment No. 13.

Amendment No. 2, in page 6, line 2, leave out paragraph (a).

Mr. Caborn: The Government ask for amendments Nos. 1, 2 and 7 not to be pressed.

Amendments Nos. 11 and 12 spell out the length of the exclusive licence and remove its duration as one of the terms and conditions that the Secretary of State may specify when requiring the Gaming Board to issue a licence. We have repeatedly made it clear that any period of exclusivity would be for seven years, but I thought it best to leave the Secretary of State with discretion to issue a different length of licence if, for some reason, circumstances at the time of sale dictated it. It seems that our reassurances were not enough for some Opposition Members, and I agreed in Committee to consider amendments specifying the length of licence. Amendments Nos. 11 and 12 are intended to provide greater certainty for all concerned. Given that amendment No. 7 covers broadly the same ground as my amendments, I shall ask the Opposition not to press it.

We cannot accept amendments Nos. 1 and 2. They introduce the possibility of exclusive licence renewability, although we have made it clear that the exclusive licence will be issued once and once only. The exclusive licence is a transitional measure to safeguard the existence of a strong pool betting market, and to allow the racing trust-owned successor an opportunity to establish itself in a fully commercial environment.

If Members fear that racing will somehow suffer a loss of income when the exclusive licence period ends, I remind them that as long as it is owned by the trust, the successor company will generate an income for racing on the whole of its business, not just pool betting. The split between the pool and fixed-odds betting is roughly 20:80. That business will have been built up on the back of the security provided by the seven-year exclusive licence. I firmly believe that the successor company will have the opportunity within that time to do all that is necessary to secure an income stream for racing for years to come. There is no need to introduce the prospect of renewability when the Government will not take up that option.

Amendment No. 13 will prevent the Secretary of State from revoking the exclusive licence after the successor company ceases to be owned by the Crown. Originally, we thought it wise to allow the Secretary of State a 14-day period in which to revoke the licence as a precautionary measure. It was always possible that something might come to light immediately after issue that would cause the Secretary of State to reconsider whether the licence should have been issued in the first place. However, given that the Gaming Board will retain the power of revocation, and in the light of amendments put forward in Committee that we agreed to consider, the Government propose amendment No. 13 to remove the Secretary of State's discretion in that respect.

Mr. Paice: Far be it from me not to begin by thanking the Minister for fulfilling at least one undertaking that he gave in Committee—to specify the seven-year period in the Bill. I say that unequivocally. I think the Government have been hard pressed to find a justification for changing the wording of the amendment that we tabled in Committee, but I do not grumble about that. The fact remains that the Minister has agreed on the seven years, which I think all Members will welcome, although I remain puzzled as to why he should be happy to turn that undertaking into legal language while continuing to resist other proposals, including some that we have already debated today.

I shall address my remarks mainly to amendment No. 1. Subject to the Minister's reply, I may wish to move the amendment formally after the debate on this group. What concerns me and, I believe, many other hon. Members, is what will happen after seven years. The Minister has repeated this afternoon his absolute determination that, come what may, there will be no exclusive licence after seven years. I understand that position, but I want again to put the counter-argument to him.

When debating another group of amendments, Opposition Members referred to the uncertainties that surround the racing industry, including the Office of Fair Trading investigation, matters before the European Court and the renegotiation of the "Attheraces" contract, which involves media rights to 49 different racecourses. Those are great uncertainties, to which we could add the uncertainty over what will happen to the Tote. The Minister is right to say that seven years will provide time for the Tote to build its fortunes, to recoup the sum that it must borrow to purchase itself from the Government and to establish itself even more solidly in the pool betting marketplace. However, there is an issue of further developments. In Committee, the Minister rightly said that we could not have foreseen seven years ago that betting exchanges would even exist, let alone that they would have the volume of turnover and the impact not only on racing, but on all sports, that they now have. I put it to the

[Mr. Paice]

House that similar uncertainty exists today. We cannot foresee what innovations in the next seven years, especially using modern communications technology, will put an entirely different complexion on the face of betting and gambling, and on pool betting in particular.

In case the Minister misunderstands my intention, I stress that we are not suggesting that the Tote should have a licence for more than seven years, or that any extension of the licence should be given to the Tote after that period. I am advocating—I shall come to the detail in a moment—simply that before that seven-year period expires, there should be a reconsideration of whether a complete free-for-all in the pool betting market is in the best interests of racing and the consumer—that is, the punter. Consideration should therefore be given to whether a further exclusive licence should be issued to someone at that time.

I am afraid that amendment No. 1 appears slightly differently on the amendment paper from how I intended it to appear, because I did not intend it to include two consecutive paragraphs. They were designed to be alternative paragraphs, and I hope that the Minister will take that on board when he responds. I am the first to recognise that as the amendment stands, its two paragraphs do not follow logically. I had tabled it to suggest alternative paragraphs, but because they referred to the identical part of the Bill, they have been transposed into one amendment. Be that as it may, the amendment's approach and the issue of competition are important.

The amendment's paragraph (c) provides for the issue of a new exclusive licence at the end of seven years. As I have said, that would not necessarily be issued to the Tote; it could be issued to any organisation whose

"purpose in holding such a licence is to generate income for the support or improvement of horseracing".

What is clear in that is that there should be an open competition.

In Committee, quite a lot of reference was made to the national lottery. The Minister sought to ridicule any comparison with the national lottery by saying that it was acquired by open competition. Yes, that is fine, and that is precisely what we propose: just as is the case when the lottery licence runs out, or prior to its running out, the Government or their agencies must decide on the basis of an open competition—just as they did before they decided to reissue the national lottery licence to Camelot, despite their manifesto undertakings, of which I hasten to remind the Minister—to whom to issue a further exclusive licence.

4.45 pm

Paragraph (d), which I had intended as an alternative approach, simply suggests that prior to the end of the seven years' exclusivity, an inquiry should take place into what has happened over those years in order to advise the Secretary of State whether it would be in the interests of racing and the punter to issue a further exclusive licence, and whether such a licence, if issued, should be issued to the holder of the licence—the Tote—or to somebody else.

Those approaches were designed as alternatives, but the fundamental point is that we should not make the decision now when we do not know what the position will be in seven years' time. That period will allow the Tote to recoup its investment and to grow and develop, and it may provide it with the opportunity to compete with all comers in a new, free pool betting market, or it may not, if there have been developments in betting that will militate against that.

The right hon. Member for Livingston (Mr. Cook) on Second Reading and others in Committee have argued that the more organisations that run pool betting systems, the more pools there are. The smaller the pools, the less attractive they are to punters. One wonders whether the national lottery would generate as much money for good causes—the analogy is with the generation of money from pool betting for racing—if instead of there being one national lottery, there were 10, and instead of jackpots of £2 million, £3 million or £5 million, there were jackpots of only £200,000. We need to make that comparison, as I fear that not as much interest may be generated if the pools are much smaller.

I do not know, any more than the Minister does, what the situation will be in seven years' time. The difference between us, however, is that I am prepared to say that I do not know. I do not therefore believe that we should make the decision now, and it is not necessary to make it now. We can leave it for at least five years before having some sort of review. By contrast, the Minister insists that he knows what the situation will be in seven years' time, and that even if he does not know, and he has got it wrong, that does not matter because he is determined to go ahead and there will be no exclusive licence for pool betting. That could be disastrous for betting, racing and the punters.

It is not too late for the Minister to reconsider. He referred in Committee to the fact that the cost-benefit analysis that we were given demonstrated that getting rid of an exclusive licence could seriously harm the Tote and could be a disbenefit to punters and the racing industry. Having accepted that in his published documents, he seems to be running away from that conclusion by saying that, come what may, the licence will be removed and there will be no further exclusive licence.

I hope that the Minister will understand that the call for reconsideration is justified, and that we will need to look at what the picture is closer to the time when it really matters. No decision should be taken at the moment about the non-renewability of such an exclusive licence, which is why I tabled amendment No. 1, albeit in a slightly different form from that in which it appears on the amendment paper, although its import is there. I look forward to the Minister's remarks, and subject to those I may want to press that amendment to a vote.

Mr. Don Foster: I referred earlier to the good nature of our deliberations on these issues in Committee and the fair amount of cross-party consensus. It is nice to see that reflected in a 1–1 score draw: the Minister was not prepared to accept the amendment to guarantee that profits from the Tote continued to go into racing, but I welcome his agreement to write the seven-year period into the Bill.

Given the consensus, it would be churlish of me to criticise the hon. Member for South-East Cambridgeshire (Mr. Paice) for suggesting that his was the amendment that first raised this matter in

Committee, when in fact it was raised by the Liberal Democrats. Since we all agree with one another's amendments, who cares?

As the hon. Gentleman rightly said, we must take on the issue of the non-renewability of the seven-year exclusive licence, and whether it really makes sense. As the Minister knows only too well, we debated the issue exhaustively in Committee, but all the evidence that we heard then unfortunately points absolutely and inexorably in one direction alone, and to have no renewal at the end of seven years, regardless of what may have happened, strikes me as completely crazy.

Those listening to our deliberations, or joining in them for the first time, may wonder why these issues are so important. They may not be aware of the huge importance of racing in this country, as both a business and a sport. We know that 6 million people went racing last year and that 100,000 are employed in the industry. We also know that the Tote is a large organisation with a turnover of some £900 million. What happens to the Tote, and whether it continues to support racing, which we hope it will, is an important issue.

Everyone acknowledges that it will be difficult for the new owners to establish themselves under the new arrangements, and if we are to ensure that they continue to put money back into racing, that seven-year period is vital, but the real question is what will happen at the end of that time. All the evidence points to cause for concern if the Tote's operation is then put into the open market, as the Government clearly intend.

The Minister himself said, in a press release of 27 November last year, under the heading, "Tote wins seven year licence to operate horserace pool betting":

"we also believe a reasonable period of preparation is necessary in order to safeguard the revenue racing receives from the Tote and its successor is necessary in order to"—

It seems that the quotation I have here is incorrect. Perhaps it needs to be checked in *Hansard*. However, the press release made it clear that the seven-year period is necessary to safeguard the money going into racing.

If the competitive market comes in after the seven-year period, there will be great uncertainty about what will happen. We all know that the right hon. Member for Livingston (Mr. Cook) has a great deal of knowledge and expertise in this area. On Second Reading, he said:

"I find it rather strange that anyone should imagine that opening up pool betting to competition helps the punter, because the whole point of pool betting is that the bigger the pool, the more attractive it is to the punter. The greater the competition and the more pools there are, the less attractive it is to the punter. The logic of that, of course, is that I personally would prefer it if we retained an exclusive licence indefinitely".—[*Official Report*, 8 January 2004; Vol. 416, c. 453.]

Page 22 of the Government's own regulatory impact assessment makes it clear that the loss of exclusivity could lead to the loss of pool betting at some race meetings and race courses, and to lower Tote contributions to racing. Some 10 years ago, the Home Affairs Committee came to a very similar conclusion. So there is real cause for concern as to what will happen at the end of seven years.

As the hon. Member for South-East Cambridgeshire has eloquently made clear, we have no idea what the situation will be in seven years time. The Minister himself drew our attention on several occasions to the new Bill on gambling, pointing out that it will be very difficult to deal with because of the huge changes that are taking place in the industry. They are taking place not just because of betting exchanges, but because of many other factors.

It is worth reflecting on what the Minister said during our deliberations in Standing Committee:

"We are trying to protect the Tote. The first step is to put it partially into the marketplace, giving it more freedoms and making sure that it can develop in a more robust way. Hopefully"—

we should note the use of the word "hopefully"—

"seven years from now, it will be able to stand in the market place without further protection and with exclusivity."—[*Official Report, Standing Committee D*, 20 January 2004; c. 44.]

We do not know what the situation will be, but the Minister says that "hopefully", that will be the situation. If he wants to support racing and to protect the Tote's future, surely he should agree to these very simple amendments, which would enable us to see how matters have progressed in a few years' time, and to decide whether we should renew the licence at the end of seven years.

Mr. John Redwood (Wokingham) (Con): Like Government Members and other Opposition Members, I welcome the Government's decision to specify the term of the exclusive licence. Should my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) catch your eye before the summing up of this debate, Mr. Deputy Speaker, I would appreciate a little more guidance from him on amendment No. 1. I am grateful to him for explaining that proposed new paragraphs (c) and (d) are alternatives; that makes matters much clearer. I should point out that I am much more attracted to the latter than the former, and I shall briefly sketch why.

My hon. Friend makes a powerful case in saying to the Minister that no one can be sure what the situation will be in seven years' time. The technology might have moved on, the market might have changed greatly, or new circumstances might have arisen that make our deliberations today rather inappropriate, in terms of specifying what should then happen. So I can quite see the wisdom of warning the Minister against reaching a decisive view today that will operate in seven years' time, perhaps under a completely different Government and certainly under a different Minister. Indeed, many other changes might have taken place by then in the world of gambling and gaming, and in the general marketplace.

I accept the idea, advanced by my hon. Friend, that there should be a requirement for some kind of independent inquiry. I understand that they are very popular these days, although people are not always pleased with, or in agreement with, their results. Proposed new subsection 1(d) does not specify what the successor Minister or Secretary of State should do with the inquiry, but I trust that my hon. Friend has in mind an independent inquiry that will guide, rather than mandate.

Kevin Brennan (Cardiff, West) (Lab): If an independent inquiry were agreed to, would the right hon. Gentleman agree to abide by its outcome?

Mr. Redwood: Not necessarily. First, I should want to decide what I thought of its terms of reference and of the

[Mr. Redwood]

so-called independent members. In my experience, some inquiries are more independent than others, and some terms of reference more sensibly drafted than others. Therein lies the fun of inquiries and what happens afterwards. I am glad that my hon. Friend the Member for South-East Cambridgeshire is signalling that the inquiry is advisory—to me, the best type of inquiry—and I would like a future Minister to be free to take a wise decision based on decent information. On that basis, it is sensible for a future Minister to appoint good and independent people, who really know the industry and understand the relevant circumstances, to offer the advice.

I can therefore bring myself to support amendment No. 1, if my hon. Friend decides to press it, but I hope that he will stress paragraph (d) rather than (c), which has the same problem as the Minister's original recommendation—that it somehow pre-empts or prejudges what might be wise in seven years' time and that it implies rather more foresight than some of us have at this juncture of the state of horse racing and the betting industry then. On that basis, I welcome my hon. Friend's clarification and look forward to supporting paragraph (d) if the amendment is pressed.

5 pm

Mr. Salmond: I thank the Minister for the seven-year guarantee. I also thank Conservative Front Benchers for clarifying amendment No. 1. I only wish I had known that this morning; I would have been saved 45 minutes trying to puzzle out what they had in mind. Nevertheless, the burden of argument is in favour of the Minister allowing at least the possibility of maintaining the exclusive licence for more than seven years.

In explaining my case, I want to look at the issue from a slightly different angle. Right hon. and hon. Members have rightly stressed the importance of the Tote in providing a guaranteed fund for the racing industry. That has been valuable and is something that by and large the Tote has done extremely well over its period of existence. However, there is another role of pool betting that has not been done so well until very recently but which is none the less very important in the current marketplace: pool betting operated as a monopoly increases overall competition in the betting market. It would be useful if people working in the Office of Fair Trading managed to grasp the point that it is possible to provide a more perfect marketplace and more protection for the consumer by allowing an intervention in the marketplace of that sort.

I realise that the subject is exercising the Minister's mind. It may be helpful to view what has been happening in the betting market as a form of contract between the Government and the players in that market. A few years ago, when the Government took betting tax off, they entered into an informal contract with the industry by which it would move into the world of low margins and high turnover and that would be to everyone's benefit: it would be to the benefit of the Government because the high turnover would generate revenues; it would be to the benefit of the consumer—the punter—because they would get better value from their betting; and it would be to the benefit of the companies operating in the marketplace. Unfortunately, as human nature dictates, some people liked the high turnover aspect of the market, but would also like high margins.

There are three bulwarks that operate against the margins in the United Kingdom being increased to the extent that they could be over the Irish sea or in other betting and horseracing markets in the world. The first is the on-course bookmakers who, lo and behold, are now under sustained pressure from other forces in the industry. They operate a market on course, which gives protection to the off-course market and keeps the business honest in the sense of keeping the margins down. I do not think that it is any coincidence that these people are now under the severest pressure.

The second bulwark to keep the off-course market honest is the new emergence of betting exchanges—and, lo and behold, those betting exchanges are now subjected to successive pressure from big bookmakers' chains, challenging various aspects of their operations. To his credit, the Minister has thus far resisted that pressure.

The third bulwark that keeps the market honest is the Tote, and Tote betting and pool betting, as an alternative to fixed-odd betting. It is unsurprising that Ladbroke's, for example, has already made it clear that, at the end of the seven-year licence, it wants to move into the pool betting market. With no disrespect to anyone in the company, which presumably wants to maximise its returns, it will do so not with the interests of the consumer and punter in mind, but in the interests of fragmenting the pool betting market and making it a less competitive instrument, thereby increasing margins in the fixed-price market.

As the Minister rightly said, even for the Tote, the balance between overall operations and pool betting is currently 4:1, and the balance is more like 10:1 for broad operations in the betting market. We need a more powerful pool betting market to act as better protection for the consumer, rather than a less powerful one. In the interest of consumer sovereignty and to prevent cartels and organised behaviour developing in the betting market to the detriment of everyone—in addition to generating income for racing—I hope that the Minister will think it sensible at least to provide for the possibility that the guaranteed licence should continue after the seven-year period has expired.

Mr. Page: I shall begin by thanking the Minister for introducing Government amendment No. 11. In Committee, he coyly—and rather delphically—said:

> "I am minded that complete certainty about its length would be welcomed by the racing industry, the Tote and members of Committee."—[*Official Report, Standing Committee D*, 20 January 2004; c. 42.]

I wondered what would emerge at the end of the day, so I am exceedingly grateful for Government amendment No. 11.

Government amendment No. 11 is an important datum peg in the valuation process. As the Bill progresses through this House to the other place and back again, I urge the Minister to consider putting other datum pegs in place. When it comes to valuing the Tote, it will useful to know what sort of licence fee the Government will require. He will appreciate that a higher licence fee will mean a lower sum to Government,

and that a lower licence fee could possibly mean a higher sum to Government. The more datum pegs we have, the easier it will be to calculate the valuation. I know that the Tote, among others, would welcome knowing what its possible commitment might be.

I also congratulate the Government—the habit of congratulating them sits ill upon my shoulders—on once more resisting the pressures of the OFT and its arguments for open competition for pool betting. The hon. Member for Banff and Buchan (Mr. Salmond) made some valid points about the value of pool betting. I do not want to give hon. Members or, in particular, my constituents the idea that I am a habitual gambler, but one can see pool betting operate at a greyhound race meeting. If a dog—let us say Saucy Sue in track 2—is 6:1 and I rush forward and place a £2 each-way bet, suddenly that dog is odds on favourite and my £2 each-way bet has had a disproportionate effect. Obviously, larger pools offer greater stability, which we all want to see. With larger pools, punters have greater confidence that they are getting a fair market price rather than one that has been distorted by a small amount of money such as my £2 each way.

Mr. Laurence Robertson: My hon. Friend has greater experience of these matters than me—generally—so he will know that that does not just happen at a poorly attended dog track; it can also happen at a fairly poorly attended horserace meeting.

Mr. Page: My hon. Friend makes a valid point and emphasises how appalling it would be if there were so many pools that they became little puddles and the odds became farcical.

I shall continue with the theme of what will happen after those seven years. I am not that exercised about the European Union's reaction to the monopolies that may occur in pool betting. The French have a strong monopoly and I cannot see them giving it up lightly and easily because some commission or other says something, and we should take a degree of comfort from that.

Commission or no commission, the Bill says that competition will be allowed after seven years, which is fine in theory, but the questions just keep rolling on. Would new entrants have to form duplicate racing trusts for their money to benefit racing?

Would courses have to take compulsory extra kiosks to sit alongside the Tote kiosks? As pool betting expands, will there be a licence fee? How would that be calculated? Would racecourse associations want that? Would pool sizes be regulated in any way? The prospects for the situation after seven years are murky, to say the least.

Mr. Salmond: The hon. Gentleman demonstrates huge expertise in these matters, but he will know that the process could be more insidious than he suggests. When the Tote and large bookmaking chains were in an organisation called Tote Direct, the chains were reluctant to see the Tote provide better value for the consumer to maintain margins in the pool market. It might even transpire, after seven years, that the cost of non-intervention in the marketplace is to increase the margins—to the detriment of customers.

Mr. Page: The hon. Gentleman makes the point that the route ahead, in seven years' time, is indeed, let us say, unclear. I shall stand down at the next election, which will no doubt be welcomed by many people, especially my successor, but we should endeavour either to answer the questions now or to refuse to tie the hands of those people who will take on the job in the future.

I am not sure how my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) will deal with amendment No. 1, because it contains two alternatives in paragraphs (c) and (d), but I shall support him whatever he does.

Mr. Paice: What a happy coincidence. Should I be fortunate enough to catch your eye at the end of the debate, Mr. Deputy Speaker, I shall attempt to move paragraph (d) of amendment No. 1, excluding paragraph (c). I accept that they are mutually contradictory: they were meant to be two separate amendments.

Mr. Page: I congratulate my hon. Friend, because he may have set a trend. We can table a host of different provisions under one amendment and then mix and match to get the right one, depending on the outcome of the debate—even though that might make it difficult for the Minister, who would need an omnibus brief.

My great expertise in gambling has been mentioned, but it has not benefited my lifestyle. However, I serve on the gambling review committee, which is considering all aspects of the changes in gambling in this country. As part of that, we are considering the future form of the Gambling Commission, which will take over from the Gaming Board and will have many more powers and strengths. I shall not ask the Minister to accept my hon. Friend's omnibus amendment, because that would be a bridge too far, but it would be helpful if the Minister could make one of his Delphic announcements—as he did on the seven-year licence—about considering the future of pool betting after seven years in some shape or form as the Bill progresses through the House. We do not want to tie the hands of those who will address the issue in seven years' time on the basis of the imperfect knowledge that we have today. We need to see how successfully the Tote operates in the market, and then we can decide.

My hon. Friend's omnibus amendment No. 1 mentions an "independent inquiry", and I wonder whether the Gambling Commission could be asked to consider the issue and advise as necessary. I hope that the Minister agrees that my hon. Friend has made a valuable point.

5.15 pm

Jim Sheridan (West Renfrewshire) (Lab): I was disappointed to hear that the hon. Gentleman is standing down at the next election. I certainly hope that he enjoys a longer retirement than some of the horses and dogs that are retired from racing and finish up as sausagemeat.

The hon. Gentleman referred to an independent inquiry. In view of the point made by the hon. Member for Banff and Buchan (Mr. Salmond) about honesty and integrity in the horseracing business, perhaps there should be such an inquiry, as more punters, or consumers, would be attracted if they felt that the industry was honest. The hon. Member for South-West

[Jim Sheridan]

Hertfordshire (Mr. Page) mentioned odds-on favourites. On Saturday, there were more winners at 66:1, 33:1 or 20:1 than odds-on favourites, so surely we should have an independent inquiry into who sets the prices and into how corrupt the horseracing and greyhound businesses are.

Mr. Page: You, Mr. Deputy Speaker, would rightly call me to account if I were to go through the list set out by the hon. Gentleman. It is not only inaccurate but highly emotive. The hon. Gentleman is not inaccurate, however, about the need to care for greyhounds and horses that can no longer race. I am with him 100 per cent. on that point. I sincerely hope that those animals do not end up as sausage meat—at least for the UK market, as that would cause a considerable outcry. There is support for a number of establishments that retrain racehorses and there are other organisations that give homes to greyhounds. Animal welfare is becoming a greater priority and I agree with the hon. Gentleman about that.

On the hon. Gentleman's other point, however, I have to say that the nature of betting is such that there are not more winners at 33:1 than at odds-on favourite. That is a statistical guarantee. If he wants me to give him a lesson on how to lose money through betting, I am only too willing to do so, but those 33:1 winners do not come up with the frequency that he imagines.

I shall draw my remarks to a conclusion. The amendment proposed by my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) is the right one, and I hope that the Minister can give us a little comfort in his response and tell us that the amendment will be considered as the Bill progresses.

Mr. Caborn: Yet again, we are rehearsing our arguments in Committee. For the sake of clarity, I shall address one or two things that seem to have got mixed up during the debate.

We want a secure revenue stream for racing through the Tote. After seven years, I do not know whether the Tote will operate purely through the pool or through fixed odds betting. Who knows? The world changes, and we have already seen tremendous change in the industry, so the Tote may go in for betting exchanges. I do not know, but one thing is certain—if it wants to do that, it can, because we are giving it all the opportunities available to the private sector actors in the industry. We are raising the public sector constraints, so that the Tote has every opportunity.

The management of the Tote is second to none and, with a well-run trust and the new freedoms, I would expect it to create, over seven years with some protection, a business that will be able to enter the marketplace and guarantee a funding stream for the industry. Concern has been expressed about that point, but we are ensuring seven years of protection so that the Tote can enter the marketplace effectively.

It is interesting to hear some Opposition Members, especially the right hon. Member for Wokingham (Mr. Redwood) who has always been the great advocate of the marketplace, coming up with support for protectionism. In effect, that is what he is proposing. He has probably spoken up for the marketplace more often than anyone else on the Opposition Benches, but he will go into the Lobby, contrary to his ideological beliefs, in support of even more protection than the seven years on which we all agree. Had we not agreed to that seven-year period—had we not discussed it in Departments and given that guarantee—we would not have been debating these provisions. Furthermore, I would not have been able to include the seven-year provision in the Bill, because there was tremendous pressure to go straight into the marketplace, pool betting and all, including the Tote as it stands.

All that I say to hon. Members is that we took a lot of time to reach an agreement on the seven-year period—first in government and then with the industry—and we believe that it will give the Tote the opportunity to go into the marketplace, and that it will ensure that there will be a future revenue stream for racing.

Mr. Redwood: It is a pity that the Minister decided to make an inaccurate partisan point. I had urged my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) to gravitate from paragraph (c) in amendment No. 1 towards paragraph (d) and thus move the provision in a more market-oriented direction. I want one of the independent inquiry's terms of reference to be to consider how to ensure that the market can operate in the interest of customers. The question is how that could be best designed, given the way in which pool betting and betting in general operate. The Minister is being a little naughty in suggesting that I am trying to get away from the market, because I want an effective market.

Mr. Caborn: That is a somewhat obscure interpretation of what paragraph (c) of amendment No. 1 would bring about—*[Interruption.]* I am sorry; I meant to say paragraph (d). Conservative Members have got me confused by the number of amendments that have been tabled. We are debating whether we can have a continued revenue stream into racing.

Mr. Kelvin Hopkins (Luton, North) (Lab): I welcome the seven-year provision. I speak as one who has spent far too much of his money at the Tote—indeed, I have contributed to it over many years at the Cheltenham festival and elsewhere. I have trusted the Tote. Does my right hon. Friend agree that we do not need a public inquiry? The seven-year period will give the Government, his Department and the House plenty of time to assess how the system is working and will allow possible adjustments to Government policy if necessary.

Mr. Caborn: May I repeat again that the Government believe that the decision is right? Eighty per cent. of the Tote's business is not the pool; it is fixed-odds betting out in the marketplace where it competes with all the other bookies. I do not know whether that percentage will change over the next seven years—it is entirely up to the Tote, as an organisation. The significant difference between the Tote and companies such as Ladbrokes and William Hill is that its profit will go back to the racing

industry through a racing trust. We should protect that revenue stream back to racing, and I have every faith in the Tote.

Several hon. Members *rose—*

Mr. Caborn: Let me go on. If we move to the end of the seven-year period, what will we be left with? Let us assume that we had the status quo and that the ratio was still 80:20. We would not be selling the Tote into the marketplace, but the pool. The Tote would still have all its shops and its brand, and it would be in the marketplace to bid with any other firm for 20 per cent. of its business. That is what we are talking about.

Mr. Salmond: Will the Minister address what I said about the Tote acting to keep the rest of the market honest for consumers? As I was listening to the tale of woe about Saturday from the hon. Member for West Renfrewshire (Jim Sheridan), it struck me that I probably should have declared an interest—I now willingly do that. If the hon. Gentleman had followed the sensible advice in my racing column on Saturday, he would be feeling a lot better today.

Mr. Caborn: I do not want to get involved in the internal politics of Scotland.

On the 20 per cent. figure, I genuinely hope that the pool will grow under the new arrangements. I hope that the constraints that we will take away from the Tote will mean that it may market the pool aspect of its business more aggressively. There is every argument for the point that the hon. Member for Banff and Buchan (Mr. Salmond) made—it was strongly made when we received advice to sell the Tote into the marketplace on day 1. We believed that it was necessary to put the Tote in a position in which it could grow its business, including, hopefully, the pool aspect of it.

I, for one, would like that to happen so that we bring a countervailing force to fixed-odd betting. It is good for the punter and the marketplace. That is why lifting the constraints off the Tote so that it can aggressively market its portfolio should allow the pool part of its business to grow, probably even against that fixed-odd betting.

Tony Cunningham (Workington) (Lab): Does my right hon. Friend agree that one of the main reasons why racing is so popular is television coverage? "Attheraces", which covers almost all races, gives tremendous coverage, people become interested and go on to watch racing at meetings. Is he not concerned that by 29 March "Attheraces" might stop covering horse racing? There is even a threat that the grand national will not be covered on television. If we lose that coverage, people might lose interest. Is he worried that that could change the circumstances surrounding the industry?

Mr. Caborn: It could. We have been trying to bring certainty to the industry and I hope that the seven-year licence for the Tote will bring stability. Indeed, the concession to include that in the Bill is a continuation of our attempt to achieve stability. The industry is very important and has a tremendous effect on the rural economy. I hope that people who are negotiating in the industry will take note of the signs that are coming out of the Government.

The case has not been made for amendment No. 1. The Bill ensures that the revenue stream continues into racing because the Tote will be sold into a racing trust. We have given assurances in government and beyond on the seven-year period. It was part of the negotiations on whether we put the Tote straight into the marketplace or allow it to reposition itself under the seven-year licence and then expose the pool part of it to the marketplace.

Mr. Paice: I emphasise that we are not necessarily talking about a subsequent licensing of the Tote. The amendment suggests that there should be an inquiry on whether a single exclusive licence should operate pool betting. That is not necessarily related to the Tote, but is in the interests of the overall gambling market, to which several hon. Members referred. The issue of a single pool is important. We simply suggest that we should not make the decision now, but leave it to an inquiry in five or six years' time.

Mr. Caborn: There have been inquiries into the pool. The competition authority in Europe has been involved. The Office of Fair Trading clearly recommended that the pool should be sold into the marketplace and that it was for the marketplace to decide whether it should stay as a single pool or be broken up. We took a slightly different view and wanted a halfway house. Discussions in Whitehall led us to believe that the Tote needed some protection so that it could reposition itself by moving from the public sector to the private sector under a seven-year exclusive licence. That was the agreement and we will stick to it. Had we not settled on that, we would not have been able to discuss the amendments.

There is a strong rationale to the agreement. It gives the industry a revenue stream and the punter choice after seven years. It also gives the Tote, as a business, opportunities that it could never have had when it was in the public sector. On that basis, I ask the hon. Member for South-East Cambridgeshire (Mr. Paice) not to press amendment No. 1 to a vote.

Amendment agreed to.

Amendment made: No. 12, in page 5, leave out from beginning of line 10 to 'terms' in line 11.—*[Mr. Caborn.]*

Mr. Deputy Speaker: We come to amendment No. 1 to be moved formally. As there has been a printing error, I shall read out the text of the amendment to be moved so that the House is clear. It is as follows:

"in page 5, line 16, leave out from 'Crown' to the end of line 17 and insert . . . 'shall appoint prior to the expiry of the exclusive licence an independent inquiry to advise him whether a further exclusive licence should be issued and whether such a further licence, if issued, should be issued to the successor company or another body."

Amendment proposed—[Mr. Paice.]

Question put, That the amendment be made:—

The House proceeded to a Division.

Mr. Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 136, Noes 285.

Division No. 40] **[5:30 am**

AYES

Allan, Richard
Amess, David
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Burnett, John
Burns, Simon
Burt, Alistair
Cable, Dr. Vincent
Carmichael, Alistair
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Curry, rh David
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Duncan, Alan *(Rutland)*
Fabricant, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Foster, Don *(Bath)*
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Greenway, John
Grieve, Dominic
Hague, rh William
Hammond, Philip
Hawkins, Nick
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Holmes, Paul
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Keetch, Paul
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moss, Malcolm
Murrison, Dr. Andrew
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paice, James
Portillo, rh Michael
Pugh, Dr. John
Randall, John
Redwood, rh John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Russell, Bob *(Colchester)*
Salmond, Alex
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, rh Sir John
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Teather, Sarah
Tonge, Dr. Jenny
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilkinson, John
Willetts, David
Willis, Phil
Wilshire, David
Young, rh Sir George

Tellers for the Ayes:
Hugh Robertson and
Mr. Mark Francois

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Bell, Sir Stuart
Bennett, Andrew
Berry, Roger
Best, Harold
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Borrow, David
Bradley, rh Keith *(Withington)*
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, Andy
Byers, rh Stephen
Cabom, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Corston, Jean
Cox, Tom *(Tooting)*
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gilroy, Linda
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hodge, Margaret
Hoon, rh Geoffrey
Hopkins, Kelvin
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iranca-Davies, Huw

Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Kevan *(N Durham)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Khabra, Piara S.
Kidney, David
King, Andy *(Rugby)*
King, Ms Oona *(Bethnal Green & Bow)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McCartney, rh Ian
McDonagh, Siobhain
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Meale, Alan *(Mansfield)*
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Mountford, Kali
Mudie, George
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
O'Neill, Martin
Osborne, Sandra *(Ayr)*
Palmer, Dr. Nick
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Pláskitt, James
Pollard, Kerry
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robinson, Geoffrey *(Coventry NW)*
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Ms Christine *(City of Chester)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Skinner, Dennis
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Soley, Clive
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Twigg, Stephen *(Enfield)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, Tony *(Cannock)*

Tellers for the Noes: Joan Ryan and Margaret Moran

Question accordingly negatived.

Amendment made: No. 13, in page 5, line 44 [Clause 8], leave out from 'Crown,' to end of line 47.—*[Mr. Jim Murphy.]*

Clause 10

CONTROL WHEN NO EXCLUSIVE LICENCE

5.45 pm

Mr. Caborn: I beg to move amendment No. 19, in page 9, line 2, at end insert—

'(3) Sections 281 and 282 of the Criminal Justice Act 2003 (c. 44) (increases in maximum terms of imprisonment) shall apply to the Betting, Gaming and Lotteries Act 1963 (c. 2) as amended by this section.'.

Mr. Deputy Speaker: With this it will be convenient to discuss Government amendments Nos. 14 to 18.

Mr. Caborn: Amendment No. 19 is a small technical amendment. It will ensure that the provisions of the Criminal Justice Act 2003 will apply to the offences inserted in the Betting, Gaming and Lotteries Act 1963 by the Bill in respect of unlawful pool betting and the submission of accounts for Gaming Board scrutiny. Amendments Nos. 14 and 15 deal with the period within which pool operators will be obliged to submit their accounts.

Once the exclusive licence comes to an end, anyone with a bookmaker's permit will be able to carry on pool betting business, subject to some requirements, the most significant of which is compliance with the regulatory regime set out in schedule 1, which will become schedule 1A to the 1963 Act.

Under part 3 of schedule 1A bookmakers will be required to submit monthly pool betting accounts to a supervising accountant, and this requirement must be complied with within seven days of the end of the month to which the accounts relate.

The hon. Member for South-East Cambridgeshire (Mr. Paice) tabled an amendment in Committee to extend that period from seven to 28 days, and I agreed to consider it, but I awaited further evidence from the Tote to support its concerns that seven days was not sufficient.

After the point was raised in Committee, the Tote explained why it would be difficult for it to comply with the provisions as drafted. I am therefore satisfied that it is appropriate to extend the period to 28 days, which is achieved by amendments Nos. 14 and 15.

Mr. Paice: That makes it 2:1.

Mr. Caborn: I turn to amendments Nos. 16, 17 and 18. On Second Reading I announced the extension of the levy until 2006. I am pleased that that was well received

[Mr. Caborn]

by hon. Members on both sides of the House, and I believe that it brought certainty to the industry. We fully expect that the Tote will have been sold by that date, so consequential amendments need to be made to existing legislation in respect of the Tote's role in the levy negotiations. We see no place for the privately owned successor company on the levy board, so amendment No. 16 removes the seat on the board held by the current Tote chairman, who will not be replaced on the board.

However, so long as the successor company is being run in the interests of racing, pursuant to the exclusive licence, we see benefit in allowing it to retain the Tote's ability to negotiate the levy separately from other bookmakers, because that will give it an effective way to make its contribution to racing. Should the levy system outlive the exclusive licence, the provisions make it clear that the successor company will be assessed for levy in the same way as any other bookmaker.

I hope that hon. Members find the amendments acceptable.

Mr. Paice: I welcome amendments Nos. 14 and 15, and thank the Minister for reconsidering the amendments that we tabled in Committee and recognising the validity of our case by changing the period for the submission of accounts from seven days to 28 days.

As the Minister said, amendment No. 19 is technical.

On amendment No. 16, the Minister referred to the removal of the Tote chairman from the levy board. I understand his reasoning, but when will that actually happen? We are in a state of flux. We do not know precisely when the Tote will be sold, although we hope that it might be soon. We know that the levy board will be wound up in 2006, subject to the next group of amendments. However, it is not clear when the amendment will take effect. Will the Tote chairman remain on the levy board until such time as the Tote is sold? The amendment does not specify a date, but implies that he will be removed as soon as the Act comes into force, which might predate the sale of the Tote. Subject to that clarification, I am happy with the amendments.

Mr. Caborn: The provision will become operational when the Tote is sold. I understand from the lawyers that that is about fairness. When the Tote goes into the marketplace, the chairman forgoes his right to be on the levy board.

Amendment agreed to.

Clause 15

ABOLITION OF LEVY

Mr. Paice: I beg to move amendment No. 3, in page 10, line 26, at end insert—

'(4) The Secretary of State shall not make an order under section 15(1)(d) providing for the Horserace Betting Levy Board to cease to exist unless the order also makes provision, or an earlier order under section 15(1) has made provision, for a "transfer scheme" under this section.'.

Mr. Deputy Speaker: With this it will be convenient to discuss amendment No. 4, in page 11, line 7 [Clause 16], leave out 'have effect' and insert

'shall not have effect until—

(a) the Secretary of State has published a report of the outcome of the consideration by the Office of Fair Trading into the arrangements for the sale of data and media rights by the British Horseracing Board and

(b) the scheme has been approved by both Houses of Parliament.'.

Mr. Paice: The amendments deal with the abolition of the Horserace Betting Levy Board. That has caused a considerable amount of debate in this House and in Committee, as well as in the racing industry. As I said on Second Reading, not everybody connected with horse racing is entirely happy with the Government's proposals to abolish the levy and the levy board—the bookmaking industry certainly is not, and has argued the case for retaining it. Conservative Members accept that the levy is somewhat anachronistic, as is the Government's involvement in determining it, given that the system is being moved closer to the marketplace. That is right, so we support the measure in principle.

We should bear in mind, however, that the racing industry is in a state of tremendous uncertainty and flux, particularly in relation to the investigation by the Office of Fair Trading, the rule 14 notice that the OFT served last April, and the continuing discussions between the OFT and the industry on whether the industry can adjust its modus operandi and structure to meet the OFT's concerns without the rule 14 notice having to be enforced. It is widely believed throughout the industry that if the OFT maintains that stance, it will lead to a significant reduction in racing's income from the commercial sale of data, which would have a knock-on effect on the number of race courses and the number of jobs in the racing industry. The OFT's stance is based on its odd contention that it is perfectly acceptable for bookmakers to operate en bloc in negotiating for data rights, but unacceptable for race courses to do likewise. I find that argument difficult to accept, and I believe that the Minister shares my doubts; nevertheless, that is the situation.

Further uncertainty is created by the consideration by the European Court of Justice of the case brought by the bookmakers. Given the way in which matters proceed in that court, it could be a long time before there is any outcome. Another factor is the renegotiation of the commercial arrangements between "Attheraces" and 49 race courses for the sale of media rights. I do not think that that is as much of a doomsday scenario as the hon. Member for Workington (Tony Cunningham) suggested, and it is of course an entirely commercial negotiation—it is not a matter for the Government to get involved with, nor should it be—but it clearly adds to the significant uncertainty.

It is essential that in passing the Bill, the House does not make matters worse by adding to the uncertainty. That is why, despite my support for the principle of ending the levy, I believe that we should have another bite at the cherry. Without wishing to repeat the confusion that arose in respect of the earlier group, I must point out that amendments Nos. 3 and 4 offer two alternative approaches, on the basis that there is then a

greater chance that one of them might be acceptable to the Government. That is probably wishful thinking, but it is nevertheless an option.

Mr. David Heath (Somerton and Frome) (LD): It is an each-way bet.

Mr. Paice: If they come in first and second, I shall be delighted, but knowing my luck it is not very likely.

Amendment No. 3 proposes that when the Secretary of State places before the House the order for the abolition of the Horserace Betting Levy Board, as is required by clause 15(1), it should contain the details of the transfer scheme that is part and parcel of the disposal of the board and its property, assets, rights and liabilities.

Amendment No. 4, as a pick-your-own alternative, suggests that before any transfer scheme could take effect, the Secretary of State should publish a report on the outcome of the OFT's consideration of the arrangements for the sale of data and media rights by the British Horseracing Board, and that the transfer scheme should then be approved by both Houses of Parliament.

The purpose of both amendments is to give the House time to consider the issue. We hope that we shall soon know the outcome of the negotiations with the OFT—the most significant of the variables to which I referred.

6 pm

The Minister properly reminded us that he has agreed to continue the levy for a further year beyond what was originally envisaged. Everybody in the racing industry welcomes that decision because it means that the levy board will not be wound up until autumn 2006, and that the levy will end at the end of March 2006. That means that the fixture list for 2005 can be developed in the coming months in the knowledge of the income for that year. Nevertheless, the uncertainty beyond that is significant and I therefore suggest that, as we all hope that the OFT deliberations will be concluded later this year—I hope speedily, but it may be some months yet—it would be wrong to give the Government carte blanche to dispose of the levy board, and for the Secretary of State to have complete authority over the transfer scheme for its assets and its property. That right should not be given at this stage because we do not know what may happen.

The Minister has clearly and repeatedly said that he intends to end the levy. I understand and accept his determination to do that, but before giving the final say-so, and before giving the Secretary of State total power to decide what happens to the assets through the transfer scheme, the House should be entitled to the opportunity to reflect on the outcome of the OFT investigation. If the rule 14 notice stands and the negotiating powers of the race courses break down as was suggested last April, racing could experience a significant diminution of income—much greater than was envisaged when the original idea to dispose of the levy was devised.

The levy raises a considerable sum of money, and if racing lost the income from it at the same time as facing a reduction in its anticipated income from the sale of data, it would be catastrophic for the industry. I therefore advocate that before the final decision to wind up the levy board is made—right as it may be in principle—hon. Members should have the opportunity to reflect on it and preferably consider a report. If we cannot consider a report, I hope that we can at least be fully cognisant of the outcome of the OFT investigation. It is right and proper for all of us who are concerned about the long-term financial welfare of racing to be pretty clear that it will have a continuing income stream. Once the levy goes, there should be a replacement stream from commercial activities. If the OFT decides that that income stream should be significantly less—or will inevitably become significantly less—than that from the levy, hon. Members should have the opportunity to reconsider the matter.

I have outlined the purpose of amendments Nos. 3 and 4, which are a pick-and-mix—two alternative arrangements—but I hope that the Minister will allow the House an opportunity to consider whether and how to wind up the levy board and transfer its assets once we know the resolution of some of the uncertainties that currently beset the industry. If the Government decide to plough on regardless of the outcome of the OFT decision, and that decision is to uphold last year's rule 14 notice, it is possible that racing, race goers and punters will suffer considerably. That would be not only regrettable but a sad indictment of the Government's attitude, given their generally well-meaning intentions. I hope that they will give hon. Members an opportunity to consider the matter further before making the final decision.

Mr. Don Foster: Hon. Members will know that until the 1960s there was an informal arrangement whereby money was transferred from bookmakers to racing. However, in the 1960s it was decided that the agreement should be more formalised, and the Horserace Betting Levy Board and the accompanying levy were established. The levy has been important to the sport and industry of racing.

Some £70 million a year is transferred from the levy to horse racing for uses that are more wide ranging than some might suspect. Some of the money is used to improve veterinary medicine and education. That is clearly welcome. Some is used to develop horse breeding and some for an additional purpose, which the hon. Member for South-West Hertfordshire (Mr. Page) eloquently described in Committee, when he said:

> "I stand on concrete steps under a corrugated iron roof, the rain drips down, it is windy and I think, 'I really am enjoying this.' This is where the levy board plays an important part. Over the years, it has been responsible for seeing many of our race courses upgraded because it wants to make racing more enjoyable."—[*Official Report, Standing Committee D*, 22 January 2004; c. 68.]

Expenditure on improving race courses throughout the country has been important and played its part in the significant increase in recent years in the number of people who go racing. There is a good reason for the levy, and a large benefit has accrued from it.

Nevertheless, as the hon. Member for South-East Cambridgeshire admitted on behalf of the Conservative party, and Liberal Democrat Members also acknowledge, the time has come for the Government to stand aside from interference in the relationship between the bookies and racing. We need to find an

[Mr. Don Foster]

alternative. However, we need to be sure that whatever alternative is adopted, it will continue to ensure revenue streams of at least the current order of magnitude for racing, and the range of benefits that I described.

In Committee, and here today, hon. Members of all parties have expressed the concern that the OFT's interference through the rule 14 notice, and the further complication of a European Court case that is currently being considered, mean that there is no certainty about what the future may hold, and what could replace the levy and the money that it brings to racing. It is therefore eminently sensible to have some mechanism whereby we can determine the most appropriate way forward. Since we do not know what that will be, it is sensible to include a provision that ensures that there will be an opportunity to decide to end the levy board and the levy only when we know the alternative and are convinced that it will make sense in terms of the benefits that it brings to racing.

In Committee, several alternative formulations were presented. The Minister accepted none. He has generously been given not one but two possible options to consider. I hope that he will accept at least one—or possibly both, in keeping with the belt-and-braces approach of the hon. Member for South-East Cambridgeshire. We already have two victories to one; I hope that that number will increase before long.

Mr. Deputy Speaker (Sir Michael Lord): I call Mr. Richard—I am sorry, I cannot remember—

Mr. Page: Page.

Mr. Deputy Speaker: I beg your pardon, Mr. Page.

Mr. Page: Thank you, Mr. Deputy Speaker.

Mr. Paice: Is my hon. Friend not retiring soon?

Mr. Page: Indeed, it is lucky that I am going.

I do not think there is any disagreement about the value of the levy board's work. The hon. Member for Bath (Mr. Foster) mentioned my brief contribution on Second Reading, thus adding to my already growing reputation as a gambler and habitué of the race course. Indeed, I am seldom in the House; it is lucky that I am here today—and no doubt it is because I am nearly always at the race course that you could not remember my name, Mr. Deputy Speaker. I shall be extremely fortunate if I am called by you again in the next year.

I am sympathetic to the Secretary of State's wish to get rid of his obligations and responsibilities in respect of the levy. I see no point in involving Government in commercial negotiations and arrangements such as this, and I think all Members would agree with me on that. The problem is that the existing system incorporates a security of supply. We may not like that—the industry may periodically engage in internecine warfare over the calculation of the levy—but at the end of the day there is that security. We surely all agree that the levy must remain. I do not think that any faction in racing disputes the value of that; the factions disagree merely on how much they must put in to that value.

My hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) hinted at a few of the existing problems, such as media rights and what the Office of Fair Trading may do. Such things could put that security of supply in doubt. We need a commercial arrangement that does not involve the Government, but we also need to retain the security. My hon. Friend—who has initiated a trend for mixing and matching amendments so that we can choose whatever we fancy—has identified an important point: until we know for certain what the security arrangements will be after the OFT's intervention and after privatisation, we need to keep our options open. I do not understand why the Minister wants to exclude so many possibilities at this stage. I hope that he will consider the amendments and—putting his hand either on his heart or on his wallet—will say, "Trust me; I'll come up with something as the Bill proceeds."

Mr. Salmond: I shall not repeat all the arguments that have already been advanced, but I agree with them. I know from what the Minister said in Committee that he recognises the dilemma that confronts everyone—not least him. This is, however, a bad time at which to legislate. The parameters of market power in the industry are yet to be set. The industry has had considerable success lately: its attendance levels are the highest for many generations, many aspects of it are flourishing, and there is a competitive betting market. It would be extraordinary if, by dint of regulation, interference or not thinking carefully enough, we upset a balance of power that is healthy and necessary.

It is natural that various interests should try to secure a dominant position in the industry. We need only consider greyhound racing, with which one Member seemed to be remarkably familiar. We should bear in mind what happens when bookmaking interests are in a position to control the industry, to the detriment of others—not least the consumer, or punter. I fear that the fundamental lack of understanding of the balance of forces to which I have referred among people at the OFT might create a similar imbalance in horse racing. I accept that the Minister is in a difficult position, but, although he has expressed sympathy, he has not explained why the OFT seems unable to understand that such an imbalance would be created by allowing the buying of rights while disallowing the selling of rights. That is a strange conundrum.

6.15 pm

Mr. Page: I accept all that the hon. Gentleman has said. Does he accept that the OFT has been given powers that are aimed strictly in one direction? They are intended to introduce competition, and the side effects are barely considered. Is it not time that the Government took powers to rein in future OFT activities?

Mr. Salmond: I am pleased that the hon. Gentleman, along with the right hon. Member for Wokingham (Mr. Redwood), agrees that for the sake of a better marketplace—and, incidentally, for the sake of a sport that is part of that marketplace—it is sometimes necessary not to prevent restraint, but to take a common-sense view of the balance of powers within the market. Scotland has five race courses, all run

independently in different ways as relatively small organisations. It would be extraordinary to think that those courses, individually, could be in a good negotiating position, able to face the might of not one large bookmaking company but—possibly—all the companies acting in concert. It would be an extraordinary act to leave individual race courses, in Scotland or elsewhere, at the mercy of such negotiation.

Mr. Alan Meale (Mansfield) (Lab): Perhaps, having reflected on the speech that preceded his and on the statement that everyone in racing was entirely au fait and satisfied with what had happened to the levy board and its distribution, the hon. Gentleman would like to say a little about what happened in Scotland. The levy gave very little support to the industry there, with the result that many courses, such as Lanark, remain closed to this day.

Mr. Salmond: I am too young to have had the privilege of going to Lanark race course, but I know that the hon. Gentleman has been there many times. We regret the lack of investment, and the unnecessary shake-out of some courses in the 1950s and 1960s. I must say, to be fair to the levy board, that a number of the current Scottish courses have been strongly supported. Until recently our grade 1 track, Ayr—now thankfully under new management, and hoping for support in the future—was not in a position to seek assistance.

I do not claim that the levy board is a perfect organisation. I am merely saying that this a difficult time at which to legislate. I know that the hon. Gentleman—whose interest in racing, particularly Scottish racing, is well known—appreciates that point.

Mr. Meale: I raised the issue because of the suggestion that everyone was satisfied with the levy. I agree with the hon. Gentleman that Scottish racing has improved dramatically recently, but that has been largely due to good management. The improvement has happened not because of but despite the levy board, and the distribution that it should have had in the past.

Mr. Salmond: Yes, although some investments have been supported substantially by the levy board. What is needed is innovative management at course level. There have been dramatic improvements on four Scottish courses so far, and we hope that that will apply to five courses now that Ayr is under new management. I do not want all that improvement, all that innovative management, to be jeopardised or sacrificed because of uncertainties in the marketplace.

The Minister must reassure us that he will guide the industry through those uncertainties. He has given such reassurances in other contexts. He must solve the conundrum of why the OFT seems fundamentally to misunderstand the balance of forces in the marketplace, and tell us how he can make the tension in the relationship creative rather than destructive. However we view the issue, we should not favour a final decision at this stage. I do not see how we can legislate sensibly against a changing backcloth. Unless the Minister can give the information that I require, I shall continue to feel sympathetic towards the amendments.

Mr. Laurence Robertson: I want to make a brief contribution in support of the amendment moved by my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice). I first took an interest in horseracing in 1981, and at that time I thought that it was one sport governed by one body, and absolutely rolling in money. I had that impression for some years until I was elected to this House in 1997, since when I have had the honour of representing the Tewkesbury constituency, which contains Cheltenham race course. In January 1998, I applied for and obtained an Adjournment debate on national hunt racing. It is not an exaggeration to say that that debate changed my life, because when it was discovered that I had obtained it, I was approached by people from absolutely every corner of the sport. It was unbelievable that so many people should be phoning me, writing to me, coming to see me and, which was very pleasurable, inviting me to their race courses. The reason had nothing to do with me; those people were desperate for someone to champion their cause. I was aware that other hon. Members who had been here for some years had done that, but the fact that someone else who wanted to champion the cause of racing had come to the House was, to those people, to be hugely welcomed.

I then began to look into the industry, and I discovered two things. First, it was very fragmented. Secondly, it was not rolling in money as I had thought. We hear about racing being the sport of kings, which indeed it is, but it is also the sport of many ordinary people, and long may it continue to be so. It is not rolling in money in the way in which some people not associated with the sport might imagine.

The reason for my long preamble, which will probably be longer than the rest of my speech, is that I want to make the point that now is a very uncertain time in horseracing. We have heard about the potential collapse of the "Attheraces" deal, which has made for much uncertainty. The possible changes that the Office of Fair Trading is promoting are also very worrying. That was the subject of another Adjournment debate that I had the privilege of holding. Cheltenham, in my view, is the greatest race course in the world and very successful, but it is not the likes of Cheltenham that are likely to be much threatened by the OFT's proposals. I held that debate to demonstrate my concern for the smaller race courses, which depend for their income on newer or smaller trainers—people who are starting out in the industry. Without the Herefords and Ludlows of this world, there would not be a Cheltenham, so although it is my job to represent the Cheltenham race course in the House, I am also very concerned about the possible effect of the OFT's recommendations on smaller race courses.

There is a problem with income and with potential income, and I want to reinforce what my hon. Friend the Member for South-East Cambridgeshire said. Given the current huge uncertainty in racing, not only over who controls it—which is being questioned—but over the financial side, is this the time for the Minister to bind his hands by abolishing the levy without there being any obvious alternative income stream? I welcome the Bill, and the Minister has by and large done a very good job, but he seems prepared to have his hands bound over one or two aspects, yet not over others. Perhaps we can touch on the matter again on Third Reading, but I

[Mr. Laurence Robertson]

support my hon. Friend in asking the Minister to reconsider this aspect, given the tremendous uncertainty in horseracing at the moment.

Mr. David Rendel (Newbury) (LD): I want to make a few short remarks in support of the amendments. They are very important, given the racing industry's serious concern over its future.

My argument really stands on two legs. The first is that the racing industry in many ways moves and changes quite slowly, and is still very traditional. It still depends largely on many employees who work only part-time and for comparatively low wages. They perhaps attend, look after and organise the race course in their local area once a month, during the monthly race meeting, and they depend on racing for their very existence because their income otherwise is negligible, if it exists at all. That is a long-standing situation.

The other leg of the argument is that the betting industry has been changing quickly in recent years, not least because of the advent of offshore betting through the internet and other new forms of betting, and the gambling legislation currently going through. That has led many of the people whom I mentioned, who have perhaps been in racing all their lives, to find their future open to question. Anything that we can do through the Bill to reassure such people that, whatever happens when the betting levy goes, there is a future for racing, there will still be money in it and there will not be a large number of redundancies, will be very welcome. Will the Minister seriously consider whether these amendments could be the ones to reassure those people? They badly need reassurance, and this is an opportunity for the Minister to give them that. I very much hope that he takes it.

Mr. Heath: It is with pleasure that I follow my hon. Friends and other colleagues who have spoken, some of whom represent some of the larger race courses in the country, including Cheltenham and Newbury.

I had anticipated that I would support the Bill throughout, including the changes to the Horserace Betting Levy Board, but the OFT report casts the whole Bill in a different light because of its effect on precisely the sort of race course that the hon. Member for Tewkesbury (Mr. Robertson) described. I represent one such race course, Wincanton. We had hoped to welcome the Minister there last week, and his comments over the phone to the school there were well received and much appreciated. I still hope that he will come to Wincanton to visit not only King Arthur's school but Wincanton race course. Wincanton is an extremely good race course—although I would say that, because I have lived in its shadow for most of my life. I have seen it grow and progress over the years from a situation, as described by the hon. Member for South-West Hertfordshire (Mr. Page), where one stood under corrugated iron in the pouring rain, to one where one stands in grand grandstands. Wincanton has been built up and improved over the years, and represents an extremely good quality product for those who go there. I do not want to see any of that put under threat by what is now happening.

The problem with the OFT report is threefold. First, as the hon. Member for Banff and Buchan (Mr. Salmond) said, it does not recognise the intricate balance of power in the industry. Secondly, as the hon. Member for South-East Cambridgeshire (Mr. Paice) said, the report seems to have a blind spot in that it recognises a monopoly of supply but not a monopoly of purchase. That seems extraordinary. Thirdly—a point that we occasionally miss when discussing such matters in the House—we are dealing with not only a major industry but a major sport. It is the sport aspects of racing that are in danger of attack if the OFT's proposals go through in their current form. I do not believe that Cheltenham and Newbury are at risk. I hope that Wincanton is not at risk, but I recognise that its turnover is just one tenth of Cheltenham's, which is worrying. Wincanton provides entertainment for many people who are very grateful for the chance to see quality racing on their doorstep.

I recognise, however, that only about 37,000 people a year go to Wincanton race course. Inevitably, the financial position of courses such as Wincanton is more precarious than that of the big courses, but courses such as Wincanton provide the motor for the sport and industry of racing by providing opportunities not just for the lower-quality horses but for extremely good-quality horses. I remember seeing the legendary horse Desert Orchid many times around the Wincanton course, where he was a great favourite of the Wincanton race goers. As part of the structure of racing, the provision of races at different levels, at different stages in horses' development in training and at different standards provides the elite horses for the elite meetings in due course.

6.30 pm

My last point is that it is not just the race course that is affected. Apart from the number of people employed directly or indirectly when there is a meeting, which extends far beyond direct employees of the race course, I worry about the trainers who have made their homes in, and run their businesses from, Somerset. There are a great number of those, who are very successful, as well as stables, studs, foal-raising enterprises and vets, all of which are part of the bigger industry and the bigger sport that we call horse racing. To me, that is an important part of our rural way of life, certainly in my area and in many others around the country.

If the OFT has its way, what I see developing is a concentration on bigger courses, a concentration on all-weather courses, which have their uses but do not necessarily represent all that is best in racing, a shrinking of the industry as a whole, fewer opportunities for new entrants to racing, and a loss of competitiveness—British racing already has a problem of competitiveness compared with overseas competitors. If we lose prize money, facilities and the structure of racing, all of those together will make a serious problem.

I support the amendment. I hope that, at the very least, it will buy time to enable a sensible arrangement to be worked out. I know that the Minister is involved at least tangentially in this matter, and that progress is supposedly being made. I am concerned to ensure that we do not have a forced compromise that is not in the interests of racing, simply because of the time constraints and working against the legislative

framework. I applaud what the Minister has done in relation to extending the levy for a year, but we must get this right. We must get the OFT to understand what it is doing in this area, as in so many others in which it intervenes and fails to see the wood for the trees. Most of all, we need to maintain a grass-roots industry. That may be an awful cliché to use in the context of racing, but we must make the industry and sport work from the bottom up, rather than having an elite structure that is to the detriment of racing as a whole.

Mr. Meale: I see a lot of credit in both amendments tabled by the Opposition.

The explanation given of Amendment No. 3 was that it is intended to ensure propriety and to ensure that the handover of assets and everything else connected to the levy board goes smoothly and honestly. I have seen instances of that not happening in the past when public assets have been transferred after a named date for transfer. The kind of propriety that we should lead people to expect, as their representatives, has not occurred. In relation to Teesside development corporation—to name one case—hundreds of millions of pounds seemed to go missing, with photocopying machines and the like turning up months and even years later without anybody being able to explain what had happened.

What worried me in the explanation of the hon. Member for South-East Cambridgeshire (Mr. Paice) was whether the purpose of the amendment was to get round the Government's intention to hand back the role of the levy board to racing. He is a prominent supporter of racing in the House, and has been a leading member of the all-party group on racing and bloodstock. He is therefore acutely aware that the best report recently on racing, and on what needs to be done in relation to its management and structure, was the inquiry by the Home Affairs Committee, which examined not only horse racing but the question of the levy. Its conclusion was that there should be a single body for racing, and I am worried that amendment No. 3 might be used as an extension, whereby two, three or four bodies might remain.

I commend amendment No. 4 because it rightly points out the damage being done by the OFT, and its mismanagement and mishandling of matters on behalf of the people who work in racing and depend on it for a living. As was mentioned, many people in the industry do not have a lot of money. There are 150,000 people in the industry who depend on it every day for their livelihood. They might work in betting shops or stables, and they certainly do not make money out of gambling. They are not wealthy people, and they depend on us to pass legislation to safeguard their futures.

I therefore commend amendment No. 4, but I am worried about the implementation and purpose of amendment No. 3.

Mr. Caborn: I resist amendments Nos. 3 and 4, and I want to give the reasons why.

I preface my remarks by saying that racing is a growing industry. Several figures have been quoted on Report and in Committee: the number of supporters of racing has grown from 5 million to 6 million people, and the profitability of the industry is growing. In addition, there is now a recognition of the need to try to bring order to the governing bodies of the sport. I am pleased about the discussions with the British Horseracing Board and its constituent members to try to make sure that we remove from the sport and the industry some of the disarray and unfortunate infighting that has existed. I remind the House that it was the BHB that requested that the levy be removed, and that it believes that it can do a proper commercial deal within the industry. There is no argument about that, and as far as the industry is concerned, it was one of the founding objectives of the BHB. We are therefore talking about an industry that is growing and that still has tremendous potential, and I hope that the decisions on the Tote will make sure that that element of the industry flourishes, too.

On amendment No. 3, which seeks to ensure that the levy board cannot be closed down until provision is made for a transfer scheme to provide for the transfer of the levy board's assets to the new owners, it is unclear why hon. Members feel that the amendment is necessary. For real, practical reasons, we cannot envisage a scenario in which the levy board would close down, or be close to closing down, if we had not already found a home for its assets. That would be ludicrous, and we cannot find any reasons for doing it.

On the more substantive amendment No. 4, on which most of the debate has centred, as I explained in Committee and again this evening, the levy board should be closed and its assets transferred when my right hon. Friend the Secretary of State is satisfied that the time is right. As many Members on both sides of the House have said, this is enabling legislation.

Again, Members have referred to their concerns about the OFT, and I have made clear my concerns in public statements. I have indicated to the House that my right hon. Friend the Secretary of State has written to the OFT, and there has been an exchange of correspondence, which, unfortunately, cannot be put into the public domain. Nevertheless, we can reassure hon. Members that we have responded to the concerns of the House by saying that any settlement should be for the betterment of the industry. My hon. Friend the Member for Mansfield (Mr. Meale) spoke about how many people are employed in the industry, and we certainly need to factor that in.

I had a meeting with the industry a few weeks ago. I am optimistic that we are moving towards an acceptable compromise. To try to give the industry some stability, I have already announced an extension of the levy to 2006. However, I cannot accept that there is any benefit in the Secretary of State being required to publish a report on the OFT's inquiry before the levy scheme ends.

The specific point raised by the amendment relates not to the inquiry as a whole but to that part concerning the sale of the BHB's data and media rights. My understanding is that the media rights belong predominantly to the race courses and are not part of the inquiry. The OFT's final ruling will clearly not be the responsibility of the Secretary of State or the Government. It will be a matter for the OFT and the BHB. The Secretary of State will probably not even be party to the information, and it is doubtful that we would have access to enough information to produce a meaningful report, even if we wanted to.

[Mr. Caborn]

It is safe to assume, I believe, that the ruling is of such importance to the racing industry that there will be no shortage of debate when it comes out. We will take into account all relevant circumstances before the Secretary of State exercises her powers in clauses 15 and 16. Our position is known to the OFT and to the industry. We believe that there is now enough common ground to find a solution to the problem. I say that very genuinely. I can give a reassurance that, although clauses 15 and 16 give powers to the Secretary of State, she has no need to exercise them until she is satisfied that it will be for the betterment of the industry and the sport.

Mr. Salmond: I welcome what the Minister just said. As he knows, the sale of media rights will be closely related to arrangements for the sale of data. A cross-party group, the friends of Scottish racing, has been formed to examine these questions specifically in relation to Scotland. Will he undertake to meet us, so that we can express specifically Scottish concerns about the new framework?

Mr. Caborn: My door is nearly always open for most people to come and make representations. That is what Ministers are there to do. If the hon. Gentleman wants to raise that matter with my office, we will meet.

I have a lot of sympathy with hon. Members who have the interests of the sport at heart, but they should realise that no responsible Government would pursue early abolition of the levy board if there was any question of there being no adequate funding stream to replace it. I hope that that gives sufficient reassurance to allow the amendment to be withdrawn.

Mr. Paice: I thank all who have contributed to the debate, many of whom have made their maiden contribution to proceedings on the Bill on this issue. I am appreciative of the support that has come from all quarters other than the Government Front Bench. I cannot but point out a contradiction in the Minister's position. He has sought, most vigorously, to assure us that all the Bill does is give the Secretary of State powers that she does not have to use unless she is absolutely happy that everything will be fine afterwards, but when we discussed part 1, on the Tote, he referred to the House instructing him to sell it. He cannot have it both ways. There is no difference between parts 1 and 2 in that respect: they are both pieces of enabling legislation.

6.45 pm

Mr. Caborn: It is clear that the hon. Gentleman has not followed the debate. There is that which is within our control, and that which is outside it. What is in the Government's control is to be able to sell the Tote, and the price and conditions that go with that. The one thing that we are not in control of—rightly—is the OFT. That is what has created the uncertainty in the provisions for abolishing the levy. I have reassured the House, and it can be seen in our correspondence with the OFT. That is the essential difference.

Mr. Paice: I am afraid that that has no relevance whatever to the point that I was making.

Mr. Caborn: I will read *Hansard* tomorrow.

Mr. Paice: I suggest that the Minister reads his own comments. He specifically said—it will be in *Hansard*—that the House is instructing the Government to sell the Tote, yet now he says that the Bill does not instruct the Government to abolish the levy but merely enables the Secretary of State to do so. The OFT investigation is not relevant in that context.

To reply to the hon. Member for Mansfield (Mr. Healel) on amendment No. 3, I certainly do not want more proliferation of organisations. We are at one on that, and that is not the intention behind the amendment. The intention—I find it difficult to see why the Minister cannot bring himself to accept this—is simply that the transfer scheme should be part of the order abolishing the levy board. It is a tiny issue, and for him to resist it seems to me to be obstinacy ruling reason.

Several hon. Members have talked about the value of small courses. I represent a large course, one of the two at Newmarket, and I clearly do not envisage that Newmarket is under threat from whatever the OFT may decide, but we must consider the small courses. We are not talking about the closure of one or two courses—nobody could reasonably argue that that would have a devastating effect on the industry as a whole, although it would on the locality—because all the commentators believe that if the rule 14 order stands, it could lead to the closure of tens of courses, if not more, and that would certainly have a catastrophic impact, not least because, as the hon. Member for Somerton and Frome (Mr. Heath) said, there is a structure of courses. He referred to Desert Orchid, but many horses never make it to the very famous courses but spend all their lives racing on smaller courses. Others start on the smaller courses and progress to the household names. All courses are important in the interdependent structure of racing, and many hon. Members have pointed out that the OFT seems completely to have failed to understand that.

The commercial approach to producing an income stream for racing, through the sale of data and media rights, must be the right one, and there is nothing between the Government and us in that objective, but it is unrealistic for the BHB, the race courses or any other grouping to start commercial negotiations to generate income to replace the levy until they know what the commercial legislative parameters of those negotiations are to be, as laid down by the OFT.

I welcome the Minister's fond beliefs that the negotiations with the OFT and the industry are going well and that a solution will be found. I very much hope that he is right. All I am suggesting through the amendments is that, in the absence of any conclusion to those negotiations, it would be premature to give the Government carte blanche to abolish the levy board. Amendment No. 3 is the barest minimum step away from that, and amendment No. 4 goes a little further in

requiring a report from the Secretary of State. I was surprised when the Minister suggested that the outcome of those negotiations would be confidential. I cannot see how they can be confidential if they are to meet the requirement that everybody understands the marketing structure that could be adopted for the sale of data and media rights. Amendment No. 4 would require that a report be made, and that the House consider it and take a final decision.

It is clear that the Minister is determined to press on and to resist what are minor and reasonable amendments. In the light of his resistance, I shall press them to a vote.

Question put, That the amendment be made:—

The House divided: Ayes 134, Noes 289.

Division No. 41] **[6:50 pm**

AYES

Allan, Richard
Amess, David
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Beith, rh A. J.
Bercow, John
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Burnett, John
Burt, Alistair
Carmichael, Alistair
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Conway, Derek
Curry, rh David
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Duncan, Alan *(Rutland)*
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Foster, Don *(Bath)*
Gale, Roger *(N Thanet)*
Garnier, Edward
Gillan, Mrs Cheryl
Goodman, Paul
Grayling, Chris
Greenway, John
Gummer, rh John
Hawkins, Nick
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Holmes, Paul
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Keetch, Paul
Key, Robert *(Salisbury)*
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paice, James
Portillo, rh Michael
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Rendel, David
Robathan, Andrew
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion
Ruffley, David
Russell, Bob *(Colchester)*
Salmond, Alex
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Stanley, rh Sir John
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Teather, Sarah
Tonge, Dr. Jenny
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Watkinson, Angela
Webb, Steve *(Northavon)*
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Young, rh Sir George

Tellers for the Ayes:
Mr. James Gray and
Mr. Mark Francois

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Benn, rh Hilary
Bennett, Andrew
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boateng, rh Paul
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burnham, Andy
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corston, Jean
Cox, Tom *(Tooting)*
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Field, rh Frank *(Birkenhead)*
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gibson, Dr. Ian

Gilroy, Linda
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Hesford, Stephen
Heyes, David
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kemp, Fraser
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Lawrence, Mrs Jackie
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McDonagh, Siobhain
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McNamara, Kevin
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Meacher, rh Michael
Meale, Alan *(Mansfield)*
Michael, rh Alun
Milburn, rh Alan
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morley, Elliot
Mountford, Kali
Mudie, George
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Osborne, Sandra *(Ayr)*
Palmer, Dr. Nick
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Russell, Ms Christine *(City of Chester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Soley, Clive
Southworth, Helen
Starkey, Dr. Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Straw, rh Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Wright, Anthony D. *(Gt Yarmouth)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. John Heppell and
Mr. Jim Murphy

Question accordingly negatived.

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Deputy Speaker. You will be aware of the widespread speculation that a statement may be made by the Prime Minister on establishing an inquiry into weapons of mass destruction. Have you, Sir, heard any news in that respect, and would it be possible to ask for at least 45 minutes notice of the deployment of such a statement?

Mr. Deputy Speaker: I can tell the hon. Gentleman that—*[Interruption.]* Order. I am aware of the speculation to which the hon. Gentleman referred, but, as far as a statement is concerned, I have heard nothing at the moment. Perhaps I could add, in a more jocular vein, that the Chair would sometimes appreciate 45 minutes notice of points of order.

Clause 31

Distributions policy

Mr. Nick Hawkins (Surrey Heath) (Con): I beg to move amendment No. 9, in page 17, line 6, , at end insert—

'(4A) For the purposes of subsection (4)(b)(ii) the Mayor of London must have regard to the equal importance of the Olympic Bid 2012 and the regeneration of the Lower Lea Valley area'.

We now turn to the Bill's provisions on the Olympics and the new Olympic lottery. It is appropriate, as we turn to the sporting elements of the Bill, to have a sports fan such as yourself in the Chair, Mr. Deputy Speaker. I should also say, as a great racing fan, that I strongly support what my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) said about the racing aspects. We have worked together as a team and I am pleased to have seen such strong support for our views on both sides of the House—including, most recently, in the speech of the hon. Member for Mansfield (Mr. Meale).

Conservative Members completely support the Olympic bid for London 2012. The Minister and I—and, indeed, the hon. Member for Bath (Mr. Foster)—are wearing our London 2012 Olympic bid badges. We hope that, on the day after London has won the Olympic

bid in 2005, all Members and people throughout the country will want to wear those badges to demonstrate the whole country's support for the Olympic bid and for staging the Olympics in London in 2012.

We sought to improve this part of the Bill in Committee. There were three big issues for Conservative Members, two of which my hon. Friend the Member for South-East Cambridgeshire will return to on Third Reading and my noble Friends, led by Lord Moynihan, will pursue in another place. We believe that, in order to bring in the maximum amount for sport in general and the Olympics in particular, the Olympic lottery game should start at a time when interest in the Olympics will be at its height. I raised that matter with the Secretary of State earlier this afternoon at Culture, Media and Sport questions.

Secondly, we believe that the Government should show their commitment to sport—it is what I call the acid test—by agreeing to forgo what would otherwise be the tax take from the new Olympic lottery game and instead giving those moneys to sport.

The third big issue is dealt with by amendment No. 9. We want to avoid any Olympic bid being in some way hijacked by the present Mayor of London. In Committee, we recognised that the regeneration of the lower Lea valley area in east London would be an important side effect of a—hopefully successful—Olympic bid. However, we have been concerned that in many of his public statements, the Mayor has afforded regeneration greater importance than the Olympics. In Committee we sought to deal with the problem in a slightly different way from the present amendment No. 9, but I am indebted—as are we all in the House—to the Clerks for their advice on finding an acceptable alternative way of presenting the issue to the House this evening.

As the whole country will remember, the Prime Minister bitterly criticised the present Mayor when he first stood as a mayoral candidate.

The Prime Minister predicted that the Mayor would be "a disaster for London", but because it has become clear in the past few months that there is absolutely no chance of a victory for another Labour candidate, the current Mayor of London has suddenly become the Prime Minister's new best friend.

We hope that there will soon be a new Mayor of London—a Conservative Mayor. When the Mayor is consulted on future decisions about the Olympic bid, it would be helpful if the Bill stated that in responding to the consultation the Mayor must take fully into account the interests of both the regeneration of the lower Lea valley and the London 2012 bid. The amendment is a straightforward attempt to improve the Bill, which we sought to do with all our amendments in Committee, for the sake of both sport and the Olympic bid. We hope that the Government will accept it, if not today then in another place.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): I do not want to detain the House, but the amendment is frivolous. There is no conflict between the London Olympic bid and the need to regenerate the area where the games will primarily be based.

If the hon. Member for Surrey Heath (Mr. Hawkins) thinks that there is a conflict, he has not examined the proposals from other cities. To allow the necessary space not only for new stadiums but for all the ancillary facilities such as parking, new public transport infrastructure and especially houses for athletes, the Olympic village cannot be located in an area such as Hyde park or the Bois de Boulogne. If a major city is selected—we recognise that the International Olympic Committee will go for a major city—the Olympic village must be located in an area that is currently not used for very much. It therefore makes sense to look for a regeneration project as part of the Olympic bid, so I cannot see the conflict.

Mr. Hawkins: Like me, the hon. Gentleman visited the potential sites with the all-party Olympics group. I agree with him that there should not be a conflict, but concern has been expressed that the current Mayor of London has talked almost solely about regeneration. We want to see both the necessary regeneration and a concentration on the bid in any work done by the Mayor of London—whoever that may be. Our amendment seeks to ensure that the Mayor will consider both matters in any consultation.

Mr. Henderson: Like the hon. Gentleman, I learned a lot on the visit to the Lea valley and saw exactly what is proposed. I cannot see how there is a conflict. The Mayor of London is responsible for promoting the redevelopment of the Lea valley, as he is responsible for promoting the redevelopment of other areas. The best way—perhaps the only way—currently to redevelop that area is to do so on the back of the Olympic bid.

The Mayor of London knows how crucial the Olympic bid is for London, and I say that as a Member of Parliament from Newcastle. I support the London Olympic bid because I know that Britain will not get the Olympics unless they go to London. It is hugely important, particularly for young people throughout the country, that we take our best shot at obtaining the Olympics. The Olympic village must therefore be located in a redevelopment area. I cannot see a conflict and will be interested to hear what the Minister has to say, but I am not sure that an amendment is necessary to make the point.

7.15 pm

Mr. Don Foster: On Third Reading, we may have an opportunity to say a little more about our support for the Olympic and Paralympic bid. Liberal Democrat Members fully support the bid and would not want to take any action that might reduce the chance of success. Anything that drives a wedge between any of the component parts of the bidding process will clearly not be helpful.

Sadly, the hon. Member for Surrey Heath (Mr. Hawkins) attempted to suggest in Committee that the Mayor of London, whoever he or she might be, should not even be consulted on how lottery funds raised through the new Olympic lottery game should be spent, which was clearly a bad mistake on his part. Equally, it is a bad mistake to suggest that the Mayor of London, or anyone else involved in the bidding process or the arrangements to distribute lottery funds, would not take into account the wide range of important interests.

All hon. Members want to see a successful Olympic bid and want to ensure that all parts of the United Kingdom benefit from a successful Olympic games. If

[Mr. Don Foster]

people did not take that view, it would be pointless to suggest an Olympic lottery game. People from across the country are hardly likely to play that game if they do not see that, as well as the chance of winning some money, it will benefit their part of the country, whether it be Bath, Bangor, Belfast or even Banff.

All parts of the country should benefit, but it is clear that London will undoubtedly benefit, not least through the regeneration of the lower Lea valley, which is vital. Hon. Members surely know that London has the highest unemployment of all regions in this country. My hon. Friend the Member for Southwark, North and Bermondsey (Simon Hughes), who apologises for not being here, pointed out earlier that 13 of the top 20 constituencies in the unemployment list are London constituencies. Vital regeneration, huge support for sport in this country and other benefits will flow from a successful Olympic bid.

I am sure that the Mayor of London wants to be involved in the deliberations, not least because he, on behalf of the people of London, is making a significant contribution—not only a contribution to funding the cost of the bid, 50 per cent. of which will come from London, but a contribution of £500 million towards the cost of staging the Olympics if the bid is successful. Londoners will contribute an average council tax increase of some £20, and will rightly expect to benefit, not least from the regeneration.

I say to the Minister in passing that during regeneration account should be taken of the needs of businesses currently located in the lower Lea valley that may need to move to other locations. I hope that every effort will be made to ensure that new premises can be found for them within the locality, so that they, too, can benefit from the Olympic bid.

I find it strange that the hon. Member for Surrey Heath, who moved the amendment, wants to ensure that only one of those who will be consulted must take a balanced approach to regeneration and the other benefits of the Olympics. Why should not the National Lottery Commission or the National Olympic Committee equally be expected to consider both factors?

The amendment is clearly a pop at the current Mayor of London. It shows that the Conservative party has very little faith in its candidate for the mayoral election, Mr. Steve Norris, which is understandable since my hon. Friend the Member for Southwark, North and Bermondsey will occupy that position in the near future.

Mr. John Gummer (Suffolk, Coastal) (Con): I refer the House to my declaration in the Register of Members' Interests, because I have given a certain amount of environmental advice in relation to previous Olympic games, and to those who sponsor them.

I remind the hon. Member for Bath (Mr. Foster) of the election addresses of both the Labour party and the Liberal party, and the criticisms that they made of the current Mayor of London. Both his assertions about who the next Mayor will be were wrong; he is wrong to say that we are anything other than wholly convinced that Mr. Norris will be elected and his prognostication of the likelihood of his candidate winning is about three, if not four, places out.

I think that he is also wrong because he does not understand the seriousness of the issue.

I realise that it would be embarrassing for the Minister, but if I were to quote—although I shall not—the comments that have been made by Labour party members about the trustworthiness of the present Mayor of London, he would understand why it is so difficult for him to defend that Mayor. I am not too worried, as by the time the provisions have a real effect the present Mayor will no longer be Mayor, so we shall not be inconvenienced. As I represent a constituency outside London, and as I was the Minister responsible for negotiating and trying to win the bid for the Manchester Olympics, I want to underline the point made by the hon. Member for Newcastle upon Tyne, North (Mr. Henderson): if we are to have the Olympics at all, we need to have them in London. London deserves the Olympics and I am wholly in favour of them coming to the capital.

The Olympics are a potent means of regeneration—without it we would have no possibility of achieving the needs and demands of the International Olympic Committee. The committee demands that the Olympics should have a regeneration effect, especially in an area such as the Lea valley, which has been bypassed by time but where there is still the residuum of past glories. The bid offers an important opportunity to do something about the Lea valley. I speak as a former Secretary of State who, to some extent, started the Lea valley improvements, so I am pleased that the area has been chosen.

It is important to keep things in parallel. The amendment is useful, although I imagine that my hon. Friend the Member for Surrey Heath (Mr. Hawkins) will not press it to a Division. It merely puts down a marker, but I hope that the Minister will take it seriously. It is saying that the Olympic organisation demands that we keep together a series of things. Of course, the crucial thing is that we get the actual Olympic games right as a great athletic enterprise, but regeneration is a part of that. Helping the nation to rediscover its enthusiasm for sport, throughout the nation, is another aspect. Ensuring that the whole nation not only backs the bid and fights for us to get the games but also that we make them best that we can achieve is a further part of the process. In addition, the games should be a focus for environmental improvement and sustainability. Thank goodness, that is also part of what the Olympic movement now demands, but it is sometimes forgotten.

It is timely, therefore, to remind those who are making the decisions of the range of things they need to hold together. My sadness is that there is already a tendency for all sorts of people to try to claim bits of the Olympics for themselves. Perhaps, we should see the amendment as a means to remind everybody that if the Olympics are to be a success they must be seen as an expression of the national will to do better than anyone else, not just in running, jumping, swimming and all the other sports, but in the actual staging of the games. We should show that they are a means of regeneration, an example of sustainability and environmental concern, a challenge to a nation to rediscover its sporting prowess and a remarkable exposition of the abilities of those who are disabled.

The games offer a remarkable opportunity and I hope that we shall not allow the predisposition of the present Mayor for self-publicity to get in the way.

Mr. Caborn: Listening to the right hon. Gentleman, it was obvious that he had not actually read the Bill carefully, because we have already taken on board the sentiments that he expressed. For example, clause 31 deals with distribution policy; there is a requirement for a distribution strategy, which can be reviewed. Clause 30 sets out the conditions for the distribution of the money and subsection (1)(b) of clause 31 is a requirement to

"review and revise the policy".

Thus all the safeguards for which the amendment asks are already in the Bill.

In response to points made by the hon. Member for Bath (Mr. Foster), we take the responsibilities of the distributor of lottery money very seriously indeed and clauses 30 and 31 give all the reassurances that are needed.

We can knock about the party political stuff in the Chamber, in Committee and elsewhere, but as we move towards July 2005 we must be careful. We must be clear that one of the things that has really impressed the International Olympic Committee to date is the unity of purpose that we have demonstrated. Across parties and across the nation, we have shown that we are very serious indeed about winning the bid in 2005. I gave the Standing Committee an example of the extent of that unity of purpose when I described my visit to Greenwich just before Christmas. I was talking about tourism and, obviously, the Olympic bid formed part of that discussion. The London boroughs have come together, especially on planning issues—probably nothing but the Olympics could have brought them together in that way—and I was told, "If Barbara Cassani wants planning permission on Christmas day, she only has to call and we'll make sure she gets it". That is symbolic of people's real desire to come together, across party, across borough and across nation. The devolved Administrations, too, have given their full support.

We should take lessons from that and not allow a situation in which the press will be writing about splits over Ken Livingstone. Indeed, on this particular issue, we could not have received more support from the present incumbent of the Mayor's office. The Government have worked closely with the British Olympic Association and the Mayor's office to ensure that we have a robust funding package. Indeed, the IOC remarked on that fact; it said that our approach had been properly managed and that we had come to sound and well-informed decisions in terms both of logistics and of the robust financial package that we put forward.

I hope, therefore, that the hon. Member for Surrey Heath (Mr. Hawkins) will not press the amendment to a Vote and that we all heed the lesson about unity of purpose. If we do, both 2005 and the games in 2012 are well within our grasp.

Mr. Hawkins: The debate has been short but useful.

I welcome the comments of the hon. Member for Newcastle upon Tyne, North (Mr. Henderson). When he responded to my intervention, he referred to the visit that we had made to the lower Lea valley. He is right about the need not to set up conflict, and our amendment would not do that, as I made clear to him. We want the Bill to include recognition that the regeneration programme and the Olympic bid should be equally scrutinised and supported.

I am grateful for the support of my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer). Speaking from his great experience both of helping to start the work in the Lea valley and of his work on the Manchester Olympics, he is right to say that regeneration plays a crucial part when the IOC considers bids. He is also right to say that the amendment was designed to put down a marker.

The hon. Member for Bath (Mr. Foster) said that we need to take into account the businesses that need to relocate. He may be interested to know that my hon. Friend the Member for Croydon, South (Richard Ottaway) and I raised that matter with the London Development Agency during the visit of the all-party Olympics group—in which the hon. Member for Newcastle upon Tyne, North also took part. Although of course one wants to support the Olympic bid, one must not ignore the interests of local businesses that may need to be relocated, of which there are many, as my right hon. Friend the Member for Suffolk, Coastal knows.

I am grateful for what the Minister said about the IOC's welcome for the all-party support for the Olympic bid. However, he will recognise that as Bills such as this go through Parliament it is the responsibility of Her Majesty's loyal Opposition and other parties to do a genuine job of scrutiny. I know that he would not decry the importance of parliamentary scrutiny.

Although, of course, we totally support what Barbara Cassani and her team are doing with the Olympic bid, we must be constructive in our scrutiny. My noble Friend Lord Moynihan and others in another place will continue the Bill's scrutiny and will raise matters that deserve debate as its passage continues.

As my hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) and I made it clear, the Bill is not hugely partisan. We have raised the points that we wished to put on record. We were slightly worried that an individual could try to hijack this specific part of the bid process, but we have debated that. In those circumstances, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 1

NEW SCHEDULE 1A TO THE BETTING, GAMING AND LOTTERIES ACT 1963

Amendments made: No. 14, in page 26, line 2, leave out 'seven' and insert '28'.

No. 15, in page 26, line 15, leave out 'seven' and insert '28'.—*[Mr. Caborn.]*

Schedule 2

SALE OF THE TOTE: CONSEQUENTIAL AMENDMENTS

Amendments made: No. 16, in page 28, line 27, at end insert—

'11A(1) Section 24 (Horserace Betting Levy Board) shall be amended as follows.

[Mr. Hawkins]

(2) In subsection (1) for "the Totalisator Board" substitute ", while the exclusive licence under section 8 of the Horserace Betting and Olympic Lottery Act 2004 (sale of the Tote) has effect, the successor company nominated for the purposes of section 2 of that Act".

(3) In subsection (2)—

(a) for "seven other members" substitute "six other members", and

(b) omit subsection (2)(e).

(4) In subsection (4)—

(a) for ", the Bookmakers' Committee and the Totalisator Board respectively" substitute "or the Bookmakers' Committee", and

(b) for "subsection (2)(b), (d) or (e)" substitute "subsection (2)(b) or (d)".

11B In section 30 (contributions by Totalisator Board)—

(a) in each place (including in the heading) before "Totalisator Board" insert "successor company to the", and

(b) after subsection (1) insert—

"(1A) Subsection (1) does not apply to any contribution which the successor company to the Totalisator Board is liable to make—

(a) in respect of a time when the exclusive licence does not have effect, and

(b) as a bookmaker.".'.

No. 17, in page 29, line 25, at end insert—

'*Horserace Betting Levy Act 1969 (c. 14)*

16A In section 5 of the Horserace Betting Levy Act 1969 (annual contribution by Totalisator Board)—

(a) in each place in subsection (1) (and the heading) before "Totalisator Board" insert "successor company to the",

(b) in subsection (1) for "object" substitute "objects", and

(c) after subsection (1) insert—

"(1A) Subsection (1) does not apply to any contribution which the successor company to the Totalisator Board is liable to make—

(a) in respect of a time when the exclusive licence does not have effect, and

(b) as a bookmaker.".'.—*[Mr. Caborn.]*

Schedule 6

REPEALS

Amendment made: No. 18, in page 41, line 20, at end insert "Section 24(2)(e)."—*[Mr. Caborn.]*

Order for Third Reading read.

7.30 pm

Mr. Caborn: I beg to move, That the Bill be now read the Third time.

We have had wide-ranging and interesting debates on Second Reading, in Committee and today. I put on record my sincere thanks to the Opposition parties for participating in such a constructive process. The hon. Member for Surrey Heath (Mr. Hawkins) said that the Opposition's approach was probing, but we have conducted our proceedings to take the interests of racing and the Olympic bid forward effectively. The Bill is in good shape, so it is right that we now commend it to the other House, where I hope that it will receive a fair hearing from all sides.

The Bill enables the Government to deliver on their manifesto commitment to sell the Tote in a way that is fair both to racing and the taxpayer. Today, the Government have taken the opportunity to give the racing industry, the Tote itself, and hon. Members, the certainty that they wanted about key aspects of the Bill. We genuinely listened to their concerns and I hope that we responded positively, when possible. If our plans to sell the Tote to a racing consortium proceed, the Government will issue the successor company with an exclusive seven-year licence to provide pool betting on British horse racing. The seven-year period has been included in the Bill, so I hope that interested parties are now sufficiently comfortable about our intentions.

The Bill will also help to end the Government's outdated involvement in the funding and administration of horse racing, while safeguarding the important work of the levy board in supporting veterinary research and the improvement of breeds of horse. We want to ensure that those will be maintained at their current levels, at least, after the abolition of the board.

Should we win the right to host the Olympics, the Bill will give us the opportunity to introduce the Olympic lottery straight away. Let us throw our minds forward to July 2005, as we build up to presenting the British bid in Singapore. As I said in Committee, if we are fortunate enough to win, the response to the launch of the Olympic lottery will probably go beyond many hon. Members' expectations. Now that the provisions are in place, the International Olympic Committee will be further reassured that our bid for the 2012 Olympics is serious.

A dedicated Olympic lottery is expected to raise £750 million to help to fund the 2012 games. As was indicated during our short debate on the Olympics, the money would bring benefits throughout the whole of the UK. There would be regeneration not only in the Lea valley—although that is important—and in the east end of London and the Thames gateway, but throughout other parts of the United Kingdom in which holding camps would be established. The Bill is important for all those reasons, and I commend it to the House.

7.34 pm

Mr. Paice: As the Minister said, the Bill is important for horse racing especially, and as part of our planning for the lottery. As the House is fully aware, parts 1 and 2 relate to the Tote and the levy board. Racing is a huge industry with 100,000-odd jobs and 59 courses. In the past few years there has been record growth in the number of people attending racing, in betting turnover and in the number of horses in racing, so the industry is enjoying great success at present.

The Government's objectives in the Bill—the transfer of the Tote to racing, and the end of the Horserace Betting Levy Board with the transfer of its property to the British Horseracing Board—are entirely shared by Conservative Members. However, there are several details about which we are not happy and to which we shall want to return in another place: the mechanism and ownership of the Tote; the non-renewable nature of the exclusive licence; and the outcome of the Office of

Fair Trading investigations and the uncertainty surrounding racing as a result of those deliberations. Of course we welcome the two concessions that the Government made on Report, which are the inclusion of provisions on the seven-year exclusive licence, and the increase of the period for the submission of accounts from seven to 28 days for possessors of the licence.

In some ways, I am sorry that the Minister was so robust—I used the word "obstinate" earlier—in resisting amendments that would simply have included in the Bill several undertakings that he gave, although I assure him that that in no way reflects any doubt about his personal sincerity. However, if the Government are determined to deliver the transfer of the Tote and the dealings with the levy in the way that he described, which has the support of the whole House, I do not understand why measures to provide for that should not be included in the Bill. The desire to leave such provisions out is bound to engender some suspicion of alternative motives in some sectors of the Government—although I do not attribute those to the Minister.

As my hon. Friend the Member for Surrey Heath (Mr. Hawkins) said earlier, the Bill is largely not partisan—and we have tried not to make our consideration partisan. All hon. Members have addressed the aspects of the Bill involving the racing sector with genuine concern for a vital part of our leisure industry, which is also a huge employer that is important for many parts of the country, including mine. The Minister referred to the work of the levy board, and perhaps no constituency benefits from that more than mine. The horse racing forensic laboratory, the National Stud and the equine fertility unit are all in my constituency, so I have seen for myself the work and the benefits of the levy during my frequent visits to those places. I want that income flow to continue, albeit from commercial sources, after the abolition of the levy. I remain concerned about the uncertainty that surrounds the industry and the commercial framework in which negotiations on the sale of data and media rights will be undertaken.

The Olympic lottery aspect of the Bill has widespread support throughout the House. I am somewhat relieved that Scottish National party Members, who voted against Second Reading for some obscure reason, are not in the Chamber tonight—I hope that I am not tempting fate and that they will not descend en masse in a moment. Hon. Members, and people throughout the country, genuinely wish the Olympic bid well. As many Members have said, winning the Olympic bid for London will benefit the whole country, and equally, only London can win it. Our desire to achieve that is as strong as that of the Government and everybody else, so I repeat the support that has been expressed for the bid. Again, however, there are one or two issues to which we shall return in another place. We are not entirely convinced that the Government have examined all the ways in which the start date of the lottery could be brought forward, and I know that my noble Friends will wish to pursue that matter.

I, too, add my thanks to hon. Members who participated in proceedings on the Bill. There was little Government Back-Bench action in Committee other than on the all-important issue of the welfare of racehorses. Those of us who have been Government Back Benchers on Committees know full well why that is. The Minister only let rip once in Committee and went off message—off text—when he inappropriately accused the hon. Member for Bath and me of being in an unholy alliance against market forces. That was so off beam in terms of the logic of our case that it deserves a mention. We wanted to enhance the working of the overall betting market rather than take the protectionist approach suggested by the Minister.

I also thank the Minister and the hon. Member for Bath for their contributions. I did not know of the interest of the hon. Member for Bath in horse racing, but it came through loud and clear. He did his homework, and I thank him for his support on some of our amendments.

The Opposition wish the Bill well. We want the Tote transferred into the hands of a racing trust as soon as possible. We will do all we can to expedite that. We take at face value the Government's many assurances about their intentions regarding the Tote and the levy, despite the Minister's refusal to include them in the Bill. We will address those issues in another place. In the meantime, I wish the Bill well in its subsequent proceedings and look forward to the implementation of all three parts of it.

7.41 pm

Mr. Dennis Turner (Wolverhampton, South-East) (Lab/Co-op): I will address my brief comments to the betting aspects of the Bill. As we heard, there are 5 million to 6 million supporters of racing in this country. I want to place on the record their thanks to our Minister for Sport for introducing the Bill in the interests of everyone involved in racing.

As a member of the all-party group on racing and bloodstock, I vividly recall the passionate debate on the Tote and its future in the years following 1987. The issue of the betting levy led to major clashes with the bookies and the Jockey Club. A Conservative Government were in power throughout those years, and they tried to do the impossible and square the circle. All those issues—crucial for racing—are addressed in the Bill. I was pleased to hear the Minister restate that he and the Government were optimistic that the OFT and the racing industry, through the BHB, would resolve funding issues after the levy board disappears in 2006.

I congratulate our Government. We are fulfilling an election commitment, and the Bill shows that they are giving their long-term support to racing. I commend them on that, and I also commend our excellent Minister for Sport, who has given many hours to ensuring that he gets the Bill right. I thank him for it.

Mr. Don Foster: I am delighted to follow the hon. Member for Wolverhampton, South-East (Mr. Turner). I shall not give the same paeans of praise to the Minister, but I agree that he has the best interests not only of horse racing but of sport in general at heart. We have all been impressed with his knowledge of the horse-racing industry. The hon. Member for South-East Cambridgeshire (Mr. Paice) suggested that I had had to do my homework before I served on the Committee. He was right, although I had some experience of the wonderful race course at Bath. I note how many different race courses hon. Members brought into their deliberations.

[Mr. Don Foster]

The real credit for boning up must go to the Minister. I note with great interest that back in June 2001 he was—unfairly, in my view—caught out by Clare Balding on Radio Five Live, when he was asked a series of questions about his knowledge of sport. One question was:

"Can you name three jockeys who will be riding at Royal Ascot this week?"

to which he honestly and gamely replied:

"No. I know nothing about horse racing at all."

Since then he has done a lot of learning, no doubt with the help of his officials, to whom he must be grateful.

Much has happened in the short time for which we have discussed the Bill. Many of us indicated broad support for it on Second Reading. We commented on the fact that it was an enabling measure and explained that it had some holes. We tried to plug some of the gaps and fill those holes in Committee. I am grateful that the Minister listened to some of the arguments. As a result of our deliberations, a number of the holes have been filled by amendments. When he was not prepared to alter the Bill, he gave clear assurances on issues of concern, which will stand us in good stead at later stages and when his various plans come to fruition.

On the Tote, there remains concern about what will happen after the seven-year exclusive licence ends and whether, in the different competitive market that will exist then, the Tote, whatever guise it is in, will continue to give at least the same sums to racing. There is uncertainty. No doubt that can be explored in more detail in another place.

There is also uncertainty about the ending of the horserace betting levy and the board that administers it. The Minister has been open, acknowledging that there are difficulties with the alternative. I pay tribute to him for his work behind the scenes with the BHB and many others to find a solution to the problems caused by Office of Fair Trading rule 14. None of that alters the fact that we still have a great deal of uncertainty and continue to think that it would be wrong to abandon the levy before an alternative that is accepted throughout the racing industry is in place.

On the final part of the Bill, concerning the Olympic bid and the Olympic lottery game, I reiterate my party's clear support for the bid for the Olympic and Paralympic games. We have made a good start on that and congratulate all those involved in putting the bid together. We all accept that we will be successful only if we can demonstrate that we have clear financial underpinning for the bid. We have to impress the International Olympic Committee that we have clear funding streams to ensure that we will stage the best ever Olympics, and provide the regeneration that can come from that. Part of doing that is to have a successful Olympic lottery game.

I have explained that we have some general concerns that an additional game will have a detrimental effect on other good causes. We worry about further Government interference in dictating how lottery money should be used. As always, some cases justify an exception to the rule. Winning that Olympic bid is vital. It will bring benefits to all parts of the country, raise our sporting aspirations and regenerate not only the lower Lea valley, but many other parts of the country as well. On this occasion, therefore, it is worth making that exception and supporting the concept of an Olympic lottery game as a component of the funding of what we hope will be a successful bid, and then a successful Olympic games.

Over the past 12 years I have been fortunate enough to serve in Committee on many Bills. On some occasions, Ministers in charge of the Bills have been kind enough to invite all those who have served in Committee to have drinks with them to celebrate the end of consideration in Committee. Sometimes, because of the fraught nature of our discussions and deliberations in Committee, those drinks sessions have been rather tense affairs. In this instance, I hope that our discussions have been successful and that we have made some significant and valuable improvements to the Bill—so I hope that we shall be able to enjoy a pleasant session with the Minister at the drinks do that I am sure he will arrange. With that, we wish the Bill speedy passage in another place.

7.51 pm

Mr. Derek Wyatt (Sittingbourne and Sheppey) (Lab): In Barbara Cassani and Keith Mills we have two exceptional people. When we look back at things that did not work, such as Picketts Lock and certain aspects of the dome, although the dome was built on time and the Jubilee line was open on time—perhaps it was the contents of the dome that upset some of us—we see that there was an issue of ownership. There was no ownership of those two projects—not at the level of Government, local chief executive, Mayor or managing director. In Manchester—this is what made things work—we had a chairman, a chief executive and a managing director. It took some time to get things to work in Manchester, but we were successful. A few shins were kicked, and deservedly so. That has already been done, and it has been forgiven. That is why the local boroughs have been so good. They recognise that the model to follow is Manchester.

I am interested in the Olympics because I am interested in my local patch. We are not so far away, and we think we have the best wind-surfing facility in Europe. I said to Keith Mills a couple of weeks ago, "Most Members want to understand how they can get into this. They want to see whether they can host Australia, France or Germany, or parts of the teams that come over, if we win the games. What about a one-day conference so that local sports clubs, local district councils and county councils might come together to understand how we won and how we got the games?" He said, "That's a very good idea—I'll put it to Barbara."

I have not found that approach before, and that is the good thing about the forthcoming Olympics. On the other hand, if someone was a member of the International Olympic Committee in 1990, he would have said, "Athens will win", but in 1996 it was Atlanta. In 1996 it was said that it would be Beijing, but it was Sydney for 2000. If people are saying now that it will be Paris, that is good, because favourites do not win. It is countries that come from underneath that win. I support Third Reading, I support the London bid and I commend the Bill to the House.

Question put and agreed to.

Bill read the Third time, and passed.

ADJOURNMENT (FEBRUARY)

Ordered,

That this House, at its rising on Thursday 12th February, do adjourn till Monday 23rd February 2004.—*[Mr. Heppell.]*

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

NORTHERN IRELAND

That the draft Betting and Gaming (Northern Ireland) Order 2004, which was laid before this House on 12th January, be approved.

NATIONAL ELECTION EXPENDITURE

That the draft European Parliamentary Elections (Combined Region and Campaign Expenditure) (United Kingdom and Gibraltar) Order 2004, which was laid before this House on 15th January, be approved.—*[Mr. Heppell.]*

Question agreed to.

ENERGY

Ordered,

That the Sustainable Energy (CHP Provisions) Order 2003 (S.I., 2003, No. 2987) be referred to a Standing Committee on Delegated Legislation.—*[Mr. Heppell.]*

BUSINESS OF THE HOUSE

Motion made, and Question proposed,

That, at the sitting on Thursday 5th February, notwithstanding the provisions of Standing Order No. 16 (Proceedings under an Act or on European Union documents), the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Mr Secretary Blunkett relating to the Police Grant Report not later than two hours after their commencement, and put the Questions necessary to dispose of proceedings on the Motion in the name of Mr Secretary Prescott relating to Local Government Finance not later than Six o'clock or four hours after the commencement of proceedings on the Motion relating to the Police Grant Report, whichever is the later; proceedings may continue after the moment of interruption; and the Orders of the House of 28th June 2001 and 6th November 2003 relating to deferred Divisions shall not apply.—*[Mr. Heppell.]*

7.52 p.m.

Mr. Patrick McLoughlin (West Derbyshire) (Con): I shall make one quick point on this subject. I regret that the motion will give us but four hours to discuss those two matters. In the past, such motions have been given far longer debates on the Floor of the House. They are worthy of greater and longer debate. They cover a huge range of local services that are delivered to our constituents. Indeed, they cover about 40 per cent. of the public expenditure delegated to local authorities. In the past we have always had more time to discuss such motions.

Under the timetable motion, we might have no more than two hours to discuss the local government settlement. There will be an hour when a statement is made, and two hours will allow little time for Back-Bench Members to participate in the debate. This is a bad move, and I hope that the Government will reconsider the issue in future. I shall not oppose the motion, but we all know that council tax is one of the issues that is at the forefront of many of our constituents' minds. To provide only two hours for the police grant and the local government grant is a retrograde step, and I hope that more time will be provided in future.

7.54 pm

The Deputy Leader of the House of Commons (Mr. Phil Woolas): I shall explain the background to the motion and try to answer the point that the hon. Gentleman has made. Perhaps I can reassure him about our intention, if not about the outcome.

This is a Business of the House motion of the normal sort. It relates to the business for this Thursday, when we are to debate the Police Grant Report (England and Wales) 2004–05 and then the Local Government Finance Report (England) 2004–05. The motion provides for the debate on the first report to end not later than two hours after it begins, and for the second debate to end not later than 6 pm, or four hours after the first debate began, whichever is the later. In other words, the motion makes more generous provision than would otherwise be provided for under Standing Order No. 16, which limits debates on proceedings under an Act to one and a half hours. Our intention is to ensure that the House has more time than it would otherwise have had. It also provides that the Sessional Orders on deferred Divisions should not apply; in other words, any Divisions would not be deferred.

I think that the House will take the point that the hon. Gentleman has made. All Members in England and Wales—and, I would argue, in Scotland and Northern Ireland as well—have an interest in those matters. I am sure that my right hon. Friend the Leader of the House has heard the comments that have been made, and I urge the House to support the motion.

Question put and agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Wednesday 11th February, notwithstanding the provisions of paragraph (2)(c)(i) of Standing Order No. 14 (Arrangement of public business), proceedings on the Motion in the name of Mr Michael Howard may continue, though opposed, for three hours and shall then lapse if not previously disposed of; and the Orders of the House of 28th June 2001 and 6th November 2003 relating to deferred Divisions shall not apply.

Ordered,

That, at the sitting on Thursday 12th February, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Mr Edward Leigh relating to Public Accounts not later than three hours after their commencement; proceedings may continue after the moment of interruption; and the Orders of the House of 28th June 2001 and 6th November 2003 relating to deferred Divisions shall not apply.—*[Mr. Heppell.]*

FINANCE AND SERVICES

Ordered,

That Michael Fabricant be discharged from the Finance and Services Committee and Mr Robert Key be added.—*[Mr. Heppell.]*

Concrete-crushing Plant (Upchurch)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Heppell.]*

7.57 pm

Mr. Derek Wyatt (Sittingbourne and Sheppey) (Lab): During January, I was knocking on doors on the Isle of Sheppey. I have been involved in 500 interviews. The two matters that are at the forefront when I talk to people about their problems are council tax and planning. It is with some nervousness and apprehension that I raise a planning issue, because a Member entering into a planning issue knows that he is walking on glass. He knows that, generally, there are two sides to the matter.

In this instance, I am responding to the concerns of my constituents who live opposite Four Gun field, some of whom belong to the Four Gun field action group. I do so because they are constituents and because they feel frustrated. In a way, they feel unloved and uncared for. As their Member of Parliament, I am in some ways struggling to know how best to help and advise them.

I am conscious that my hon. Friend the Minister is also in a difficult position, and I do not expect her to be able to respond in massive detail. Indeed, this may be one of our shortest Adjournment debates.

In trying to find a resolution to the problem at the Four Gun field plant, I wonder whether my hon. Friend might be allowed to meet both with Swale borough council and the Four Gun field residents. Perhaps she could meet a small group. The implications of what might happen there over the next two or three months are extremely serious.

How would Members of this place feel if they were buying a brand new house? For a 23, 24 or 25-year old, that would be a first buy, whereas someone of 55 or in their 60s might be moving into a smaller house because they are looking to retire. Many of those who bought the 150 new homes opposite Four Gun field during 1997 to 1999 fall into those two categories.

I have met some of them, and they are either young parents or older people who wanted a home in which to enjoy their retirement. They bought those rather nice houses because they were opposite Four Gun field. It was an open field and had been in disuse, anecdotal evidence suggests, for 20 years or perhaps longer. That attracted many people, as the field was an open space that separated the urban sprawls of Rainham and Sittingbourne. If I were in their shoes I might well have made a similar decision. When their lawyers conducted searches, nothing came up on Four Gun field. They are nervous, because a house is the largest investment that anyone ever makes, about the resale value of their home, which they bought either as the first rung on the property ladder or as their retirement home.

This is a difficult problem. I shall give a little background from the information leaflet supplied by Councillors Gerry Lewin and John Wright. Four Gun field is the land between the Three Sisters and Canterbury Lane. It is located in my constituency and is within the bounds of Upchurch parish council. Historically, the leaflet says, it has been used

"for the storage and drying of bricks made in the brickworks on the opposite side of the road . . . on land now called Pear Tree Grove. In the 1980s and 90s the land, although owned by Redlands, was rarely used and was essentially open land grazed by horses and sometimes used by trial bikes."

Until the late 1990s, when houses were being built opposite the field, the land had no planning land use designation in any of Swale borough council's local plans. I am at a loss to explain why that was the case, but it has compounded the problem that has arisen. In the late 1990s, the land was eventually purchased from Redlands by Beckett Pension Trustees, whose local agents are Kingsley Smith & Company.

It has been difficult to get to the bottom of the problem of ownership, and I shall return to that later. The new owners of the land were granted a lawful development certificate in February 2000 for brickworks, open storage and related activities within class B2 for part of the site. That LDC was upheld in May 2001 after an appeal, registration APP/V2255/X/00/1052369. I should be grateful if the Minister would give more reasons for the upholding of that LDC, because it makes no sense to the house owners. The LDC clearly includes caveats about the site's use within class B2. I have tabled an oral question about that, and my constituents have tried to find out from the planning inspectorate what interpretation of the inspector's words was used on the LDC. However, we have been told that the file has been destroyed. That does not help my constituents, and certainly does not help their MP, better to understand how the use of the site was defined. Is that usual practice, and is there a copy of the file anywhere? My constituents believe that the landowner's agents have ignored the caveats in the LDC. They have now let the site so that a concrete crushing activity can operate permanently. I should be grateful for the Minister's opinion, and am happy to acknowledge that she may have to write to me.

Last July, my hon. Friend the Member for Gillingham (Paul Clark), on whose constituency the land borders, and I went with Mr. Skinner, an MEP, to a public meeting with Swale borough council. There was a consensus that we would do our very best to try to resolve what has become a difficult problem. As the Minister will understand, a concrete crusher crushing concrete for a minimum of seven to eight hours a day does not just create a din but affects air quality, impacting on people with asthma and so on. Fortunately, Swale borough council has opposed the licence on the ground of noise, but the residents are concerned that there will be an appeal against that decision. I am worried that when the appeal is heard, the agents will argue that they are using the most up-to-date and effective equipment in an effort to justify the fact that they will return to the site and operate a concrete crusher barely a hundred metres from people's front doors. My constituents are naturally concerned about that.

My constituents want to know how they can influence the decision and whether the LDC is set in stone—or perhaps concrete. They want to know, first, whether there is any chance of the decision being revisited and, secondly, who owns the land now. I have spent a considerable time trying to get to grips with that problem. I wish that I could name the trustees. My constituents are familiar with my forensic interest in ownership, as I found out who owned the Coniston hotel when there was an attempt to put an asylum centre on my patch. I have been trying to find out who owns Four Gun field. Originally, it was owned by Beckett Pension Trustees London Ltd., but it changed its name

on 27 August 2002 to IPM SIPP Ltd, which seems to have an interest in IPM SIPP Administration Ltd. I could show the Minister various charts that demonstrate that one of those companies is dormant. The various IPM companies may be administering self-invested personal pensions. I am not familiar with SIPPs, but I assume that IPM administers a large number of them. Those SIPPs would not be individually constituted as companies, but would be classified as trusts under the control of IPM for the benefit of the individual. There seems to be reference to individual SIPPs in some of the charges against IPM SIPP Ltd.

IPM SIPP Ltd is the same legal entity as Beckett Pension Trustees (London) Ltd, despite the name change, and is shown on the land register as the owner of Four Gun field. While companies are legal entities, trust interests are not, but any trust interest, perhaps from a SIPP administered by IPM, would probably be disclosed on the land register separately to protect the interest of any beneficial, as opposed to legal, owner. I accept that that is a complicated arrangement, but we must get to the bottom of it if we are to find out who owns Four Gun field. My constituents are worried that a deal has been stitched up—the concrete crusher will not arrive but, lo and behold, in the local plan for 2006 a deal is struck to build houses on the field because people do not want the crusher. That would be the end of the open space. If we understood the trust implications of ownership, that would help us to ask the owners to rethink their decision or approach it differently. I would therefore be grateful if the Minister would convene a meeting.

Promises were made at the public meeting last July that Andrew Bowles, the leader of Swale borough council, would hold regular meetings. If he could not do so, he would make sure that officers met the action group regularly. However, there has been some friction, and I hope that that can be rectified, as it is important that the community as a whole speak with one voice on the issue. Some of my constituents are also concerned that the person chairing the 2006 local plan is also chairman of Upchurch parish council. I think that they are wrong, but I nevertheless raise that issue on their behalf.

I wonder whether there is any way of overturning the lawful development certificate, and whether it is possible to bring the local plan policy forward to the current time, so that the ruling could be adopted in respect of the field itself.

8.9 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Yvette Cooper): I congratulate my hon. Friend the Member for Sittingbourne and Sheppey (Mr. Wyatt) on securing the Adjournment debate, and on getting back to the Chamber in time; I know he had a hasty journey. My hon. Friend is a keen advocate for Swale and his constituency. He has before brought a series of constituency matters to the attention of the House, and on this occasion, too, he made a strong case on behalf of his constituents. I am interested in many of his points. As he said, complex issues are involved. I will respond as best I can this evening, and will write to him further.

My hon. Friend raised various questions relating to Four Gun field. The site was used in connection with the local brickmaking industry from Victorian times. The western section was the brickmaking factory and the eastern section was used for the storage of bricks and materials. The brick factory ceased operations almost 50 years ago, but the land used for storage has continued to be used to store materials for brickmaking in the area. In 1999 the owners applied for a lawful development certificate, and because of the history of the site, that was granted by the local authority. In May 2001, following an appeal, the inspector granted a further certificate for a slightly enlarged area.

The decision on lawful development certificates depends on the evidence of past use in an individual case. This was carefully considered by Swale council and again by the inspector at public inquiry. My hon. Friend mentioned the planning appeal file. Planning appeal files are destroyed a year after the final decision, unless the decision has been challenged in the High Court. Once a decision on an appeal has been made, the Secretary of State cannot reconsider the case, nor can he or his inspector interpret the terms of the decision. That is a matter for the courts.

My hon. Friend raised some interesting issues about the nature of lawful development certificates, how they operate and the consequences where the use has changed for a considerable period in the interim. He also expressed his concerns about what happens when lawyers doing standard searches for homebuyers do not reflect the potential for lawful development certificates. I am interested in looking into those matters further and will respond to him in due course.

On my hon. Friend's point about planning permission for the use of the concrete crusher, that use falls within the category of general industrial use in Town and Country Planning (Use Classes) Orders. That means that any other general industrial activity can take place on the site without the need for planning permission. In June last year, complaints were made against KKB Plant Hire because noise levels from the operation of a mobile concrete crusher were above those allowed under the provisions of the Environment Protection Act 1990.

An abatement notice was subsequently served on KKB Plant Hire, prohibiting the recurrence of noise amounting to a statutory nuisance at the site resulting from the use of crushing equipment. The operator appealed against the abatement notice, but the appeal was dismissed following a court hearing in November last year. As my hon. Friend knows, no concrete crushing has taken place on the site since 5 June, and if that activity were to resume and cause a further statutory noise nuisance to the local community, the local authority would be obliged to take enforcement action against the operator. However, if future noise levels were within the regulations, the local authority would not have the power to act, as the lawful development certificate allows KKB to use the site for general industrial purposes.

My hon. Friend raised questions about the circumstances under which particular arguments might apply in order to justify the use of the site and whether best practice could be taken into account, and, if I may, I will write to him on that point as well. He raised questions about the ownership of the land, which again I am not able to answer this evening, and again I am happy to look into that further.

[Yvette Cooper]

My hon. Friend dealt with the issue of future plans for the site. Swale's emerging local plan gives special mention to the site and states that it considers it unsuitable for industrial uses that have the potential to cause nuisance to the adjoining residents. The local authority considers Four Gun field to be inappropriate for both housing and employment use and contrary to its local plan policies. Swale's emerging local plan states:

"In this location the Council considers that both employment and housing development is inappropriate",

and that

"in addition, and to minimise the impact on the strategic and countryside gaps, any proposal should involve a minimum amount of built development, with the majority of the site being retained as open land, and restored to a natural state".

However, the local authority, in order to secure a more acceptable future for the site, has said that it is prepared to consider alternative community or leisure uses, and has stated that any such proposal should be aimed at meeting the needs of the local community.

The process of adopting a new plan allows for objections to policies to be submitted, and for alternatives to be put forward for change of use, including housing. Both my hon. Friend and the local residents affected by the current use of this site have the opportunity to object to the emerging prospects for Four Gun field. However, it must be recognised that a change of use cannot be forced on the owners should they wish to continue to use the land for general industrial activities while they have a lawful development certificate.

My hon. Friend asked whether I would meet him and some of his constituents. I am happy in principle to have such a meeting, but I will need to take advice. My hon. Friend will know that a series of restrictions applies to any cases that involve planning and to cases where future planning decisions may come to the Secretary of State for appeal or final determination. Because of the quasi-judicial role of the Secretary of State in those circumstances, it may not be possible to have such a meeting, but if it is possible, I will happily do so. If not, I shall do my best to respond in writing to the detailed points that my hon. Friend has raised to ensure that he has some response to his concerns.

I know that this is an issue about which my hon. Friend's constituents feel strongly, and he has worked hard to raise their concerns and to resolve them. As he rightly says, in planning cases complex issues are often at stake, involving different sides of the argument and different interests. I am happy to respond to his concerns and to attempt to provide more detail than I have been able to do this evening.

Again, I congratulate my hon. Friend on raising his constituents' concerns and standing up for their interests in the House.

Question put and agreed to.

Adjourned accordingly at nineteen minutes past Eight o'clock.

House of Commons

Tuesday 3 February 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

CONTINGENCIES FUND 2002–03

Ordered.

That there be laid before this House the Accounts of the Contingencies Fund, 2002–03, showing:—

(1) The receipts and payments in connection with the Fund in the year ended 31st March 2003,

(2) the distribution of the capital of the Fund at the commencement and close of the year; together with the Report of the Comptroller and Auditor General thereon.—*[Gillian Merron.]*

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Railways

1. **Martin Linton** (Battersea) (Lab): What plans he has to open new stations on the west London line. [152271]

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): The Strategic Rail Authority has approved the construction of two new stations on the west London line—one at Imperial Wharf in Chelsea and one at Shepherds Bush. The earliest date currently envisaged for their opening is February 2005.

Martin Linton: I thank the Minister for his reply, but press the case for reopening Battersea High Street station and other stations on the south and west London orbital lines, such as Brixton, Battersea, Stamford Bridge and North Pole. Is the Minister aware that since privatisation, only two new stations have been opened in the entire south-east of England, because there is absolutely no incentive in the system for Network Rail or the train operating companies to invest in new stations? Indeed, those two new stations had no railway money put into them.

Is the Minister further aware that there is so much freight on the west London line that it will be almost impossible for trains to stop there—

Mr. Speaker: Order. The hon. Gentleman should try for an Adjournment debate on this matter.

Mr. McNulty: Thank you, Mr. Speaker. I reiterate that I have no plans for any more new stations on the west London line. As it is one of the most congested in the country, adding another station would have significant performance implications, and it is highly unlikely that it would be feasible, given the current levels of traffic. As a London MP, I caution my hon. Friend not to equate new stations with the amount of investment that is being made. The London end of the channel tunnel rail link, the Jubilee line extension, the Docklands light railway and all the extensions to it, and the £17 billion of investment in the tube show that investment in transport in London is a key priority for the Government.

2. **Matthew Green** (Ludlow) (LD): What steps his Department is taking to ensure that there is a direct train service from Shropshire to London. [152272]

The Minister of State, Department for Transport (Dr. Kim Howells): I am sure that the hon. Gentleman knows that the Strategic Rail Authority, not the Government, has responsibility for specifying minimum service levels in each train operating company's franchise agreement. I understand that the authority's current view is that there is not a sufficiently strong business case for maintaining direct services between Shropshire and London.

Matthew Green: I hesitate to thank the Minister for that answer. He may be aware that Shropshire is the only county that from May will not have a direct rail link to London. Indeed, the largest towns in Shropshire—Shrewsbury and Telford—will be the largest towns in the country without such a link. The last route that passes through Ludlow and goes on to Waterloo will be closed from May 2004, thanks to the Strategic Rail Authority. Does the Minister think that he is doing enough to ensure that Shropshire has a direct link to London—or does he have something against the county?

Dr. Howells: That was a very Liberal question. The one train a day that used to run from Shrewsbury via Telford to London Euston was withdrawn from the winter 2000–01 timetable because it did not attract sufficient passengers to make it commercially viable. I do not know if the hon. Gentleman is hinting that that will be yet another addition to the Liberals' spending plans, but it would not surprise me if he was.

Pollution Offences

3. **Mr. Edward Leigh** (Gainsborough) (Con): What steps have been taken to ensure that pollution offences may be prosecuted on the same terms wherever they occur within the UK pollution control zone, as recommended by the Public Accounts Committee in its second report of the Session 2002–03. [152273]

The Parliamentary Under-Secretary of State for Transport (Mr. David Jamieson): We need to bring the statutory defences under the Merchant Shipping Act 1995 into line with those in the Merchant Shipping (Prevention of Oil Pollution) Regulations 1996. My Department has investigated the scope for achieving that through a regulatory reform order, but has established that it is not possible. We will therefore seek to amend the 1995 Act when a legislative opportunity is available.

Mr. Leigh: As the Minister knows, polluters seek to avoid their liabilities by resorting to the "pay to be paid"

device in their insurance policies. The International Maritime Organisation has asked for those practices to be banned. Are the Government going to ban them; if not, why not?

Mr. Jamieson: We take pollution from ships around our coast very seriously in this country. The hon. Gentleman will know from the National Audit Office report of June 2002 that between 1997 and 2002 we reduced the amount of oil spilled in the UK pollution control zone by more than 90 per cent. He will also know from a letter sent to him by the Maritime and Coastguard Agency in January this year that we are making good progress in implementing not only the National Audit Office recommendations, but those of his own Committee.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): When the Minister revisits the legislation with a view to bringing forward amendments, will he seriously consider making such offences strict liability offences?

Mr. Jamieson: Yes, indeed. The hon. Gentleman will know that some of those offences can already attract very heavy fines—in fact, the heaviest fines that magistrates can impose for oil pollution. Certain areas around the Scottish coast, including the Shetlands, are particularly sensitive. We are mindful of the need to protect the coast—that is why, I am glad to say, the number of pollution incidents and the number of gallons of oil spilled have reduced very substantially over the past five years.

Alternative Transport

4. **Huw Irranca-Davies** (Ogmore) (Lab): If he will make a statement on the impact on health of his Department's policies on encouraging alternative modes of transport. [152274]

The Minister of State, Department for Transport (Dr. Kim Howells): We are trying, in a number of different ways, to encourage people to walk and cycle more often and to raise levels of physical activity generally. We are working with a number of Departments, such as the Department of Health, and we hope to publish in the spring a number of the joint measures that we intend to take to encourage increased levels of cycling and walking, especially to schools and workplaces.

Huw Irranca-Davies: The purpose of my question is to try to tease out the cross-cutting nature of the Government's agenda on health, and how transport can fit into that. May I also ask my hon. Friend what discussions he will have with colleagues in the Welsh Assembly Government to make sure that best practice on both sides of Offa's dyke is disseminated, to the benefit of the health of our youngsters?

Dr. Howells: My hon. Friend will be glad to hear that we are in close, regular contact with the Welsh Assembly Government, and we are certainly interested in their development of a walking and cycling strategy for Wales. We will consider it carefully in drawing up our strategy.

Mr. Archie Norman (Tunbridge Wells) (Con): Can the Minister comment on the enormous proliferation across the country of little blue signs with bicycle and pedestrian symbols on them? Is he aware that they are being put up in many areas where there is absolutely no prospect of increasing the amount of cycling or walking? What steps will the Department take to assess the value to the taxpayer of this exercise, which seems to smack more of political correctness than of delivering results?

Dr. Howells: I was not aware that the hon. Gentleman was concerned about this proliferation of little blue signs. I had not noticed them, but I will look out for them in future and try to make a subjective judgment on their effectiveness.

Mr. Greg Knight (East Yorkshire) (Con): Health is an important issue, and if the Minister really shares our view that the use of less polluting forms of transport should be encouraged, will he join me in condemning the Chancellor of the Exchequer, Mr. Stealth Tax himself, for announcing the withdrawal of the excise duty concession on liquefied petroleum gas fuel? Is not that a severe setback to persuading more motorists to do something about improving air quality?

Dr. Howells: I certainly will not join the right hon. Gentleman in doing that, and I do not believe that the Chancellor has announced that. That will be a matter for him when he comes to make his Budget statement.

Railways

5. **Mr. Desmond Swayne** (New Forest, West) (Con): What the role is of the Strategic Rail Authority in the rail review. [152275]

11. **Bob Spink** (Castle Point) (Con): What recent representations he has received on the role of the Strategic Rail Authority. [152281]

The Secretary of State for Transport (Mr. Alistair Darling): The Strategic Rail Authority's role is set out in the Transport Act 2000. On 19 January, I announced a review of the organisation and structure of the railway industry. I expect to receive many representations in relation to every part of the industry.

Mr. Swayne: The right hon. Gentleman told us on 19 January:

> "Of course, no Government Department can or should attempt to operate the railways".—[*Official Report*, 19 January 2004; Vol. 416, c. 1077.]

Can he tell us why No. 10 is sending in a hit team to four of the operating companies, apparently to do just that?

Mr. Darling: The hon. Gentleman should not believe everything that he reads in the newspapers. The particular article to which he refers is simply wrong. What is true is that the Department of Transport is rightly concerned about the low level of performance in some train operating companies, because we are spending substantial sums of public money on that. In conjunction with one or perhaps two members of the Prime Minister's delivery unit, we are working with train operating companies to see why it is that while

some companies are improving their performance, others are not. I caution the hon. Gentleman not to believe everything that he reads in *The Independent*.

Bob Spink: I want to be generous, but this is yet another area in which the Government appear to be both muddled and confused, while public services and passengers in particular continue to suffer. Can the right hon. Gentleman tell me to whom or to which body I should put the case for increased capacity for the Fenchurch Street line, which is much needed, and for the terminus station on Canvey island?

Mr. Darling: The hon. Gentleman must know the answer to this question because he has already been making representations to the SRA about that. The Fenchurch Street line, on which, by sheer coincidence, I travelled yesterday, has had new rolling stock, which was made possible only because of the investment made available by this Government, every penny of which was opposed by the Conservatives. The reliability of that line has improved to just under 90 per cent.—it is the second best performing train operating company in the south-east. If he wishes to make representations about additional stations, he should do it to the SRA. I am bound to say, however, that he cannot at the same time call on us to reduce substantially the amount of money spent on the railways.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): My right hon. Friend knows that most passengers simply want the services to improve and that there is currently a top-heavy bureaucracy in the railway industry. Will he give us an idea of the timetable for his review and some guarantees that, at the end of it, passengers will have a better service and certainly not a more expensive one?

Mr. Darling: I agree with my hon. Friend. I made it clear on 19 January that I believe that the organisation and structure of the railways need to be substantially simplified so that there is far greater clarity about who is responsible for operating the trains. I do not believe that all the current organisations are necessary; they can be rationalised. However, it is worth remembering that, despite all the industry's difficulties, last year it carried 1 billion passengers—the highest total for 40 years. Train performance traditionally dipped in the autumn, but it has improved because of the better performance of Network Rail.

My hon. Friend may have noticed an article in *The Guardian*, which is accurate, today. It states that performance in areas where Network Rail has taken the maintenance in-house has improved far more than elsewhere. That shows that the changes are making a difference.

Mr. Paul Truswell (Pudsey) (Lab): Will the SRA and the review deal with the chronic overcrowding in west Yorkshire, including in my constituency? It is greater than in most parts of the country, including London and the south-east. Will he especially tackle the need for competitively priced rolling stock to meet current shortfalls and future demand?

Mr. Darling: The SRA is examining that. It has spent considerable sums of money in west Yorkshire in the past few years to try to improve capacity. However, as my hon. Friend knows, nearly one third of all the rolling stock in the country is being replaced and there will be new trains, including in Yorkshire. That will tackle some of the capacity problems as well as providing more comfortable and reliable trains.

I should have said in reply to my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody) that we expect the review to be completed in the summer, as I stated on 19 January.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): Would the Secretary of State agree that although solutions to the immediate problems are important, it is critical for the review to identify and set out clearly a concept for the long-term structure and management of the railways? To achieve that, what is he doing to end the current confusion about who does what in the review—for example, train operating companies that wish to submit not to the SRA but to the Department? How can the SRA co-ordinate a review when its role is central to that review?

Mr. Darling: I agree that it is necessary to establish a structure that will take the industry forward for the next 10 or 20 years. There is near unanimity that the current structure is not suited for that.

Mr. James Gray (North Wiltshire) (Con): You did it.

Mr. Darling: Who privatised the railways? Have we already forgotten?

The Government will determine the appropriate structure for the review. We have asked Richard Bowker at the SRA to evaluate the industry's representations, but we have always made it clear that people are free—and should even be encouraged—to make representations directly to the Department, and they are already doing that. The key point is to get a structure and an organisation that can run the railway efficiently and properly and which will last for the next 20 to 30 years. I am determined that that will happen.

Mr. Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Does my right hon. Friend agree that one of the SRA's roles should be to ensure quality rail links between all the major cities of Great Britain? Does he therefore share my hope that the SRA will make a contribution to upgrading Edinburgh Waverley in his constituency? It is an important station for rail links from many parts of Scotland to many parts of England.

Mr. Darling: As my hon. Friend knows, the SRA, Network Rail, the Scottish Executive and the city of Edinburgh council are all considering the best way in which to make improvements at Waverley station. Substantial sums have been invested in Waverley station on signalling, which improves several pathways in and out of the station. He and I know that the station needs investment and we are considering the best way to achieve that. My hon. Friend will also know that part of my review will examine ways of devolving more responsibility for railways to the Scottish Executive, among others.

Mr. Damian Green (Ashford) (Con): The Secretary of State talks about simplification, but he will know that the way in which the review has been conducted so far seems designed to undermine the SRA. Some train operating companies received a letter from the SRA asking them to send it their submissions to the review, then received a letter from the Department saying, "No, you don't need to do that, please make your submissions to the Department." Is that just day-to-day, run of the mill incompetence, or can the Secretary of State confirm that there is now a full-time power struggle between parts of his Department and the SRA?

Mr. Darling: I think that the hon. Gentleman is confusing himself. In relation to the review, as I said just a moment ago in reply to the hon. Member for Caithness, Sutherland and Easter Ross (John Thurso), it is the Government who will decide at the end of the day what proposals to make before they invite the House to consider the appropriate legislation that will no doubt follow. In relation to the SRA, I have made it clear on many occasions that it has done an extremely good job of bringing a great deal of order to the chaos left by the privatisation that the hon. Member for Ashford (Mr. Green) supported.

Mr. Green: I am glad that the Secretary of State has now admitted, as he failed to a few minutes ago, that the current structure, to which he objects so much, was created by his Government when they set up the various bodies. At the last count, those who wanted complete, detailed control over the railways included Network Rail, the rail regulator, the Strategic Rail Authority, the Secretary of State and now, we hear, the Prime Minister. Does the Secretary of State understand why one senior rail figure said, at the weekend:

"We are being audited to death . . . I want to get on with my day job of running the railways"?

Does he understand why passengers get angry when, as the services suffer delays and cancellations, the Government's response is more interference, more centralisation and more bureaucracy, none of which helps a single train to run on time?

Mr. Darling: If the hon. Gentleman himself had a policy, he might speak from a stronger position. The only policy that his party has is to hanker after the days of Railtrack, which were, of course, an absolute disaster for the railways.

There are two separate strands to what the hon. Gentleman says. First, on the structure and organisation of the railways, the increasingly common ground is that the present structure, which stems from the privatisation of 10 years ago, is simply not sustainable. We need to have a far more streamlined organisation that can run the railways effectively. Secondly, on train performance, I have said on many occasions—including just about every Question Time—that although performance is improving, it still has a long way to go.

The fundamental problems of our railways, however, are, first, that they did not have enough money invested in them over decades, for which the hon. Gentleman's party, which was in power for 18 years, must take its share of the blame. Secondly, the management of the railways needs to be improved. The review on which we have embarked is designed, among other things, to ensure that there is a more sensible management so that it is easier to make decisions. For example—I leave the hon. Gentleman with this thought—it cannot be right that following privatisation, the agreement of four separate organisations is needed to make a change to the timetable. That does not make any sense at all, and it is a direct consequence of the botched privatisation 10 years ago.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Will my right hon. Friend look at the practice of the SRA in coming to initial agreements with train operators over service improvements as part of their franchise, then removing the requirement for such improvements without any apparent quid pro quo from the operators? In particular, would he look at the case of Midland Mainline? The SRA has now removed a requirement for that operator to improve journey times to London, and it is now about to defer a requirement for the operator to provide an hourly quick train service between Sheffield and Leeds. Both those decisions have been taken with no quid pro quo being required from Midland Mainline, with no thought for passengers' interests and with no reference to elected representatives.

Mr. Darling: I shall look at that. There are two problems with Midland Mainline at the moment. One is the undoubted disruption being caused by the works at St. Pancras station, although the first phase, to provide new platform facilities for Midland Mainline, will be completed later this year. The second is fleet reliability. It is not clear to me why this particular train company is having so much difficulty operating a fleet that is used by other train companies that have a higher standard of reliability. No train company should be let off the drive to improve standards, and I shall look at that particular case and come back to my hon. Friend on it.

Roads

6. **Mr. Anthony Steen** (Totnes) (Con): If he will give guidance to local authorities on the percentage of expenditure in their transport budget that is appropriate to be spent on (a) road maintenance and (b) traffic-calming measures. [152276]

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): It is a matter for each local authority to decide how to allocate its funding in order to meet the transport needs of its communities and to deliver the targets and objectives set out in its five-year local transport plan. It is not for the Government centrally to dictate to local authorities, although we work with them. We will resist going back to the heavy-handed centralisation that the Conservatives employed when they were in government.

Mr. Steen: While it is true that all local authorities have an awful lot of roads to maintain, and that Devon has more than the entire road system of Belgium, would the Minister agree that it is sheer madness for Devon and the many other counties like it to spend millions of pounds on road maintenance and, particularly, on widening roads so that traffic can go faster, and then to spend millions on putting in traffic-calming measures

such as road humps and rumble strips to slow it down again? That is an enormous waste of public money and council tax payers' money.

Mr. McNulty: That is an interesting characterisation. Many of the villages in Devon are crying out for those humps for road safety reasons. This is a matter of balance for Devon county council. I had thought that the hon. Gentleman might congratulate the Government on increasing by 15 per cent. the amount of capital given to Devon in the local transport plan settlement before Christmas—it is now close to £28 million. When he mentioned madness, I thought he might be about to say that the Tories and Liberals who run Devon were mad to propose, as I understand it, the transfer of £1 million away from road maintenance to other priorities in the forthcoming budget. If there is madness, he should take the matter up with his colleagues on the county council.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): While the Minister is keeping these matters under close scrutiny, will he also recognise that, in terms of value for money and good spending practice, data need to be gathered on such matters as proposed red routes, so that we can check the data from before the introduction of the red route against the outcome and see whether the value for money that we are all looking for is actually being obtained? I would remind my hon. Friend that my borough is about to spend £750,000 on a red route and associated works, but we are not yet sure whether we shall be able to check the data against the current evidence.

Mr. McNulty: I am grateful to my hon. Friend for raising this matter with me by correspondence before today. He knows that I am looking into it. It is important that bus priority measures should be implemented in an efficient and effective way. I know that he will be enormously grateful that altogether the west midlands are getting more than £80 million in the local transport settlement, a 9.3 per cent. increase on previous years. I will, however, investigate this specific matter and get back to him on it.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Does the Minister share my doubts about the efficacy of road humps? Is he at the very least able to pledge that he and his Department will be neutral on the subject? Ideally, I would like the Department to give some guidance to local authorities, because road humps can, in certain circumstances, delay emergency vehicles, damage the vehicles of ordinary citizens and create pollution. They are generally a menace.

Mr. McNulty: All those issues and more are fully taken into account before any scheme is put into place. There is full consultation on each scheme. Do I share the right hon. Gentleman's doubts? No. Do I share his perverse libertarianism? No.

Mrs. Anne Campbell (Cambridge) (Lab): Will my hon. Friend ensure that, when speed bumps are considered by local authorities, guidance is given as to the needs of cyclists? It is comparatively simple to put a small dip in a road bump to accommodate cyclists, and doing so certainly makes it much safer for them.

Mr. McNulty: As and when it is appropriate, for road safety reasons, to install table platforms that cover the whole road, that will be done and cyclists will need to be aware of them. As and when it is appropriate for there to be gaps between the humps, for the benefit of both emergency vehicles and cyclists, that will also happen. Cyclists are fully taken into account, but the overwhelming priority must be to determine what the traffic calming measure can do for road safety. That consideration must remain paramount. My hon. Friend will be enormously grateful that Cambridgeshire has secured a 22 per cent. increase for its local transport plan.

Road and Rail Safety

7. **Dr. Evan Harris** (Oxford, West and Abingdon) (LD): What assessment he has made of the relative cost-effectiveness in expenditure per life saved of investment in rail safety compared with investment in road safety. [152277]

The Minister of State, Department for Transport (Dr. Kim Howells): Rail is a safe mode of transport, and is six times safer than travelling by car. That difference means that additional public investment in road safety measures is usually much more effective, as measured by lives saved per pound spent, than additional investment in rail safety measures such as new signalling systems. Such investment does not seem to be as effective as additional expenditure on roads.

Dr. Harris: In the light of that answer, does the Minister agree that it is regrettable that there is so much pressure from the media and possibly even the public on politicians to do something about rail safety, when investing that money in road safety could save 10 times as many lives? Does he regard it as a Government responsibility to try to change the balance of the debate to make it clear that rail transport is relatively much safer and that we need to do much more in road safety to save lives?

Dr. Howells: Yes, I agree, and we are trying to change that balance. We know, for example, that the cost of saving a life—if one can ever put a cost on such a thing—on the railways is about £10 million per life saved, whereas on the roads it is about £100,000. Small incremental improvements in road safety can indeed save many lives. It is worth reminding the House that in 2001–02, the last year for which complete figures are available, 3,431 lives were lost on the roads and 307 on the railways. If we take out from those statistics the 275 deaths that were the result of suicide or trespass and 17 other deaths, that leaves just 15 passengers and rail staff who were killed on the railways. It is therefore a very safe mode of transport, but we want it to be much safer so that it is as safe as possible. However, we recognise the validity of the hon. Gentleman's question.

Mr. Patrick McLoughlin (West Derbyshire) (Con): One way in which we could improve road safety that would not cost any money at all, is, if we do not keep

British summer time throughout the year, at least to extend its duration. Will the Minister look at that, call for investigations to be made—and not be influenced by the Secretary of State for Scotland?

Dr. Howells: My right hon. Friend will know that the position is not without difficulties in the north and north-west of the country, but we should keep it under review, and shall do so.

Air Transport (Scotland)

8. **John Barrett** (Edinburgh, West) (LD): What representations he has received on the expansion of air transport in Scotland since the publication of the aviation White Paper. [152278]

The Secretary of State for Transport (Mr. Alistair Darling): Since the publication of the White Paper I have received a number of representations on air transport in Scotland.

John Barrett: I thank the Secretary of State for his answer. Since the publication of the White Paper, many people who live close to Edinburgh airport in my constituency believe that their lives have been put on hold. What message does he have for people who are planning for the future, whether that involves the schooling of their children or their homes, and believe that they are suffering from planning blight?

Mr. Darling: As for a second runway at Edinburgh airport, the hon. Gentleman will know that the Government believe that that may be necessary in about 20 years' time. It is not going to happen immediately. In the White Paper, we set out the ground that we thought would be affected, as well as the houses that could be affected. The hon. Gentleman has tabled a number of questions about that. As for blight and planning, there are settled procedures that are primarily the responsibility of the Scottish Executive, but I draw the hon. Gentleman's attention to the fact that a second runway at Edinburgh would reduce the noise that many of his constituents in Cramond suffer, because the aircraft would make their approach from a slightly different direction.

Mr. Iain Luke (Dundee, East) (Lab): I am sure that the Secretary of State accepts that the main thrust of the argument about aviation expansion in Scotland has centred on Edinburgh and Glasgow airports. Does he acknowledge the relevance of representations by Dundee city council and me about the importance of small regional airports to their hinterlands and cities such as Dundee? What more can he do to sustain the growth of such airports?

Mr. Darling: We made it clear in the White Paper that we supported the development of smaller airports such as Dundee. With due respect, I do not think that a second runway is contemplated at Dundee just yet, but my hon. Friend is right that, in the past year or so, ScotAirways, for example, has provided much appreciated services from Dundee. The Government and the Scottish Executive will do everything that they can to encourage the use of regional airports, which can greatly help the local economy.

Network Rail

9. **Mr. Richard Bacon** (South Norfolk) (Con): If he will make a statement about the financing of Network Rail. [152279]

The Secretary of State for Transport (Mr. Alistair Darling): Network Rail is a private sector company, and raises its finance from commercial markets. The company's borrowing is supported by up to £21 billion of standby credit facilities provided by the Strategic Rail Authority, but that support will be reduced as Network Rail launches its long-term debt issuances, which we expect later this year.

Mr. Bacon: Does the Secretary of State think it right that under the terms of the new Greater Anglia rail franchise £500 million will be siphoned away from East Anglia so that Network Rail can pay for improvements elsewhere, while people in East Anglia must make do with second-hand rolling stock, and while many infrastructural improvements are still needed locally? If he does not think it right, what will he do about it?

Mr. Darling: The hon. Gentleman has asked about Network Rail, but the franchise is awarded by the SRA. As the hon. Gentleman will know, a tender was entered into, and the SRA has a duty to protect public funds. As well as making improvements, the new operator—which brings together the three franchises operating from Liverpool Street—offered a lower price.

I am sure the hon. Gentleman will accept that the SRA, and the Government for that matter, have a duty to make the best possible use of public funds. Moreover, as a result of the new franchises there will be improvements, not just services but in rolling stock.

Kevin Brennan (Cardiff, West) (Lab): Is not the main point about the financing of Network Rail that, as a public interest company, it will be able to raise money more cheaply than it would by issuing shares, as the old Railtrack had to? Moreover, it does not face the perverse incentives that were faced by Railtrack, as a privatised shareholder-owned company, in terms of safety.

Mr. Darling: I think the most important thing about Network Rail is that, first and foremost, it is there to operate in the interests of the railways. I have mentioned its decision to bring maintenance back in house. One of Railtrack's many mistakes was to farm out not just maintenance but decision making on maintenance. Network Rail estimates that this move will save some £300 million a year. Its priority is to ensure that any money it makes goes back into the railways, and over the last year or so many improvements have been made that would probably not have been possible under Railtrack because, in my view, its priorities were completely wrong. I am sorry to return to this theme, but that was a direct consequence of the way in which the industry was privatised 10 years ago.

Speed Cameras

10. **Mr. David Amess** (Southend, West) (Con): If he will make a statement on the use of revenue derived from speed cameras. [152280]

The Parliamentary Under-Secretary of State for Transport (Mr. David Jamieson): A portion of the fixed-penalty receipts deriving from offences detected on speed cameras is available to partnerships made up of police forces, local highway authorities and magistrates courts committees to cover their approved costs for purchasing, placing and operating cameras to enforce speed limits. I am sure the hon. Gentleman has noticed the reduction in the number of deaths and injuries at camera sites in Southend.

Mr. Amess: Does the Minister realise that there is a growing crisis of public confidence in the fairness of speed cameras and speed traps? People feel that they can be criminalised for being caught doing 31 mph, but that if they are burgled or mugged it is unlikely that the criminal will be caught. Will the Minister take this opportunity to reassure the public in Essex, and in Southend in particular, that this is not just a revenue-raising exercise and that the money is genuinely being reinvested in our roads and in road safety generally?

Mr. Jamieson: I can tell the hon. Gentleman that in recent years we have spent much more on roads in his area than the Government he supported ever did. I can also tell him that during the three years before a camera was fitted at Puttlewell Chase—which is in his area—there were 17 personal injury accidents, three of which involved people being killed or seriously injured. During the last three years there have been only nine personal injury accidents, and no one has been killed or seriously injured. I also have figures relating to Basildon, in case the hon. Gentleman retains a lasting interest in it.

We know from evidence that, on average, there are 35 per cent. fewer deaths and serious injuries at camera sites. It would surely be irresponsible to suggest that we should remove cameras or not install them on sites where casualties are being caused.

Jeremy Corbyn (Islington, North) (Lab): May I invite the Minister to stand resolutely firm against the speeding motorists lobby? We are all subjected to a barrage of nonsense from people who think that it is somehow all right to speed through residential areas, past primary schools, and to increase the terrible rate of death on our roads. Will the Minister ensure that the speed cameras stay, that 25 mph limits are applied in urban areas, and that we do not give in to this dangerous lobby in favour of an activity that is just as unacceptable as drunken driving?

Mr. Jamieson: All our policies on road safety must be proportionate and sensible. Cameras are located at sites where there is clearly a relationship between speeding and people being killed or seriously injured. If casualties are sustained for other reasons, it is up to the local authority to consider other solutions by using the generous amounts of money that we have made available through the local transport plans. Such solutions may mean re-engineering, changing the road layout or considering road humps, which we discussed earlier. We must examine proportionately and sensibly what is right for the particular circumstances. Speed cameras have a role to play in areas in which speeding is clearly the problem.

Mr. Christopher Chope (Christchurch) (Con): Has the Minister seen the figures published today that show that in 1999 the revenue from speed cameras in London was £500,000, and that in 2004 it is expected to be no less than £10 million? A twenty-fold increase in income in five years is extraordinary. Does that not prove our point that they are not so much speed cameras as greed cameras?

Mr. Jamieson: I remind the House that the hon. Gentleman introduced speed cameras when he was Minister for Roads and Traffic. Who am I to take the credit away from him for doing that? At the time, he predicted that 2 million people would get fixed-penalty tickets, but it has taken 10 years to reach that point He should reflect on my challenge to the hon. Member for Ashford (Mr. Green) to come forward with the 4,000 sites that he says do not meet the criteria. One month has gone by and as yet we have had no response.

The hon. Member for Christchurch (Mr. Chope) may want to take note of the 18 per cent. reduction in the number of people killed or seriously injured at sites where there are cameras in his constituency. Last year, he called for a camera site in Golf Links road in his constituency to be reactivated.

Mr. David Kidney (Stafford) (Lab): Will my hon. Friend resist calls by lawbreakers to reduce the effectiveness of detecting their lawbreaking? Will he confirm that no one who keeps to legal speed limits must pay a fine?

Mr. Jamieson: That is, of course, true, and my hon. Friend knows that the speed thresholds are set well above the speed limit. If the hon. Member for Southend, West (Mr. Amess) can show me a notification of proposed prosecution for a person who has been charged with doing 31 mph or 32 mph in a 30 mph zone, I would be interested to see it. I have put that challenge out and as yet nobody has shown me such a notification.

Potters Bar Rail Crash

12. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to meet the Health and Safety Executive to discuss the Potters Bar rail disaster. [152282]

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): The Secretary of State and other Transport Ministers have regular meetings with the Health and Safety Executive. In relation to Potters Bar, we are now awaiting a decision on potential manslaughter charges from the Crown Prosecution Service, which the hon. Gentleman knows is independent of Ministers.

Mr. Bellingham: The Minister and the Secretary of State know that the train that crashed at Potters Bar was on its way to King's Lynn in my constituency. The crash

was a tragedy for many families and a disaster for the railways. The HSE report made it clear that the crash was caused by poor maintenance. Have lessons been learned and what new procedures have been implemented? Can the Minister give me a categorical assurance that further accidents or crashes will not occur as a result of shoddy maintenance?

Mr. McNulty: The hon. Gentleman knows that the HSE investigation board reported in May 2003 and issued 26 recommendations, which are designed to make a positive difference to rail safety and, as he says, to prevent a similar accident from happening again. The investigation board has invited Her Majesty's railway inspectorate and Network Rail to a meeting on 11 February to discuss progress on implementing those recommendations, and the board will write to the bereaved and survivors after that meeting.

Speed Cameras

13. **Tony Wright** (Cannock Chase) (Lab): What assessment he has made of the casualty reduction associated with speed cameras. [152283]

The Parliamentary Under-Secretary of State for Transport (Mr. David Jamieson): On 11 February 2003, my Department published an independently produced evaluation report of the two-year trial of the safety camera cost recovery system. That showed a 35 per cent. reduction in those killed or seriously injured at camera sites, equating to some 280 people, and a 4 per cent. reduction in those killed and seriously injured across the pilot areas, equating to some 530 people. The report of the scheme's third year of operation will be published shortly.

Tony Wright: I thank my hon. Friend for that reply. He mentioned a figure of 35 per cent., but he will know that in Staffordshire the figure is 65 per cent., which is an extraordinary achievement in reducing the numbers of people killed or injured. I remind those people who think that cameras are a great infringement of human liberties that lives are being saved.

Mr. Jamieson: I congratulate the Staffordshire partnership on its success, which is way above average. For example, my hon. Friend will know the A460. In the three years before a camera was introduced on that road, five people were killed or seriously injured: in the three years since, nobody has been killed or seriously injured. I commend the partnership on the work that it does and we look forward to further success in the future.

Mr. Andrew Mackay (Bracknell) (Con): As someone who shares the view of the majority of motorists that all too often speed cameras are introduced to increase revenue rather than to improve safety, I have a specific example, as requested by the Secretary of State. I would appreciate the Minister's comments on the speed camera on the dual carriageway in and out of Heathrow airport, which is completely safe. The camera is unnecessary and must be there purely for revenue purposes, and that is a bad example to show to people who have just entered the country.

Mr. Jamieson: As with all fines, the revenue comes back to the Government, except in the case of cameras run by a partnership, where a large proportion of the money goes into keeping the cameras running and to the police. That money supplants what the police would have used to support the cameras in any case. The Heathrow area is sensitive and sometimes congested. People may be fatigued after flights—*[Interruption.]* If the right hon. Gentleman would stop chuntering and listen for a moment, it would help. The area is especially sensitive and I hope that the right hon. Gentleman would not condone people breaking the law and using excess speed in that area.

West Coast Main Line

15. **Ms Sally Keeble** (Northampton, North) (Lab): What consultation will be carried out with rail user groups on the new timetables for services using the west coast main line. [152285]

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): The Strategic Rail Authority aims this month to provide detailed timetable proposals for comment. Consultees will include rail user groups such as the Northampton rail user group.

Ms Keeble: I thank my hon. Friend for that reply. The Northampton rail user group, which I chair, looks forward to receiving the timetable proposals. Will he ensure that all the rail user groups receive copies, because—at a difficult time, with work being done and much concern about timetables—it is important that those with an interest in the success of the industry have a chance to see and comment on the proposed timetables?

Mr. McNulty: I fully accept the points that my hon. Friend makes and I know that she has worked keenly with the SRA and the Northampton rail user group to ensure reform. The consultation meeting with that rail user group will be held in the Guildhall later this month, and I will ensure that my hon. Friend's comments are passed on to the SRA.

Mr. Peter Pike (Burnley) (Lab): Does my hon. Friend agree that when the users of the west coast main line are consulted on the timetable, it will be important to take into account links with local services at stations such as Preston, which feed the west coast main line?

Mr. McNulty: The timetables that emerge will be rooted in the overall strategy for the west coast main line, and part of that strategy includes how local services interface with the main line. However, I will ensure that my hon. Friend's comments are passed on to the SRA in terms.

Bus Regulation

17. **Andy Burnham** (Leigh) (Lab): If he will make a statement on the regulation of bus services. [152287]

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): While we have no plans for major changes to the regulatory system for buses, we

continue to consider key aspects of the regime established by the Transport Act 2000 and will report shortly, especially on issues such as quality contracts.

Andy Burnham: I am grateful for that reply. Bus services are vital to my constituents because, as I may have said once or twice before, Leigh is the largest town in the UK without a railway station. The current regime does not serve my constituents well, especially elderly people who do not have access to private transport. Recently, a bus service between Leigh and Warrington was unilaterally withdrawn, at very short notice. I urge my hon. Friend to give serious consideration to representations made by Greater Manchester passenger transport authority and others for a more effective regulatory regime that better protects the travelling public.

Mr. McNulty: As I have said, we are keeping these matters under constant review. Many local authorities have not perhaps explored as fully as they might the total breadth and depth of the regulatory regime in the Transport Act 2000. We shall shortly examine the issue of quality contracts and how they prevail under the system. My hon. Friend's observations are not unique to Leigh or to the north-west, but if he considers all that we have recently reported on—such as the urban bus challenge, the rural bus challenge and the local transport plan settlement, which was reached just before Christmas—he will see that for this Government, the bus is absolutely central to an integrated transport system.

CABINET OFFICE

The Minister was asked—

Alcohol Consumption

21. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What work the strategy unit has carried out on the social aspects of alcohol consumption. [152263]

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (Mr. Douglas Alexander): The Prime Minister's strategy unit published an interim analytical report on the harms associated with alcohol misuse on 19 September last year. The findings of the report are being used to inform the development of the Government's alcohol harm reduction strategy, which will be published shortly.

David Taylor: Given that the recent youth lifestyles survey revealed that only one in three under 18-year-olds who try to buy alcohol is refused, and that in 2002 just 162 people were convicted or cautioned in respect of under-age sales, should not our national alcohol harm reduction strategy involve a more rigorous approach to law enforcement and the provision of more alcohol-free places in which younger teenagers can enjoy themselves? I am thinking, for example, of the Hub, in Ashby de la Zouch, of which I am a patron. It was officially opened last Friday and it would benefit from a ministerial visit.

Mr. Alexander: I shall certainly bear in mind that invitation and pass it on directly to the sponsor Minister who is developing this project. My hon. Friend raises a very important point. One reason why we wanted to undertake this study is the correlation between alcohol use and violent crime; indeed, criminal justice is one of the areas that are being explored. The study has not been published so I cannot go into detail, but I can assure my hon. Friend that it will address education and communication—issues of particular interest to younger people—health and treatment, supply and pricing, delivery, and the issues of community safety and criminal justice that he raises.

Miss Anne McIntosh (Vale of York) (Con): Will the Minister undertake to place a copy of the study in the House of Commons Library once it is published, and will he consider authorising a similar study on the social aspects of cannabis use and its potential for causing road accidents?

Mr. Alexander: Of course the study will be published, and I shall pass on the hon. Lady's views directly to the Minister in charge of sponsoring it. Consideration will be given to what studies should be undertaken by the strategy unit in due course, but I have certainly noted the point that the hon. Lady raises.

Public Appointments

22. **Mr. Wayne David** (Caerphilly) (Lab): What action the Government are taking to ensure there are more people from the ethnic minorities appointed to public bodies. [152264]

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (Mr. Douglas Alexander): This Government are committed to achieving greater diversity in public appointments. As of 31 March 2003, people from ethnic minorities held 5.3 per cent. of appointments—an increase from the 3.6 per cent. figure of 1997. Individual Departments have developed action plans to ensure that even more progress is made in this important area.

Mr. David: I thank the Minister for his reply, but can he tell the House to what extent the Race Relations (Amendment) Act 2000, which gives authorities a new statutory duty to promote race equality, is assisting the work of his Department and of other public bodies?

Mr. Alexander: My hon. Friend's point about the 2000 Act is an important one. It came about as a result of a very important public inquiry into racism affecting a group across society. In that sense, the legislation is already forming a key part of the thinking not just of one Government Department—my right hon. Friend the Secretary of State for Trade and Industry has made a recent announcement in this regard—but of a range of Departments, including the Cabinet Office.

Mr. Richard Allan (Sheffield, Hallam) (LD): The Government deserve some credit for the progress made since the 2000 report, "Quangos: Opening up Public Appointments", but does the Minister recognise that there are still some very weak Departments, particularly the Department for Environment, Food and Rural

Affairs, and the Ministry of Defence? Can he say whether progress has been made on including tribunals in the diversity programme that he oversees?

Mr. Alexander: There are certain restrictions—age restrictions, for example—for tribunals, which do not apply to other public bodies. However, I acknowledge the point that Departments are at different stages in moving forward the diversity agendas and I am happy to communicate the points raised today and ensure that the hon. Member receives a direct reply.

Brian White (Milton Keynes, North-East) (Lab): The Minister will be aware that the Public Administration Committee's report suggested innovative ways of appointing people to various bodies. Will he assure the House that Departments will examine those innovative ways forward rather than carry on appointing in the same old way?

Mr. Alexander: I understand my hon. Friend's point about the Publication Administration Committee's report "Government by Appointment", which was published on 10 July 2003. The Government responded to the proposals on 17 December last year, but I understand that only this morning the Chairman of the Select Committee made further comment, so these matters continue to be a feature of public debate.

Civil Contingency Planning

23. **Bob Spink** (Castle Point) (Con): What recent representations he has received on civil contingency planning. [152265]

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (Mr. Douglas Alexander): The Government maintain a close dialogue with a wide range of stakeholders in their civil contingency planning work. The Government consulted publicly on the draft Civil Contingencies Bill between June and September 2003 and received 379 responses from civil protection professionals, representative organisations, lobby groups and interested individuals. We published a report of the results of the public consultation on 7 January this year. Engagement with a wide range of stakeholders continues with the development of the regulations and guidance under the Bill.

Bob Spink: Is the Minister aware that the Thames gateway area is a flood risk area? Will he explain it to his right hon. Friend the Deputy Prime Minister, who wants to build on ground there that is at risk from flooding? That will cause serious difficulties for civil contingency planning in that region.

Mr. Alexander: I will certainly pass on the hon. Gentleman's concerns directly to the Office of the Deputy Prime Minister. I would, however, point out that he raises an important point in recognising that the Civil Contingencies Bill before the House at this stage does address the issue of flooding and will afford greater security to those affected by flooding in future by putting in place an appropriate framework of civil protection in this country.

Mr. Barry Gardiner (Brent, North) (Lab): Has my hon. Friend identified the need for an isolation unit in the region of Heathrow airport and the Greater London area to deal with a potential outbreak of, say, severe acute respiratory syndrome, or a bio-terrorist alert? Will he specifically consider the case for the Lister unit at the Northwick Park site as a suitable place for dealing such contingencies?

Mr. Alexander: I recognise my hon. Friend as a fearless champion of local interests in his own constituency. I can assure him that, consistent with the lead Government Department principle, the Department of Health continues to review the Government's approach to exactly the sort of issues that he has identified. I will ensure that my hon. Friend's comments are passed directly to the Department of Health.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Does the Minister realise that the police are so stretched that they have had to reach a gentleman's agreement with Group 4 to back them up in an emergency? Why does he continue to reject our idea of setting up an emergency volunteer reserve to call on the skills of our people, and when will the Government take civil contingencies seriously?

Mr. Alexander: I would, of course, point out that there are more police on the streets of Britain now than under the previous Administration. I would also point out that, if we look back to the last Budget of April 2003, we will find that an additional £330 million was awarded over three years for counter-terrorism projects in the Office of the Deputy Prime Minister, the Cabinet Office and the Home Office. The Government clearly take civil contingencies planning seriously, which is why we introduced the Bill and why the extra resources were committed.

Fishing Industry

24. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): When the Strategy Unit will publish its report on the UK fishing industry. [152267]

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (Mr. Douglas Alexander): The strategy unit's fisheries project was announced on 27 March 2003. The aim is to develop a long-term strategy for the sustainable future of the UK marine fishing industry. The report will be published shortly.

Mr. Carmichael: I must tell the Minister that I am disappointed—as are many of my constituents—that we still have no date for the publication of this overdue report. If he or the researchers preparing the report listened to people in fishing communities, they would know that those communities are in crisis. We need a strategy that goes beyond tinkering around the edges of the common fisheries policy—and we need it soon. Can we have the report soon?

Mr. Alexander: That is exactly why the strategy unit has taken that long-term view. As the hon. Gentleman is interested in the unit's emerging thinking on the matter, I remind him that a conference was held in Newcastle on 1 October last year. The results were

published on the website. With great respect to the hon. Gentleman, however, I suggest that he address his concerns to one of the members of the steering board—the Scottish Executive's Liberal Democrat Minister for Environment and Rural Development, who has responsibility for fisheries.

Mr. Michael Jabez Foster (Hastings and Rye) (Lab): I congratulate my hon. Friend on his work with the strategy unit, which is so important for fishermen on the south coast. The unit has not yet reported, so will my hon. Friend look at what is happening on the south coast? Cod numbers are enormous there, but the fish cannot be caught because they are considered to belong to the North sea.

Mr. Alexander: The fishing industry supports about 11,200 people in England, so it is not a matter of concern only to hon. Members with Scottish constituencies. I shall be happy to pass on my hon. Friend's remarks to my hon. Friend the Member for Exeter (Mr. Bradshaw), the Under-Secretary of State for Environment, Food and Rural Affairs.

WMD Intelligence Review Committee

12.30 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): With permission, Mr. Speaker, I should like to make a statement. First, I apologise to the shadow Foreign Secretary, the right hon. and learned Member for Devizes (Mr. Ancram), and to the Liberal Democrat foreign affairs spokesman, the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), as the notice of the text of this statement that I was able to give them was slightly shorter than usual, for reasons that I think that they will understand.

My right hon. Friend the Prime Minister has decided to establish a committee to review intelligence on weapons of mass destruction. This committee will be composed of Privy Councillors. It will have the following terms of reference: to investigate the intelligence coverage available in respect of WMD programmes in countries of concern and on the global trade in WMD, taking into account what is now known about these programmes; as part of this work, to investigate the accuracy of intelligence on Iraqi WMD up to March 2003, and to examine any discrepancies between the intelligence gathered, evaluated and used by the Government before the conflict, and between that intelligence and what has been discovered by the Iraq survey group since the end of the conflict; and to make recommendations to the Prime Minister for the future on the gathering, evaluation and use of intelligence on WMD, in the light of the difficulties of operating in countries of concern.

My right hon. Friend the Prime Minister has asked the committee to report before the summer recess.

The committee will follow the precedent in terms of procedures of the Franks committee. It will have access to all intelligence reports and assessments and other relevant Government papers, and will be able to call witnesses to give oral evidence in private. The committee will work closely with the US inquiry and the Iraq survey group.

The committee will submit its final conclusions to my right hon. Friend the Prime Minister in a form for publication, along with any classified recommendations and material. The Government will, of course, co-operate fully with the committee.

The members of the committee will be Lord Butler of Brockwell, who will be the chairman, Sir John Chilcot, and Field Marshal Lord Inge. It will also include two senior Members of this House, my right hon. Friend the Member for Dewsbury (Ann Taylor), and the hon. Member for East Hampshire (Mr. Mates), who will be made a Privy Councillor [HON. MEMBERS: "Hear, hear."].

In settling the terms of the inquiry and its membership, there have of course been discussions with the leaders of the two main Opposition parties. I regret, however, that the leader of the Liberal Democrat party has declined to support the inquiry. That, and that alone, explains why no senior member of the Liberal Democrats is a member of the committee.

As the House will be well aware, there have already been three inquiries into aspects of the Iraq war. The first, established in early May last year, was conducted by the Intelligence and Security Committee. It considered in some detail the intelligence received in London, and its assessment and use, including in the dossier. It reported to Parliament on 9 September.

The second report, by the Foreign Affairs Committee, was established on 3 June last year, against the background of the controversy surrounding the Andrew Gilligan report on the "Today" programme on 29 May. It made its report to this House on 7 July. The third report was the judicial inquiry by Lord Hutton, which was established following the death of Dr. David Kelly. It, of course, reported last Wednesday. Although the terms of reference of the three inquiries varied, a central theme of each was whether the Government had acted improperly or dishonestly in using the intelligence available to them. Echoing the conclusions of the earlier reports and in categorical terms, Lord Hutton was emphatic last week that such allegations were unfounded. The new inquiry, obviously, will not revisit the issues so comprehensively covered by Lord Hutton.

While those inquiries were under way, three proposals were put before the House in June, July and late October on Opposition motions calling for wider inquiries into aspects of the Government's handling of events in the run-up to the Iraq war. At the time, the Government resisted those calls, including on the ground that the inquiries already under way should be allowed to complete their work. Later, both the Prime Minister and I also referred to the continuing activities of the Iraq survey group.

Over the past week, we have seen the publication of the Hutton report and the evidence of Dr. David Kay, former head of the Iraq survey group, to a US congressional committee. It has also emerged that the Iraq survey group may take longer to produce a final report than we had all originally envisaged. All that has led the Government now to judge that it is appropriate to establish this new inquiry of Privy Councillors. [HON. MEMBERS: "Oh!"] Lord Hutton dealt conclusively with the grave charge against the Government that we had in some way acted improperly or dishonestly in the preparation of intelligence put before the House and the public. The Government recognise—and always have—that there are wider and entirely legitimate concerns about the reliability of the original intelligence, which have been heightened by Dr. Kay's evidence. When he gave evidence before the US Congress last week, on 28 January, he repeatedly emphasised his continued support for the decision to take military action against Iraq and his belief still today that Iraq was in clear and material violation of United Nations Security Council resolution 1441. He stated also:

> "Prior to the war, my view was that the best evidence that I had seen was that Iraq indeed had weapons of mass destruction. I would also point out that many governments that chose not to support this war—certainly the French President Chirac—referred to Iraq's possession of WMD. The German intelligence certainly believed that there was WMD."

Dr. Kay added:

> "It turns out we were all wrong probably, in my judgement, and that is most disturbing."

In the intervening period since the Iraq war began, events elsewhere have greatly increased anxieties about the proliferation of weapons of mass destruction and of

the need for reliable intelligence and effective international action. According to reports over the weekend, an individual has sold nuclear secrets to North Korea. Iran, for a long time, did not report all that it should have reported to the International Atomic Energy Agency under its safeguards agreement. Libya was in breach of its obligations under the non-proliferation treaty—and both countries are now subject to considerable activity by the IAEA.

There are other concerns too, so we have judged it prudent for this inquiry to consider those wider issues—as set out in its terms of reference. But of course a great focus of the committee's work will be on Iraq—rightly so. It is, however, important to remind ourselves of the significance and limits of the use of intelligence in relation to Iraq. The September dossier made a powerful case for the world to take notice of Iraq. It did not make a case for military action. As the record shows, the case for military action was fundamentally based upon Iraq's breach of UNSCR 1441. */Interruption./* Iraq had used WMD against its own people and against its neighbour, Iran. Saddam Hussein had invaded two of Iraq's neighbours, leading to the deaths of 1 million people. For 12 years after the Iraqi army was expelled from Kuwait, Saddam Hussein defied repeated United Nations resolutions calling for him to co-operate with UN weapons inspectors to dismantle WMD programmes. Resolution 1441 unanimously found Iraq in material breach of previous resolutions and offered it a final opportunity to comply fully and immediately with UN inspectors, or to face "serious consequences". The head of the UN inspectors, Dr. Hans Blix, published on 7 March last year a 173-page document listing the unresolved issues in respect of Iraq's WMD programmes—a document that I placed before the House in a Command Paper some days later.

All that painted a compelling picture. As the Prime Minister and I have said repeatedly, it would have been gravely irresponsible not to have acted against this. We took the right decision in agreeing to military action against Iraq and it is still, in my judgment, the right decision today.

For the sake of completeness, it may be helpful to give a more rounded picture of Dr. Kay's evidence to Congress last week. These are some of the things that he said:

"I think when we have the complete record you're going to discover that after 1998 it"—

the Iraqi regime—

"became a regime that was totally corrupt. Individuals were out for their own protection. And in a world where we know others are seeking WMD, the likelihood at some point in the future of a seller and a buyer meeting up would have made that a far more dangerous country than even we anticipated with what may turn out not to be a fully accurate estimate."

Dr. Kay went on:

"All I can say is if you read the total body of intelligence in the last 12 to 15 years that flowed on Iraq, I quite frankly think it would be hard to come to a conclusion other than that Iraq was a gathering, serious threat to the world with regard to weapons of mass destruction."

He continued:

"I think you will have, when you get the final Iraq Survey Group report, pretty compelling evidence that Saddam had the intention of continuing the pursuit of weapons of mass destruction when the opportunity arose."

I will place in the Library of the House a full copy of Dr Kay's evidence.

Let me take this opportunity to pay tribute to the outstanding work of the British intelligence agencies around the world, often in difficult and hostile conditions. This inquiry is emphatically not a challenge to that vital work, nor to the dedication and professionalism of the people who work in those agencies; but what the inquiry should do is to help the Government better to evaluate and assess the information that they provide.

The decision that the House took 10 months ago to go to war was justified given the defiance of a regime that uniquely had used weapons of mass destruction and had refused for so long to comply with obligations unanimously imposed upon it by the United Nations Security Council. That is a decision for which we, as elected representatives in this House, took responsibility and for which we will continue to take responsibility. We cannot subcontract that responsibility to any inquiry, however distinguished, but I believe that Lord Butler and his colleagues will be able to perform a most valuable service to the House and to the country and I express my appreciation to them.

Mr. Michael Ancram (Devizes) (Con): May I thank the Foreign Secretary for what I can only call his astonishingly defensive statement, and for advance sight of it? I congratulate my hon. Friend the Member for East Hampshire (Mr. Mates) on his appointment to the Privy Council.

We on the Conservative Benches welcome the announcement of the inquiry. We could hardly do otherwise because we have been calling since last June for an inquiry into intelligence on weapons of mass destruction in Iraq and into the use made of such intelligence by the Government. Indeed, over the last few days, my right hon. Friend the Leader of the Opposition has deployed a powerful case for an inquiry, much along the lines of the one that the Foreign Secretary has announced, so we would be churlish not to show our appreciation when our advice is heeded.

It is particularly gratifying in this instance to see that the Prime Minister, who has no reverse gear, can still execute impressive U-turns—there can be few more spectacular examples than this one. Our frequent calls for an inquiry were met with the response from last June onwards that it was unnecessary, that the Foreign Affairs Committee and the Intelligence and Security Committee were enough and that anyway we should wait for the final report of the Iraq survey group.

Even after Lord Hutton reported last week, senior Ministers, including the Lord Chancellor on Sunday, were still insisting that an inquiry was not needed and that we should await the outcome of the ISG, whenever that might come. Then, suddenly, the damascene conversion, which we welcome, even if I am not totally convinced by the Foreign Secretary's explanation. Perish the thought that it had anything to do with the decision of President Bush to hold a similar inquiry. I like to think that it was because the Government have at last seen the light—the light that kicking for the long grass would not make the very serious questions relating to the intelligence on WMD and the Government's use of it go away; the light that the longer a full inquiry into

[Mr. Michael Ancram]

those issues was refused, the more the credibility of both the Government and the intelligence services would be undermined; and the light that the public have a right to have those serious questions answered, not least in view of Dr. Kay's recent evidence to Congress.

So we welcome the announcement of this important inquiry. I am sorry that it will hold its hearings in private. Can the Foreign Secretary assure the House that, when it reports, not only will that report be published in full, subject only to genuine security considerations, but that the evidence that it considered will be published as well? If it is to reassure, the outcome must be as open as possible, even if it is critical of the Government and their agencies.

We accept the terms of reference. However, some fear has been expressed that the inquiry is designed solely to focus the spotlight on our intelligence services, not on the Government. That would be not only unfair, but wrong. Can the Foreign Secretary confirm whether the committee will be able, within those terms of reference, to examine the discrepancies not only between the pre-war intelligence and the outcome of the ISG, but between that intelligence and the use made of it by the Government?

Will the committee be able to evaluate the intelligence made available to the Government against the statements and publications from the Government that purported to be based on it—in particular, the two dossiers of 24 September 2002 and 3 February 2003, the Prime Minister's statement at St. Petersburg on 31 May, the Prime Minister's evidence about WMD programmes to the Liaison Committee on 8 July and his spokesman's reference to WMD product on the very next day? Will the inquiry be able to consider whether there was any cherry-picking, or selective or partial use of evaluated intelligence by the Government that might have cast a somewhat different gloss from that which was intended by the intelligence services?

It is an irony of history that, if the Government had set up such an inquiry when we first pressed them in June last year, many difficulties, accusations and counter-accusations might have been avoided and the serious questions might have been already answered. A considerable price has been paid for the Government's obstinacy on this matter, not only with their own reputation, but with that of the dedicated intelligence personnel who serve our country with commitment and distinction. In this age of pre-emption, the inquiry is vital to restore confidence in our intelligence services, which themselves are so central to meeting the challenges of terrorism and weapons of mass destruction that face us all today.

Mr. Straw: May I say first that I am glad to know that the Leader of the Opposition agrees with what I told the House earlier today? I am very happy to take his compliment and that of the right hon. and learned Member for Devizes (Mr. Ancram) in the spirit in which it was offered.

The right hon. and learned Gentleman asks about the timing of the establishment of the inquiry. Of course the evidence from Dr. Kay and the interim conclusions for which he gave evidence before a congressional committee have been a critical trigger in the establishment of the committee. It was the case that, if we had sought to set up such an inquiry last summer, a large part of the inquiry could not have taken place until after the ISG's work had been completed because everything would have been on a contingent basis—"Well, what is there?"—and, at the time, the question was that we did not know what was there. Since then, we have had an interim report from the ISG, after very considerable inquiries by the ISG that are still not complete. The fact that the time scale will continue for the ISG means that, in our judgment, we should not wait to establish the inquiry. If we had established a committee last summer, I doubt that it could have done its work properly until the ISG had at least reached this interim conclusion.

The right hon. and learned Gentleman asks whether the committee will hold its hearings in private. As the terms of reference indicate, the committee of Privy Councillors will model its work on the review of the Falklands Islands conflict, which was published in January 1983—Command Paper 8787, which I have here—and which itself met in private.

The right hon. and learned Gentleman asked me about the terms of reference. They are as they state, and say, among other things:

"as part of this work, to investigate the accuracy of intelligence on Iraqi WMD up to March 2003, and to examine any discrepancies between the intelligence gathered, evaluated and used by the Government before the conflict, and between that intelligence and what has been discovered by the Iraq survey group since the end of the conflict."

How those terms of reference are precisely interpreted is a matter for the committee, not for us.

The right hon. and learned Gentleman asked whether the committee's report will be published—I made it clear that it will be published—and asked a question about evidence. That must be a judgment for the committee and the agencies because just as with the Franks inquiry into the Falklands, by definition, a huge amount of evidence is bound to be highly classified. It is my hope, as it always has been with all such inquiries, that the maximum amount that can be made public should be made public.

The right hon. and learned Gentleman went on to make a poor point by suggesting that if the committee has any criticism of the Government, it will be suppressed on the grounds that it is classified. That is utter nonsense. If the committee has criticisms to make of the Government, of course it will make them, and make them public. No member of the inquiry—either Members of the House or distinguished individuals from outside the House—would dream of putting their name to the report unless their criticisms, if they had them, were made public.

Sir Menzies Campbell (North-East Fife) (LD): Perhaps I, too, may add my congratulations to the hon. Member for East Hampshire (Mr. Mates) on his forthcoming appointment to the Privy Council. May I also be allowed a moment's scepticism about the enthusiasm of the right hon. and learned Member for Devizes (Mr. Ancram) for an investigation into the reasons why we went to war, given that prior to the publication of the dossier on 24 September 2002, the then leader of the Conservative party told the country that military action was the only option when dealing with Saddam Hussein?

Let me make it clear that I make no criticism of the members of the proposed committee—not of their integrity, competence or independence. However, it is a matter of profound regret that my right hon. and hon. Friends feel unable to endorse the remit announced by the Foreign Secretary or to support the nomination of my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) as a member of the committee. That was not an easy decision and nor is it likely, as events have demonstrated, to be universally popular. However, our objections relate to the remit that the Foreign Secretary announced.

As the Foreign Secretary said in response to the right hon. and learned Member for Devizes, the remit is confined to intelligence and weapons of mass destruction. It deals neither with the workings of government, nor with political decision making based on intelligence. Does the Foreign Secretary understand that following the public response to the Hutton report, an inquiry that excludes politicians from scrutiny is unlikely to command public confidence? Let me put on record once again that we have never doubted the Prime Minister's sincerity in these matters. However, should not the Prime Minister and others, given the special circumstances of this case, be willing to submit to scrutiny of their competence and judgment in the discharge of their responsibilities?

The Foreign Secretary mentioned the Franks report. Does he remember the remit of the Franks committee? It was to

"review the way in which the responsibilities of Government ... were discharged ... taking account of all such factors ... as are relevant".

Why can we not have a remit of that breadth to deal with the matters with which we are concerned? Indeed, why can we not have a remit with sufficient breadth to allow the members of the committee to examine the whole of the Attorney-General's advice?

The Government have performed a welcome volte-face on the principle of an inquiry, for which we must give President Bush some small credit. However, there is still time to give the inquiry a remit that would truly satisfy the public interest, and the Government should take that opportunity.

Mr. Straw: It was the right hon. and learned Gentleman who said that it was not an easy decision—I suspect that it was also a controversial decision among the Liberal Democrats. I believe that it is a decision that the wiser counsels inside the party, especially, will come to regret greatly.

The right hon. and learned Gentleman refers to earlier calls for inquiries. When he spoke in the House on 22 October in support of a motion moved by the shadow Foreign Secretary, he said:

"The central question remains: did we go to war with Iraq on a prospectus that was flawed, either because the intelligence behind it was inadequate, or because that intelligence was mishandled once it had been obtained?"—[*Official Report*, 22 October 2003; Vol. 411, c. 686.]

As for the latter point, the question of whether intelligence was mishandled in terms of propriety or dishonesty was dealt with comprehensively by Lord Hutton. On the other issue, I fail to see the difference between what he was telling the House in October and what is now apparent in the terms of reference of the inquiry.

As for the precise terms of reference of the Franks inquiry, the right hon. and learned Gentleman knows that the history of what led to the Argentinian invasion was, by definition, different from the history of what led to the war in the Iraq. He somehow believes that the decision that the elected House of Commons made on whether to take military action on 18 March should be subcontracted to a committee of distinguished persons so that they can adjudicate on it, but that is frankly a ludicrous and undemocratic proposition. I draw to his attention the fact that the terms of reference of the Franks committee stopped at the Argentine invasion of the Falkland Islands and did not include the decision, which was broadly endorsed by the House of Commons, albeit not on a substantive motion, to take military action in respect of the invasion. That was properly a decision for Her Majesty's Government and the House of Commons of that day. People on both sides of the House would have thoroughly objected if Lord Franks had sat in judgment on whether the House of Commons and Her Majesty's Government, on the key issue before any democracy, of war or peace, had got it right or wrong.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I welcome my right hon. Friend's announcement. Will he confirm that all of us in this country have every reason to be grateful for the information provided by the intelligence services? It all adds to our greater safety. Will he also give a commitment that those who gather that intelligence material, whether at home or abroad, will be properly protected throughout the process?

Mr. Straw: I am grateful for what my hon. Friend says. It is essential that those who provide intelligence, those who work directly for our intelligence agencies and those with whom we co-operate are fully and properly protected. I merely say to the House about many of the crucial issues on which we have made progress in recent months, which have been absolutely critical to the peace of the world—literally—that that could not have happened without the courage and professionalism of members of our intelligence agencies and those with whom they co-operate.

Sir John Stanley (Tonbridge and Malling) (Con): Was not the right hon. Gentleman wrong by implying in his statement that Lord Hutton passed any verdict whatsoever in the course of his inquiry on whether Ministers properly and fully evaluated the intelligence placed before them before going to war in Iraq? Should not that matter be clearly and firmly within the remit of Lord Butler's committee?

Mr. Straw: I think that the right hon. Gentleman might have misheard me. Lord Hutton, in his extremely comprehensive and weighty report, dealt with his terms of reference and especially the "very grave allegation", as he described it, that there had been improper conduct by Ministers. He said that such allegations were "unfounded". I repeat to the House and the right hon. Gentleman that the terms of reference are as they are:

"to examine any discrepancies between the intelligence gathered, evaluated and used by the Government before the conflict"—

as well as other matters that are set out.

Mr. Ernie Ross (Dundee, West) (Lab): I welcome my right hon. Friend's statement. I should like to re-emphasise the point made by my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth), that the protection of those who give evidence is essential, particularly if they come from the middle east. We still have major problems there. There are different ways to gather intelligence, and those who supply it must be assured of absolute protection.

Mr. Straw: I agree entirely with my hon. Friend.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Do the Government accept the traditional doctrine that Ministers are responsible, including for the advice they take, and so have a duty to probe, question and evaluate that advice and reach the right conclusion, as his right hon. Friend the Member for Livingston (Mr. Cook), his predecessor, did? Or are they replacing it with a new doctrine that when things go right Ministers take the credit and when they go wrong they set up a narrowly based inquiry to blame officials for a political decision?

Mr. Straw: Neither I nor my right hon. Friend have ever sought to shy away from our responsibilities, and our responsibilities are to this House. Let that not be forgotten.

Mr. Robin Cook (Livingston) (Lab): My right hon. Friend is a very intelligent Minister, who has seen a great deal of intelligence in the course of holding his two Cabinet posts. Does he really believe that even such a highly distinguished membership as he has announced today can separate out the intelligence judgment on the threat from the political judgment to go to war on the basis of that threat? Does it not logically follow that if we now have no evidence of an immediate threat from Saddam Hussein we had time to let Hans Blix finish the job and tell us, without any war, that there were no weapons of mass destruction?

Mr. Straw: That distinction is essential. I also point out to my right hon. Friend that, albeit it was in February 2001 and not a few days before we went to war, he wrote in an article in the *The Daily Telegraph*:

"UN measures remain in place because of Saddam's determination to retain and rebuild his weapons of mass destruction and threaten the region".

So at that date my right hon. Friend believed, and told the public that he believed, that Saddam had retained his weapons of mass destruction.

I have never suggested to my right hon. Friend that it followed, as night follows day, from the view he took then that military action against Iraq was either necessary at that time or subsequently. That is not the case. However, it is the case that my right hon. Friend as at 20 February 2001, along with, as Dr. Kay pointed out, intelligence agencies from around the world as at March 2003, took the view that Iraq had weapons of mass destruction as well as weapons programmes. I believe that even today people would be hard put to it to deny that Saddam was and remained in categorical breach of his obligations under resolution 1441.

Mr. Kenneth Clarke (Rushcliffe) (Con): Is the Foreign Secretary prepared to accept that while Lord Butler will no doubt do as good a job as Lord Hutton did on the question addressed to him, the terms of reference given to the two inquiries are so narrow as to make them completely irrelevant to the main subject of public interest? Does he accept that many people in the diplomatic and security world, as well as politicians, think that the invasion of Iraq was decided on by the American Administration long before the events we are considering, and that the arguments about weapons of mass destruction and United Nations resolutions were introduced to enable the British Government to try to provide a legal basis for the decision that had already been taken to support the Americans in the invasion?

Does the right hon. Gentleman accept that this House cannot debate that adequately, and fulfil the obligation he keeps laying on us, until we have more factual access to the diplomatic exchanges with the Americans and the political workings of the Government, of a kind that a Franks-type public inquiry with broad terms of reference into the origins of the war would undoubtedly provide, but which we obviously shall not have unless President Bush is forced into a similar inquiry on the other side of the Atlantic?

Mr. Straw: I do not accept the basis of what the right hon. and learned Gentleman has said. The case for military action was well rehearsed before the House. It is not a question of whether the House endorsed the decision, because the House made the decision by a substantial majority of all parties on 18 March last year. It did so based on the argument in the motion before the House and the arguments that my right hon. Friend the Prime Minister and I then advanced, as well as the arguments that I and colleagues like Secretary Colin Powell of the United States advanced in repeated Security Council hearings in the weeks leading up to 18 March. Those arguments were about the fact that the whole world—not just President Bush in his closet—had declared Saddam Hussein to be in clear material breach of his obligations. The whole world in November 2002 said that Saddam Hussein posed a threat to international peace and security by reason of Iraq's proliferation of weapons of mass destruction and long-range missile systems and its defiance of the United Nations, and that Saddam Hussein had refused to put himself into compliance with the UN.

There was an issue, which my right hon. Friend the Member for Livingston (Mr. Cook) raised, as to whether it was the right time to take military action. Of course that was an issue. However, what I have described was the heart of the argument. My argument then—and it is still my argument—was that had we, in the middle of March, simply walked away, which was essentially what was on offer from the French, the Russians, the Chinese and others, with just a slap on the wrist for Iraq, the world would have become a far more dangerous place. That is also the view of Dr. David Kay.

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): Will the inquiry extend to examining the points made by the leader of the Liberal Democrats on 18

March last year, when he said of the previous Administration:

"They provided him"—

Hussein—

"with anthrax and other chemical weapons, and they approved the construction of dual-use factories in Iraq."—[*Official Report*, 18 March 2003; Vol. 401, c. 783.]—

or are we just to accept the Liberal party's opportunism?

Mr. Straw: That would be entirely a matter for the inquiry, but the right hon. Member for Hitchin and Harpenden (Mr. Lilley) quite properly put on the record of the House the fact that such a claim was without foundation.

Sir Peter Tapsell (Louth and Horncastle) (Con): Do the Prime Minister and the Foreign Secretary feel no shame or even regret that as a consequence of their ignoring the advice of many of us on both sides of the House—we expressed grave doubts by voice and vote in the months before the war, suggesting that Iraq no longer possessed weapons of mass destruction, and urged that Hans Blix and the UN inspectors should be given more time before military action—their faulty political judgment caused the deaths of more than 50 British servicemen and thousands of innocent Iraqi citizens?

Mr. Straw: I respect the view that the hon. Gentleman took before military action and subsequently. The advice, as he describes it, was not taken by the overwhelming majority of his own party, still less by us. Many people will want to quote Dr. David Kay. The hon. Gentleman must weigh up the fact that there is overwhelming evidence about the violation of resolution 1441 by Iraq, and I ask him to consider—this is a difficult calculation, but it is one that we must all consider—what would have happened had we allowed Saddam to continue. My judgment is that had we simply sat on our hands, which is all that was on offer from other countries in the Security Council, Saddam would have been re-emboldened and re-empowered. He would have posed an even greater threat to his own people and the whole region, and those mass graves being filled up weekly by Saddam's thugs would have become even fuller.

Sir Stuart Bell: Does my right hon. Friend agree that the entire House feels pleased that Saddam Hussein is no longer able to develop his deadly poison, ricin, his rudimentary nuclear programme and all those weapons of mass destruction programmes that were concealed from Dr. Hans Blix? Given that my right hon. Friend will place in the House of Commons Library the full text of Dr. Kay's statements to the Senate armed services committee, would a proper reading of that not show that it would have been the grossest dereliction of duty of this Government or any Government to have taken any decision other than the one we took in the House on 18 March?

Mr. Straw: I agree with my hon. Friend. Dr. Kay used almost exactly those words in his evidence to the Senate armed services committee.

Mr. Alex Salmond (Banff and Buchan) (SNP): Was it not Lord Butler who, when still Cabinet Secretary in 1997, approved Alastair Campbell's right to issue instructions to civil servants? Might that issue not be germane to the inquiry that Lord Butler has now been asked to chair? How could the Prime Minister this morning and the Foreign Secretary this afternoon claim that Lord Hutton had cleared the Government of any misuse of intelligence material, when Lord Hutton did not even examine the February 2003 dossier—the dodgy dossier, the fabricated dossier, the load of Horlicks, as the Foreign Secretary once described it? How can that possibly be? Finally, given that the minority parties were not consulted about the remit and did not even get the chance to decline to serve, may I say that we certainly would not have served on an inquiry with such a dodgy, restrictive and cover-up remit.

Mr. Straw: The issue of the 7 February dossier—whose process I described in that way, but not its content—was comprehensively dealt with by both the Foreign Affairs Committee and the Intelligence and Security Committee. As to the announcement by the hon. Gentleman that no Scottish nationalist would have served on the Committee, I am sure the House will be deeply shocked and upset by that news.

Mr. Malcolm Savidge (Aberdeen, North) (Lab): Does my right hon. Friend recognise that whatever controversies there may have been about some of the conclusions, there was overwhelming approval of the openness with which the Hutton inquiry was conducted, including the publication of written evidence? Can we consider the possibility of allowing this new inquiry to follow that example, subject to national security considerations?

Mr. Straw: The problem is in what my hon. Friend said right at the end—subject to national security considerations. This inquiry is significantly about intelligence. The Intelligence and Security Committee of the House does its work in private, but makes its report in public. That is the appropriate way for the inquiry to proceed, as well.

Sir Patrick Cormack (South Staffordshire) (Con): Is it not regrettably clear that the minority who on 18 March last year voted, in effect, to keep Saddam Hussein in power will not be pleased by anything that is said by any committee?

Mr. Straw: That is true. Although none of those who voted for that had that intention, I am in no doubt that that would have been the consequence if their advice had been accepted.

Donald Anderson (Swansea, East) (Lab): Surely the question of the Government's competence and judgment is a matter for the House and ultimately for the electorate. With regard to timing, the inquiry is asked to report before the summer recess. That means in less than six months, whereas the US inquiry, with somewhat narrower terms of reference, may take more than a year. Should not the inquiry be given whatever time the committee deems necessary for its task?

Mr. Straw: My right hon. Friend is correct in what he first says. The House must be the judge of whether we

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made the right or wrong decisions, and must be as well informed as it can be, including by the committee's report. As regards time, my right hon. Friend the Prime Minister has expressed his hope and intention about the time scale, but ultimately it will be a matter for the inquiry.

Mrs. Patsy Calton (Cheadle) (LD): When can we expect the Government's response to the report that the Foreign Secretary has mentioned twice in his answers today—the report from the Intelligence and Security Committee entitled "Iraqi Weapons of Mass Destruction—Intelligence and Assessments"? It was published in September 2003. We have yet to hear from the Government.

Mr. Straw: I think the response is due to be published today, but I will make sure.

Ann Clwyd (Cynon Valley) (Lab): My right hon. Friend is right when he says that if Saddam had not been checked, he would have continued to kill. He was responsible for genocide. The United Nations has a responsibility to act in the case of genocide. The House and the Government have a responsibility to act. We signed the genocide convention and we are bound by its terms. It is a disgrace that the United Nations did not act to check Saddam's genocide.

My right hon. Friend speaks of WMD, but it was not my argument that WMD was the ground for toppling the regime of Saddam Hussein. I have made that case many times in the House. A year ago when I was in Kurdistan, before the start of the war, the Kurds were convinced that chemical and biological weapons would be used against them. The Kurds are Iraqis. They too must have had their own intelligence. Will my right hon. Friend bear that in mind when the committee investigates the intelligence that was available before the start of the war?

Mr. Straw: My hon. Friend, who has seen the brutality of Saddam and his regime at starker and closer quarters than ever have I, speaks with huge and poignant authority on the matter. The House needs to take note of what would have happened, had Saddam stayed. That would unquestionably have been the consequence of a decision on 18 March not to take military action.

Mr. Bernard Jenkin (North Essex) (Con): May I remind the Foreign Secretary of exactly what the conclusions of the Hutton inquiry were? He stated:

"The term 'sexed-up' is a slang expression . . . capable of two . . . meanings"

and he concluded about the September dossier that

"because of the drafting suggestions made by 10 Downing Street for the purpose of making a strong case against Saddam Hussein, it could be said that the Government 'sexed-up' the dossier."

Does the right hon. Gentleman understand that that remains a matter of public concern, and of public confidence in the intelligence service? Will he return to the question put by my right hon. and learned Friend the shadow Foreign Secretary, who asked him whether the committee would judge the discrepancies between the intelligence presented to the Government and the way the Government used that intelligence—yes or no?

Mr. Straw: The hon. Gentleman has done himself no service whatever by a shameful parody of the contents of the Hutton report. He knows very well what the conclusion of the Hutton inquiry was in respect of the so-called sexing-up of the dossier: that the allegations were completely unfounded.

Tony Lloyd (Manchester, Central) (Lab): One of the purposes of an inquiry is surely to restore confidence to a sceptical public who are anxious about, among other things, the competence of our intelligence and security services. My right hon. Friend is right to focus on that, but does he accept that the public still wants answers as to whether there was a clear threat to this country and to international security from Saddam at that time, and whether there was a legal basis for going to war? The inquiry does not seem to address those important questions.

Mr. Straw: It would be hard for any inquiry, however distinguished, to inquire into the state of mind not just of the Governments of the United Kingdom and of the United States, but the Governments of the 13 other members of the Security Council, each of whom, quite independently—and not only on the basis of their own intelligence, but on the basis of what they could see in front of their nose, as could their public—had come to the conclusion that Saddam Hussein and his regime posed a threat to international peace and security by reason of its proliferation of weapons of mass destruction, its long-range missile systems and its defiance of the United Nations. That was the basis on which the UN made its decision about 1441 and it was also a fundamental part of the case for military action put before the House.

Ultimately, the United Nations Security Council has to accept responsibility for the decisions that it took in November 2002, which plainly cannot be the subject of an inquiry by a single Government. We as Ministers, and we as the House of Commons, have to accept our responsibilities before the high court of Parliament—better informed, wherever possible, by such inquiries.

Mr. William Cash (Stone) (Con): Will the Foreign Secretary confirm that it would not effectively have been possible for the Government to have gone to war without the opinion of the Attorney-General on the matter? The Foreign Secretary may recall that it was I who asked the Prime Minister to make available that opinion, and that that was done in a truncated form. Of course, the opinion must have been based on certain facts and the evaluation of intelligence questions. Will he make certain that it is made available to the committee?

Mr. Straw: It is for the inquiry to decide whether it wishes to see that opinion. The hon. Gentleman knows very well that, for extremely good reasons, it has been the practice of successive Governments that the detailed legal advice of Law Officers is not made public.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): I know that my right hon. Friend always has his

ear to the ground in terms of the questions that people are asking. At the moment, their question is: "Did the Government act properly when we went to war with Iraq?" In order to answer it, is it not necessary to examine not only what the intelligence was, but how the Government responded to it, and whether sufficient checks and balances and investigations took place before a judgment was reached?

Mr. Straw: One of the central issues before the Hutton inquiry was whether we acted properly in respect of the intelligence that was the subject of the Gilligan report of 29 May. To underline how unreliable was the ability of the hon. Member for North Essex (Mr. Jenkin) to read Hutton, he says on page 321 of his report:

"I consider that the allegation"—

of sexing up—

"was unfounded as it would have been understood by those who heard the broadcasts to mean that the dossier had been embellished with intelligence known or believed to be false or unreliable, which was not the case."

The wider issues that my hon. Friend raises may indeed come with the committee's terms of reference, which include the examination of

"any discrepancies between the intelligence gathered, evaluated and used by the Government before the conflict, and between that intelligence and what has been discovered by the Iraq Survey Group"

and the making of

"recommendations to the Prime Minister for the future on the gathering, evaluation and use of intelligence on WMD, in the light of the difficulties of operating in countries of concern."

My hon. Friend has been familiar with some of these matters. Speaking as someone who, as Home Secretary, was responsible for the Security Service for four years, and has been responsible for GCHQ and the Secret Intelligence Service for the past two and a half years, it is in everybody's interest that we have the most accurate and reliable intelligence and the best systems for assessing it. That is in the interests of the agencies, of Ministers and of Parliament. I anticipate that if flaws are found in the systems for assessment, the Butler committee will wish to address that. *[Interruption.]*

Mrs. Angela Browning (Tiverton and Honiton) (Con): It hardly instils confidence in one when the right hon. Member for Dewsbury (Ann Taylor), who is to be part of the Butler committee, is making her own audible responses to questions.

The Foreign Secretary says that the UK inquiry will work closely with the American inquiry, but will the net be cast further afield, not least to Australia, where Andrew Wilkie of the Australian intelligence service resigned a week before the war commenced because of what he called the blatant exaggeration in the UK and United States Governments' use of their intelligence?

Mr. Straw: It is a matter for the committee to decide from whom it seeks evidence. The hon. Lady's suggestion is totally without foundation. I pay tribute to my right hon. Friend the Member for Dewsbury (Ann Taylor), to the hon. Member for East Hampshire (Mr. Mates), and to all the members of the Intelligence and Security Committee, of all parties, for their professionalism in the work that they do. Had it been possible, I would have hoped that the ISC would be able to conduct the inquiry, but following discussions with the usual channels, this inquiry, with its distinguished outsiders, has been established to do the job.

Jeremy Corbyn (Islington, North) (Lab): As the public greeted Lord Hutton's inquiry with deep scepticism, despite its being conducted in a very open atmosphere, does my right hon. Friend honestly think that this inquiry will be anything more than an establishment stitch-up designed to protect the political judgments that told this House, the world and everybody else that the basis of the war was the existence of weapons of mass destruction? Does he not recognise that the public will accept only an open, public judicial inquiry, not one conducted largely in secret by the Privy Council?

Mr. Straw: I say with great affection to my hon. Friend that if we had the Archangel Gabriel running the inquiry and sitting in public, he would pour cold water on it and say that it was an establishment stitch-up if he disagreed with its findings.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Foreign Secretary noted that other countries had access to similar intelligence and concluded that there were concerns to be addressed. However, as the right hon. and learned Member for Rushcliffe (Mr. Clarke) suggested, the public want an inquiry that investigates why this country alone, with America, chose to take the action that it did, instead of listening to Hans Blix and taking the time to ensure that the case for war had been made?

Mr. Straw: We were far from alone in the decision that we took. A very large number of countries, in addition to the UK and the US—half the member states of the European Union and many other countries around the world—supported the military action on which we were embarked, and many participated in it.

As for Dr. Blix, he never had the role of telling the Security Council what to do—he laid evidence before it. The evidence that Dr. Blix laid before the Security Council confirmed me in my opinion that we had to take action against Saddam.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I welcome the Foreign Secretary's statement, and I am glad to see the end of Saddam's brutal and genocidal regime. However, can he tell us how the inquiry can link up with intelligence information that is available to other countries, as it was not this country alone, or even with the USA, which decided that Iraq had weapons of mass destruction, but the general view throughout the United Nations and Europe?

Mr. Straw: I am grateful to my hon. Friend. That is a matter on which the Butler committee will seek co-operation from the United States Government and other intelligence partners. To underline my hon. Friend's final point, Dr. Kay pointed out that President Chirac believed, even as late as March last year, that Saddam possessed weapons of mass destruction—a belief that was reflected by German intelligence.

Mr. Edward Leigh (Gainsborough) (Con): May I press the Foreign Secretary further on the point made by

[Mr. Edward Leigh]

my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) and many others? Before we reach the end of these exchanges, it is right that the inquiry's terms of reference should be made absolutely explicit. Will the Foreign Secretary confirm that members of the committee will be in charge of their own work, and that they will therefore not be required narrowly to consider what intelligence was delivered up by MI6 to the Government, but will be able to examine the relationship between civil servants and Ministers and how Ministers evaluated that intelligence?

Mr. Straw: The terms of reference are clear, and it is for the inquiry, within those terms of reference, to interpret how they should be followed.

Mr. Jon Owen Jones (Cardiff, Central) (Lab/Co-op): Will the inquiry be able to consider the doctrine of pre-emption, which depends upon there being reliable information and intelligence and rational and unprejudiced selection from it?

Mr. Straw: I had not anticipated that the inquiry would wish to spend its time looking at the doctrine of pre-emption, and nor was pre-emption the issue before the Security Council or the House last March. As far as I can recall, it was never suggested that we should enter into some kind of gratuitously pre-emptive strike. I point out to my hon. Friend that it is not a matter of intelligence that is open to doubt but a matter of historical fact that no other country but Saddam's Iraq has been in such horrendous and continuing breach of chapter VII obligations under the United Nations Security Council for a period of 12 years. He had invaded Iran, he had invaded Kuwait, he had unleashed missiles on three other neighbouring countries, he had gassed 5,000 people in Halabja in a couple of days alone, he had used chemical and biological weapons, he had covertly hidden a nuclear programme and other programmes—and even as late as 7 March last year, Dr. Blix published a 173-page document of unanswered disarmament questions, which I put before the House in Command Paper 5785. If Saddam at any stage, knowing the deadline given to him and the obligations imposed on him by resolution 1441, had wished to answer those 173 pages of questions, he could have done so, and war could have been avoided. He chose not to do so.

Gregory Barker (Bexhill and Battle) (Con): The Foreign Secretary has drawn certain fair comparisons with the Franks committee in 1982. There is one stark difference, however: before that committee even sat, following the failure of the intelligence services to warn adequately of the threat to British interests, the Foreign Secretary and his entire Foreign Office ministerial team resigned. At what point can we expect ministerial responsibility to apply, and on what basis would the present Foreign Secretary accept responsibility?

Mr. Straw: I have always made clear my responsibility to the House and to my Privy Council oath. Whatever people may disagree with me about, I have never sought to shirk those responsibilities. I regretted greatly, at the time and subsequently, that Lord Carrington chose to resign. I also say, however, that the circumstances of the Falklands were different from those under consideration today.

Mr. Tam Dalyell (Linlithgow) (Lab): On Friday 22 October 1982, I was summoned by Lord Franks to appear in front of his committee for one and three quarter hours. Since then I have expressed a great deal of unease, which was endorsed on 16 July, as is recorded in column 302 of *Hansard*, by the Foreign Secretary, and again endorsed by him on 22 October, in column 682. Does he share a view that the Franks committee may not be a good precedent? Would it not be better for a few straight questions to be answered, such as when did the Prime Minister commit himself to President Bush, on what terms did he commit himself, and when did he tell his Cabinet colleagues that he had done so?

Mr. Straw: I—*[Interruption.]* I am advised by an Opposition Member from a sedentary position that my answer should be, "I shall write to my hon. Friend shortly." The decision and the lead-up to the decision to take military action was public—it was argued out in this House. There was no way in which the House could have been misinformed or, by implication, misled. If my hon. Friend and other Members who took a different view about going to war read the record, they will see that by the time of the lead-up to the decision to take military action in mid-March, the arguments were not about the dossier, and still less about the 45 minutes. The issue was the breach of resolution 1441 and what we should do about it. As for his point about the Franks committee, in the debate on 22 October I recalled that when Franks published his report in January 1983, some of my hon. Friends were sceptical about it, and used the customary adjective. It was the request and the proposal of the Opposition that we should have a Franks-style committee now, however, and it is important that, as far as is conceivably possible, it should be on a bipartisan basis. I believe that those who have accepted the invitation to serve on the committee will do so with great distinction and independence.

Mr. Andrew Mackay (Bracknell) (Con): Whereas the hon. Member for Cynon Valley (Ann Clwyd) and many Conservative Members would have supported the Government in going to war with Iraq even if there had not been evidence of weapons of mass destruction, it is clear that a large number of Labour Back Benchers voted with the Government only because they were told that weapons of mass destruction were there. Can I tempt the Foreign Secretary to speculate as to whether he would have won that vote with this evidence?

Mr. Straw: The right hon. Gentleman has greater insights into the state of mind of my hon. Friends on 18 March than I would ever claim. What I look at is the motion before the House, which was all about the breach of resolution 1441, and the arguments put before the House, which again were about the breach of resolution 1441. That was the basis on which people made their decision.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) (Lab/Co-op): May I ask the Foreign Secretary to draw the attention of members of the committee to the

whole of the debate on 18 March 2003, in which no one, including the leader of the Liberal party, questioned the existence of weapons of mass destruction? Indeed, arguments were put forward forcibly by the shadow Foreign Secretary:

"does Saddam Hussein really pose a risk to international peace and security? Well, the UN certainly thinks so, and it has thought so for the past 12 years".

He continued:

"Hans Blix's 7 March report demonstrates the terrifying weapons of mass destruction that are missing, and that must still be assumed to be there."—[*Official Report*, 18 March 2003; Vol. 401, c. 892.]

That was the kind of argument that, along with the arguments of my hon. Friend the Member for Cynon Valley (Ann Clwyd), made me vote for the Government, and I would do so again today. *[Interruption.]*

Mr. Straw: I will indeed draw the *Hansard* of 18 March to the attention of the leader of the Liberal party. A fat lot of good that will do, however, because Members on both sides of the House are used to the Liberals jumping on to any passing bandwagon and seeking to rewrite their history. This is simply a further episode in the continuing story of why the Liberal Democrats are not taken seriously.

Organ Donation (Presumed Consent and Safeguards)

1.37 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): I beg to move,

That leave be given to bring in a Bill to provide for the removal of organs for transplantation purposes, after death has been confirmed in a person aged 16 or over, except where a potential donor previously registered an objection or where a close relative objects.

On average, one person dies every day in this country while waiting for an organ transplant. I come to the House this afternoon because of that stark sad fact. What is more, in the past 10 years, the number of people waiting for a transplant has increased by more than one third. During the same period, the number of organ transplant operations has decreased by 12 per cent.

Medical advances in our modern NHS have enabled very sick people to live longer while they are waiting for transplants. They have also ensured that more people who might in the past have died in accidents or from strokes now survive. Their organs are therefore no longer available for transplant. Therefore, there is a widening gap between the number of people waiting for transplants and the number of organs that become available.

I want us to reflect seriously today on how we can begin to narrow that gap and save hundreds of lives every year. First, I thank the BMA, the National Kidney Federation and doctors and patients at my local hospital, St. Helier, which has one of the south-east's leading renal units. They have persuaded me to take up this issue now. I also praise the efforts of other Members on both sides of the House who have led previous campaigns to extend organ donation, especially my hon. Friends the Members for Linlithgow (Mr. Dalyell), for Broxtowe (Dr. Palmer) and for West Bromwich, East (Mr. Watson), the right hon. and learned Member for Rushcliffe (Mr. Clarke) and the hon. Member for Oxford, West and Abingdon (Dr. Harris). I also thank those listeners to the Radio 4 "Today" programme who voted for presumed consent as the measure that they most wanted us to pass.

Surveys repeatedly show that between 70 and 90 per cent. of the population want to help someone else to live by donating their organs for transplant after their death. However, fewer than 20 per cent. formally join the NHS organ donor register or carry an organ donor card, and most families do not discuss their wishes about donation.

Unfortunately, the upshot is that at a time of bereavement, half of all relatives opt for the default position, which is not to donate, although studies show that many families later regret that decision. I do not criticise the families of deceased, who are undergoing a terrible ordeal. I hope that changing to a system of presumed consent will make the decision a little easier for them.

The decisions made have terrible consequences for the very ill patients in hospitals such as St. Helier who are desperate for a transplant. Without a transplant, they may have to spend years getting treatment such as dialysis at great cost to the NHS, and are often unable to carry out normal everyday activities or have a good

[Siobhain McDonagh]

quality of life. It is estimated that for the average patient, compared with dialysis, a kidney transplant saves £191,000 over nine years, which is the median graft survival time. A patient who has had a transplant is far more likely to be able to contribute fully to society: to have a full life, to work, and, indeed, to pay taxes.

My constituency is in the London borough of Merton. Recently, Merton's head of special needs education, Trevor Cook, had to leave work because he was too ill to continue. The people of Merton have lost a highly experienced and respected man who has contributed enormously to local public services, simply because he cannot get a transplant. Obviously, there are many other Trevor Cooks throughout the country.

As long ago as 1994, the King's Fund carried out a major survey of potential solutions to the transplant shortfall. It concluded that

"an initiative which increases the supply of organs will, ipso facto, have one very important ethical argument in its favour: the potential to avoid death and relieve suffering."

The Bill aims to defend the wishes of the deceased and deal with the gap between people's wishes and donation rates. It will reflect the fact that a majority support transplants, and allow doctors to presume that the deceased have consented for their organs to be used for transplants. Since consenting is more likely than not consenting, that should become the default position.

As things stand, we presume that the deceased have not given consent, even though the chances are that that is against their wishes. However, the Bill includes several safeguards. It will be easy for people to opt out. It would be fair to say that anyone who had not opted out had made an informed decision not to do so. The Bill applies only to transplants, not to organ retention, and the families of the deceased can opt out. The proposals will not apply to children.

Presumed consent is neither a new idea nor simply a theory. It already operates elsewhere in the world. In Belgium, some interesting research has compared Antwerp with Leuven, two areas that are otherwise similar. Antwerp did not introduce the new presumed consent system, and its donation rates remained the same. However, Leuven adopted the new law and in three years its rates rose from 15 to 40 donors a year.

Let us consider the slightly more complicated story of Spain, which currently has the highest rate of organ donation in the world. Although it has a presumed consent law, the Spanish transplant organisation always seeks the consent of those closest to the donor. I propose that practice. Spain has the mindset that consent is presumed but that the relatives can overrule. That is more likely to get a positive and accurate outcome than is currently obtained in the UK.

Some, like Dr. Rafael Matesanz, believe that Spain's law on presumed consent is not the cause of increasing donation rates. However, since the change in the law, the number of families who withdraw consent has fallen to about one in five, compared with approximately half in the United Kingdom. I believe that a soft form of presumed consent has helped to change the mindset in Spain and improved attitudes to organ donation. The best comparative evidence from abroad clearly shows that presumed consent works.

Gimble et al have conducted the most thorough analysis of organ donation. They considered all the factors that contribute to increased donation rates, including religion, culture, education and other social pressures. Their conclusions were that presumed consent laws

"had a significant effect on the number of cadaveric donors per million population. As the gap between supply and demand for transplant organs continues to widen, professionals and policymakers should consider revisiting the implications of this legislation , or some hybrid of alternatives, as an effort to expand the 'gift of life' to those in need."

That is the crux of the matter: to expand the gift of life to those in need.

I hope that I will be allowed to take this brief opportunity to urge all hon. Members, and anyone following the debate—in the Galleries, in *Hansard* or in the media—to sign up to the NHS organ donor register. It is possible to do that by visiting website www.uktransplant.org.uk or by calling 0845 60 60 400. Until presumed consent is in place, that remains the best way in which to help someone else to live after one's death.

In the long term, I believe that the best means of increasing the number of lives saved by organ donation, respecting the wishes of the deceased and being kinder to grieving relatives is to presume consent unless someone has opted out. I hope that the Bill will persuade more people to consider organ transplants seriously and to discuss it with their families. For the sake of thousands of people who are awaiting transplants in my constituency of Mitcham and Morden and throughout the country, I commend the Bill to the House.

1.47 pm

Mr. David Wilshire (Spelthorne) (Con): I oppose the Bill, not because I am against its objectives but because I disagree with its methods. Before I explain the reasons, I stress that I am not speaking as an official spokesman. We are considering an intensely personal, free-vote issue for all of us.

My views were formed following the death of my 12-year-old daughter 22 years ago. I explained the painful details in the debate on Second Reading of the Human Tissue Bill on 15 January, so I hope that hon. Members will forgive me if I do not repeat them today. However, I cannot avoid referring to them because the Bill would draw a distinction between a child and an adult. I do not believe that that distinction is valid. Surely a 17-year-old or a 25-year-old child is as precious to its parents as a 12-year-old. Many people of 30-something are just as precious to their spouses or children. I do not understand the distinction.

I have no objection in principle to the removal of parts of a dead body. I have carried an organ donor card all my adult life. However, I have serious anxieties about presumed consent. I readily accept that there are some powerful arguments for presumed consent, principally the shortage of donor organs and the many opportunities to help even more people who need a transplant. They are worthy objectives, which I hope that we all support.

However, I doubt whether presumed consent would solve the problems that its supporters claim it would. There are other, better ways in which to achieve the

Bill's objectives. In addition, there are understandable fears about abuse and the potentially distressing impact of presumed consent on bereaved relatives. In the circumstances I found myself in 22 years ago, had presumed consent been in operation, a doctor would have got on and done what he judged was needed, or would have had to check that I had no objections. Had I discovered later that although I was in the hospital, no one had taken the trouble to consult me, I would have been outraged. Had I been invited to object, rather than asked to agree, I would probably have been made to feel guilty for the rest of my life had I decided to refuse. When struggling to cope with the death of a loved one, of whatever age, the last thing a person needs is avoidable additional grief. In my mind, something that has the capacity to cause outrage and guilt, and add those to the hell that that person is going through, simply has to be wrong.

That said, I well understand that doctors are busy people, and one might ask why I want to put obstacles in their way. Asking permission from a bereaved family will never be easy, so why make clinicians do something difficult and unpleasant? My answer is this: if ever there is a situation in which the needs and wishes of patients and their families must come first, this is it. On such occasions, clinical convenience is a very secondary issue. Even so, presumed consent would not spare doctors the dreadfully difficult task of raising the issue of organ donation with bereaved families. Asking, "Do you wish to object?" is no easier than asking, "Please may I do this?" but the latter is far kinder and gentler.

As I said at the outset, I believe that there are better ways of achieving the highly desirable outcome for which the hon. Member for Mitcham and Morden (Siobhain McDonagh) has spoken. My preferred way would be required request, and I shall give the House a few examples of what I have in mind. We could train, then require, general practitioners to raise the issue with their patients, especially when registering new patients, and record all agreement on a central database. We could help, then require, hospital managers to add some sort of question to hospital admission forms. We could train, then require, hospital doctors, especially those who specialise in accident and emergency, to raise the subject gently with the bereaved.

I am as keen on the objectives underpinning the Bill as its sponsors are. In opposing them, I mean no criticism of either the objectives or the sponsors. The last thing I want is to be divisive. Happily, all these issues, and more, are currently being fully considered by the Standing Committee handling the Human Tissue Bill. I understand that there will also be a very full debate during that Bill's Report stage. That is the time for all those who want to speak on and wrestle with these intensely personal issues to do so. That is the time to have a full and free vote on the best way of achieving the objectives. That is why I have no wish to divide the House this afternoon.

Question put and agreed to.

Bill ordered to be brought in by Siobhain McDonagh, David Cairns, Mr. Tom Watson, Laura Moffatt, Mr. Stephen Pound, Mr. Tam Dalyell, Mr. Alistair Carmichael, Mr. Kenneth Clarke, Dr. Evan Harris, John Austin, Mark Tami and Dr. Nick Palmer.

Organ Donation (Presumed Consent and Safeguards) Bill

Siobhain McDonagh accordingly presented a Bill to provide for the removal of organs for transplantation purposes, after death has been confirmed in a person aged 16 or over, except where a potential donor previously registered an objection or where a close relative objects: And the same was read the First time; and ordered to be read a Second time on Friday 30 April, and to be printed [Bill 47].

Orders of the Day

Child Trust Funds Bill

Not amended in the Standing Committee, considered.

New Clause 1

EARLY WITHDRAWAL, ETC, FOR DISABLED CHILDREN

'(1) If this section applies to a child, the responsible person may withdraw funds from the child's account in accordance with the provisions of this section.

(2) This section applies to a child if—

(a) a child trust fund is held by the child, and

(b) a person is, or persons are, entitled to Disability Living Allowance in respect of the child.

(3) A responsible person shall inform the relevant account provider if this section applies to a child trust fund.

(4) The account provider must inform the Inland Revenue of information provided in accordance with subsection (3).

(5) A responsible person may, after having informed the relevant account provider in accordance with subsection (3), apply to withdraw amounts from the fund, including the whole amount of the fund, for expenditure for one or more of the purposes specified in subsection (7).

(6) On receipt of an application, the account provider must—

(a) release the amount requested to be withdrawn, and

(b) inform the Inland Revenue in accordance with regulations.

(7) Those purposes are—

(a) the purchase or hire of equipment for use by the child in respect of their disability;

(b) payment for nursing, night or child care;

(c) payment for respite care or temporary residential care; and

(d) payment for any specialist medical or palliative service in respect of the child's disability.

(8) The responsible person shall, wherever practicable, consult the disabled child about the expenditure of amounts withdrawn in accordance with the provisions of this section.

(9) Regulations may prescribe—

(a) the means by which account providers and the Inland Revenue are informed about the application of this section to a child, and

(b) requirements for the provision of information to the Inland Revenue relating to expenditure of amounts withdrawn in accordance with the provisions of this section.'.—*[Mr. Cameron.]*

Brought up, and read the First time.

1.55 pm

Mr. David Cameron (Witney) (Con): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following: New clause 2—*Early withdrawal in case of terminal illness*—

'(1) If this section applies to a child, the responsible person may withdraw funds from the child's account in accordance with the provisions of subsections (4) and (5).

(2) This section applies to a child if—

(a) a child trust fund is held by the child, and

(b) the child was first an eligible child by virtue of section 2(1)(a), and

(c) it is certified by a consulting physician in accordance with regulations under subsection (3) that the child has a terminal illness.

(3) Regulations may prescribe the requirements for the issue of a certificate for the purposes of subsection (2)(c).

(4) A responsible person may, having given a certificate to the relevant account provider, apply to withdraw amounts from the fund, including the whole amount of the fund.

(5) On receipt of the certificate and application, the account provider must—

(a) release the amount requested to be withdrawn, and

(b) inform the Inland Revenue in accordance with regulations.

(6) The responsible person shall, wherever practicable, consult the child about the expenditure of amounts withdrawn in accordance with the provisions of this section.

(7) In this section—

"attending physician" means the physician who has primary responsibility for the care of the child and the treatment of the child's illness;

"consulting physician" means a consultant physician practising in the National Health Service who is qualified by speciality to make a professional diagnosis and prognosis regarding the child's illness and who is independent of the attending physician;

"physician" means a registered medical practitioner; and

"terminal illness" means an illness which, in the opinion of the consulting physician, is inevitably progressive, the effects of which cannot be reversed by treatment (although treatment may be successful in relieving symptoms temporarily) and which will be likely to result in the child's death before his eighteenth birthday.'.

Amendment No. 3, in page 2, line 44 [Clause 3], leave out 'as' and insert

'in accordance with the provisions of section [early withdrawal, etc.,for disabled children] or as otherwise'.

Amendment No. 4, in page 2, line 44 [Clause 3], leave out 'as' and insert

'in accordance with the provisions of section [early withdrawal in case of terminal illness] or as otherwise'.

Amendment No. 58, in page 3, line 17 [Clause 4], at end insert

'except under provisions made by regulations to allow for the assignment of the child trust fund investments of terminally ill children.'.

Amendment No. 15, in page 6, line 36 [Clause 12], leave out 'amount' and insert 'amounts'.

Amendment No. 16, in page 6, line 39 [Clause 12], at end insert—

'(2A) Regulations under subsection (2) shall prescribe—

(a) a standard maximum amount, and

(b) a higher maximum amount in respect of child trust fund accounts held by children to whom section [early withdrawal, etc., for disabled children] applies, which shall be expressed as a multiple of the standard maximum amount.'.

Amendment No. 19, in page 10, line 39 [Clause 20], after '3(4)(d)', insert

'or by section [early withdrawal, etc., for disabled children]'.

Amendment No. 20, in page 10, line 39 [Clause 20], after '3(4)(d)', insert

'or by section [early withdrawal in case of terminal illness]'.

Amendment No. 25, in page 13, line 13 [Clause 22], at end insert—

'(4A) A person who is required by the Inland Revenue to provide information under regulations under section [early withdrawal, etc., for disabled children] may appeal against the decision to impose the requirement.'.

Mr. Cameron: I wish to speak to new clause 1 and amendments Nos. 15 and 16. As hon. Members who served on the Committee will recall, they involve two proposals. I believe that they are fundamentally linked, and I know that the Minister agrees with me. She was generous about the proposals in Committee and promised to consider them carefully and introduce them through regulations if she could. I hope that she will continue to back them today and in the future, because they provide a real chance to help families with disabled children.

The two proposals are as follows. The first, in amendment No. 16, would increase the amount that families and others could put into baby bonds in the case of a disabled child. The second, in new clause 1, would allow families to dip into the baby bond in specific and limited circumstances before the child reached the age of 18.

Before I start the argument in favour of the proposals, I should declare an interest beyond that which is in the register. My wife and I are fortunate to have a new baby, Nancy, who is just two weeks and one day old. I cannot say that she has already told me how much she is looking forward to her baby bond, but I am sure that she would if she could. I hope that the House will be patient with me today because we are still at that sleepless nights stage. Although one occasionally feels that one is going to nod off during someone else's speech, it is uncommon to nod off during one's own. Today, that is just possible. Nancy is clearly a very canny baby. She was meant to arrive after the Hutton inquiry, on which I was involved in helping the Leader of the Opposition. Clearly she knew something that I did not: that the report was not worth waiting for. I should have started my paternity leave straight away.

More relevantly to the debate, my wife and I also have a 22-month-old son, Ivan, who is severely disabled with epilepsy, cerebral palsy and a range of complications. He is unlikely ever to walk or talk and needs constant care. That has stimulated my interest in disability, an interest that has been backed up by people who have come to my surgeries in west Oxfordshire to bring their stories and experiences of bringing up disabled children, with all the difficulties, challenges and costs that that involves.

The first proposal would lift the cap on the amount that parents could put into a baby bond in the case of a disabled child. Amendment No. 16 refers to a "multiple" of the £1,200 limit proposed for all baby bonds. I hope that that multiple, which will be considered in regulations, will be generous. I cannot believe that there is much room for anyone to use child trust funds as a route of tax avoidance, so we should be as generous as possible with the multiple that people can put in.

Why do I think that it is a good idea to de-limit the amount that people can put into child trust funds? First, the scheme would be very simple. We know who the disabled are: we have disability living allowance and a list of disabled children. Barnardo's refers in its report, "Still Missing Out?", to a figure of 360,000 disabled children. The scheme would be a simple way of allowing parents and communities to help those children. It would not be very expensive for the Treasury and Inland Revenue because the funds do not provide a tax break for the donor who puts money in. They provide a small tax break for the recipient, because under the child trust fund scheme, no income tax is paid on the interest accrued by the fund.

The accounts would be incredibly easy to use. Child trust funds will be set up in any event for every child—Nancy, fortunately, is included—over the next few years, so friends, family and others who want to help but do not know how, could easily do so in future by putting money into the fund. Above all, the argument for de-limiting the amount that one could put in for disabled children is that it would be effective. Disability brings huge costs, and at the age of 18, the transition from childhood to adulthood is particularly expensive. In "Still missing out?" Barnado's says that the transition from childhood to adulthood is a difficult time for all teenagers, but can be particularly fraught for disabled young adults, both in terms of accessing appropriate adult services and in dealing with their fears and anxieties at a key life stage. The Minister made some good arguments in Committee and on Second Reading about the case for 18-year-olds having an asset or capital, and the argument for disabled children is, in my view, stronger still.

2 pm

Mr. Steve Webb (Northavon) (LD): I am sure that the House agrees with the hon. Gentleman that we want to do all that we can to help disabled children, and we respect his first-hand knowledge of the subject. Does he accept that it is odd to make a specific concession for disabled children whose parents have a lot of spare cash to put into accounts? Do we not want to support all disabled children, and is the social security system not a better way of doing so than the tax and baby bond system?

Mr. Cameron: The break would not just be for the middle classes and the better-off. Every child in the country will have a child trust fund, and it will be open to anybody to contribute to those funds. As I have said, in the case of disabled children, friends, family and the larger community want to help, and my proposal would create a clear way in which to do so. As for the least well-off, there is a genuine opportunity for the Government to contribute. The Government have already said that, in the case of children of parents who are on income support, they will put as twice as much into their child trust funds. In the case of disabled children, there is a similar opportunity for the Government, social services or anybody else to help in a specific way. I shall deal later with the role of social services, which clearly have the lead responsibility in helping families to look after disabled children.

My proposals recognise the fact that there is an awful lot that families want to do, and indeed do, themselves. Nine out of 10 disabled children are looked after at home, and their families already do an immense amount. My modest proposals would simply make that

[Mr. Cameron]

easier for them . There has been a warm welcome for my de-limiting amendment from the disability charities. I received a useful note from Mencap, Barnado's and the Disability Rights Commission among others, which said:

"We strongly endorse the proposed amendment, which will enable family and friends to contribute more into the Trust Fund when a child is disabled."

That reinforces the point that I made to the hon. Member for Northavon (Mr. Webb).

The note also says:

"disabled young people will face greater costs at transition: the Child Trust Fund could play an important role in giving them the best opportunities as they move to adult life."

That is a positive response.

As I told the hon. Gentleman, the amendment would not benefit only the better-off. It offers a good opportunity for other people who want to contribute and it is open to the Government to top funds up if appropriate. There was a slight misunderstanding about contributions from the wider community on the part of the disability charities, who said in their note:

"If this was to be the case, then there would be issues around accountability and, indeed, as to the desirability of charitable status being sought for the Trust Fund."

That slightly misses what I am trying to get at. All I am saying is that if someone wants to help a disabled child, they can put money into the trust fund. It will all be tax-free when the child receives it at 18. That will make a genuine difference to children at 18, particularly regarding housing, training, mobility and other issues. Amendment No. 16 is straightforward. It discriminates in favour of the disabled and provides a vehicle that all families can use. It is simple and effective, and I commend it to the House.

I accept that new clause 1 is more controversial, but it is even more important. I shall explain what it does and why it is right, before looking at potential objections. Very simply, it allows a family with a disabled child to dip into the fund before the child reaches the age of 18. However, it sets out clearly—my thanks to the Clerks, who helped me to draft it—that that can be done only for certain purposes. It explains that the Inland Revenue must be informed by the account provider when it is dipped into, and specifies that the child must be consulted whenever possible. The purposes for which people can dip into the fund are set out in the new clause, and include

"the purchase or hire of equipment . . . payment for nursing, night or child care . . . payment for respite care or temporary residential care; and . . . payment for specialist medical or palliative service".

Before I try to justify those payments individually, I shall explain the general principle of why it is right and a good idea to allow families with disabled children to dip into their—enlarged, I hope—child trust funds. Disabled children bring massive extra costs to their families. The Barnado's report "Still missing out?" found that on average it cost more than three times as much to bring up a disabled child as an able-bodied child. Families with disabled children are frequently in crisis. Mencap, in its excellent report "Breaking Point", found that eight out of 10 families with disabled children had reached the point where they were finding it extremely difficult to go on. When that happens, the alternative to the child being looked after at home is for it to go into care. We should try to do everything that we can to help families to look after those children at home. Families know best how to spend money on their children. As I said, nine out of 10 disabled children are looked after at home.

Mr. Hilton Dawson (Lancaster and Wyre) (Lab): I am sympathetic to the hon. Gentleman's purposes. One benefit of child trust funds is that they will reinforce young adults' sense of autonomy and responsibility at 18. Does he think that there is a danger, if the new clause applies to a broad range of children with disabilities, that their right to autonomy and responsibility will be infringed? Should that money not be theirs, rather than their families'?

Mr. Cameron: The hon. Gentleman intervened on me once or twice in Committee, and has some good points to make. In response to his specific objection, families should not access the money initially provided by the Government and the interest that it accrues. However, I am trying to come up with something that will help families with disabled children. We should allow them to put more money in and take it out for specific purposes. On the whole, parents want to do what is best for their children, and parents who in many cases spend 24 hours a day looking after disabled children will not raid child trust funds, robbing their children of an opportunity to have that money at 18. They will use it as a safety valve, putting a lot of money in I hope, but occasionally taking it out when they are under huge pressure and there are things that they genuinely need, as I shall explain.

On a related matter, the support that families receive from the national health service and social services is rightly statutory support, mostly unrelated to the means to pay. It is a huge help, but all families with disabled children would agree that it is never enough, and is never going to be. I shall try to explain why. Some services are provided free at the point of use, including most nursing care, most equipment and all medical interventions. Worthwhile as those services are, the family will always want more. If they are looking after a disabled child 24 hours a day, they will get some help from social services, but there will always be times when they find it hard to cope and would like some more. My modest amendments provide one vehicle for families to access that extra help.

The disabled facilities grant is used to pay for modifications to the home such as installing a stair lift or a bath hoist, or changing its configuration to look after a disabled child. Such benefits tend to be means-tested. Families on modest incomes have to pay for such services, but if there was extra money in the child trust fund, they could access it for things for which they are currently means-tested. My proposal would help to provide services that are not means-tested but are by their nature limited, and also services that are means-tested and must be paid for even by those with relatively modest incomes.

Some say that health and social services departments could do all this, but provision for families with disabled children is patchy and likely to remain so. According to its excellent report, the Audit Commission

"found a lottery of provision. The services that disabled children, young people and their families are offered depend largely on where they live and how hard their parents are able to push."

The situation is unlikely to change overnight, and in many respects it may get worse before it gets better. More disabled children are surviving birth and more are living longer, thankfully, but the things that must be done to look after them, and the costs of that, are increasing.

Even if the situation did change overnight—even if Camelot suddenly arrived—provision would never keep up with demand, because families and individuals always want more. Even if a miracle occurred and every service needed by a disabled child was available, would it not still be better sometimes for parents to have control over the way in which services are provided?

My new clause refers to

"the purchase or hire of equipment".

Although the NHS provides most of the equipment, more may sometimes be needed. The child might spend one or two nights with a parent or grandparent, and on such occasions it would be useful to have an extra wheelchair or standing frame, but the NHS is unlikely to provide two. Then there is

"nursing, night or child care".

In most cases, social services departments struggle to provide the care that is needed, but people will always want more. Kensington social services are very generous to us: three nights a week a fantastic nurse is with us between 7.30 pm and 7.30 the following morning. Nevertheless, to sustain my life in this place and do my work, I must dip into my pocket and buy a bit more care. At night my child is often awake, and may have epileptic seizures. Three nights a week are not enough, so I have to buy more. The same will apply to many parents with disabled children.

Those in the disability sector tell me that "respite" is not a very politically correct word; we have to talk about "short breaks". Short breaks are essential to help families look after their children while keeping up the good work that they do, but the short breaks provided by social services are unlikely ever to be enough for all families in all circumstances. On occasion, people will need more.

In referring to

"specialist medical or palliative service"

I do not want to trespass on new clause 2, but, especially in the case of severely disabled children, an essential operation or form of care may not be available in this country. We often read in the newspapers of families having to go to America to secure an operation that will be very expensive, and trying to raise funds in their communities. What I propose would make that more straightforward.

How have charities responded to new clause 1? In general they have responded positively, but I will deal with some of the objections. Macintyre Care wrote to me

"Your specific points are well made and will improve the Bill, if taken up".

Contact a Family wrote:

"We agree that the proposals will offer significant advantages to some parents."

It said that life-threatening illnesses

"and the many others which may lead to early death are the main reason that we would support access to the Child Trust Funds prior to age 18."

The Chiltern Centre for Disabled Children, in the constituency of my hon. Friend the Member for Henley (Mr. Johnson), wrote:

"We fully endorse the changes proposed—as you can imagine, we could not be more aware of the additional cost burden on these families, and the difficulty they have in finding and funding the equipment and services they need."

2.15 pm

As for the objections, there are three. The first two come from Mencap, Barnardo's and the Disability Rights Commission. They are concerned about the "early draw-down" of money. They say:

"we are concerned that any flexibilities within access to (or payments into) the Child Trust Fund for disabled children should not result in young disabled people receiving a much reduced sum at age 18 because of early withdrawals."

The second point is, effectively, the one made by the hon. Member for Northavon (Mr. Webb) that social services departments and the NHS might be encouraged to do less if they thought that families would do more.

I discussed the third objection with the Minister this morning. It goes something like this: "If you want a trust fund for disabled children that you can dip into, do not use the child trust funds. There are existing trust funds that can be set up for children that would provide many of the same tax advantages." To argue that there are other trust funds out there, and financial vehicles for children, is really to argue against the whole concept of the Bill. More to the point, the great thing about the child trust funds is that they will be set up for all children. The other funds are extremely complicated. The beauty of my proposal is that because every child will have a fund, my modest amendments in respect of disabled children will provide the ideal vehicle for the investment of more money, while also providing a safety valve to allow some money out.

Mr. Michael Weir (Angus) (SNP): Does not the structure of the child trust funds pose a slight danger? In Committee, we heard much about why they should be equity-based. Is an equity-based fund the right vehicle for money that can be put in and taken out at regular or irregular intervals? The argument about disabled children is sensible, but should there not be a more hybrid fund to allow such withdrawals?

Mr. Cameron: I understand that child trust funds are relatively flexible, and can contain cash, equities or bonds. Unless the relevant amendment was won in Committee, which I do not think it was, I believe that all contributions to the funds must be in cash, but can then be used for different purposes.

I am not suggesting that families of disabled children should dive into the funds on a weekly basis. I see them as a safety valve. When those families are close to breaking point—when they really need extra help because what they are getting from social services and the NHS is not enough—the funds will be there. I hope that they will be able to gain access to cash, but if

[Mr. Cameron]

necessary they can sell shares. The shares would attract no capital gains tax, and the dividend income would attract no income tax.

It has been suggested that allowing families to dip into the funds might cause disabled children to receive a smaller trust at 18. There are two answers to that. As I think that I said earlier, I am not suggesting that families should be able to spend the initial Government contribution and the interest accruing on it. I am sure that we could protect that in regulations. I think that the objection misses the point. No two children are likely to receive the same amount; in fact, disabled children are likely to have more because families, communities and friends will contribute more. I believe that parents will behave responsibly, and will only dip in and spend the money when they really have to. Indeed, they will only be able to do that if there is more money in the fund because people have contributed. As I said, my change would tailor child trust funds to the needs of disabled children and their families.

The final objection is that my proposals would encourage local authorities and the NHS to do less and that they would turn round to families with disabled children and say, "Sorry, you cannot have the services because you have got this lovely child trust fund so we won't give you night care or respite care and you can pay for your own equipment." I do not believe that that would happen because social services departments and the NHS have statutory responsibilities. Parents will always want more and child trust funds provide them with the means to get some more. On means-tested services, a child's wealth should clearly never count in a means test—I believe that that is the case—and only the parents' means should be examined. It would be better if measures such as the disabilities facilities grant were not means-tested at all.

Finally, the Financial Secretary made one other point when we discussed the matter outside this House: if families with disabled children were allowed to dip in to the child trust fund, would it put up the cost of administering the fund and would that make life difficult? I have considered that point and do not believe that it is a real objection. People will dip in only if more money has been put into the fund for them to dip in to. If more money were put into the fund, the charges would probably be sustainable because there would be more money in the fund from which to draw a percentage administrative charge.

The more I examine the amendments that I discussed on Second Reading and moved in Committee, the more I think that they have great merit. They have the beauty of simplicity: here is something that we can do that will help families with disabled children to build up a bigger baby bond for their disabled children, who will have great needs throughout their lives. When the need is there—in extremis and as a safety valve—parents should be able to dip in to the fund to make a real difference to the life of their child. I hope that the Financial Secretary will go on being as generous as she has been in entertaining these proposals and examining how we can implement them through regulations or in other ways. This is a real chance to do something positive for families with disabled children, and I am delighted to commend new clause 1 and amendments Nos. 15 and 16 to the House.

Mr. Weir: I had some reservations when the hon. Member for Witney (Mr. Cameron) first raised this question on Second Reading. Like him, I have a disabled child, although not one who will qualify for a baby bond. I have been largely persuaded by his argument today, which has a lot of merit.

One problem will arise as disabled children move towards the age of 18. As we get older, we worry what will happen to our children once we are not about—disabled children survive to an older age than they might have done in earlier times. Some thought must be given to what happens to baby bonds once disabled children turn 18. Many children will never be in a position to manage money on their own. We must examine how we can address the needs of disabled children after they are 18, especially when their parents are no longer able to cope or are no longer around.

The hon. Gentleman said that new clause 1 was more controversial than amendment No. 16, but he has persuaded me of his argument. As he rightly says, throughout life disabled children often need special care or special items. Whether we like it or not, NHS provision of specific items is to some extent a postcode lottery. It is also possible for the NHS and the parent to disagree about what the child requires. The parent will often be able to get equipment or care only if they can fund it or if they can persuade a local charity to help. Up and down the country, many local charities specifically deal with children in such circumstances, but many parents would rather not go through that process. New clause 1 has a lot of merit, and I am prepared to support it.

As I mentioned in my intervention, my one worry about new clause 1 is the structure of child trust funds. We debated the issue in Committee, where I argued that child trust funds should permit an account similar to that offered by a building society. The Financial Secretary gave a good explanation of why that is not possible, and at great length discussed with the hon. Member for Yeovil (Mr. Laws) her preference for an equity-based investment because of its growth over an 18-year period. Our discussion of the economy went back as far as William of Orange, which was before the Union, so that does not apply to Scotland. The point is that over any given 18-year period, growth is better in an equity-based investment than in other types of investment.

My concern is that if new clause 2 permits regular—or perhaps irregular—withdrawals, we should be careful to ensure that regulations allow an investment that is suited to such regular withdrawals. According to the Financial Secretary's presentation of child trust funds, most of the companies or societies that will design them view them as long-term, 18-year investments with what she called "lifestyling" towards the end of the term. If new clause 2 is added to the Bill, different criteria will be required for disabled children. We must ensure that a child trust fund has, as far as we can determine it, potential for reasonable growth in the short-term, which obviously depends on many other factors, but can also be dipped in to, as the hon. Member for Witney put it, from time to time. It is to be hoped that dipping would not occur regularly, but it must be possible. I would hate trust funds to be set up for disabled children that lock in

the money for 18 years to get reasonable returns but prevent the very objective that the hon. Gentleman seeks to achieve.

I am inclined to support new clause 1, but I say to the Financial Secretary that we must carefully examine the regulations to allow a different type of child trust fund for disabled children. New clause 1 states that the Inland Revenue and the account provider must be informed that the section would apply to them, but perhaps we should go further and ensure that before advice is given on the type of trust fund the objective of the fund is made clear and an appropriate vehicle is available.

Mr. George Osborne (Tatton) (Con): I have little to add to what my hon. Friend the Member for Witney said so eloquently about new clause 1 and amendment No. 16, which appear in my name and those of my right hon. and hon. Friends but are wholly inspired by him. Indeed, readers of his weekly internet column in *The Guardian* will know that he hopes that the provision will be called "Cameron's law" when it is enacted. That would imitate what happens in the United States Congress, where significant legislation is named after the legislators who introduced it. We are not quite there yet, but I hope that my remarks will help him.

My hon. Friend reminds us that some hon. Members have a direct interest in the Bill. Like him, the Financial Secretary and I have children under one year old who will benefit from child trust funds. He speaks from personal experience of the emotional and financial strain on families with severely disabled children. He is a personal friend as well as an hon. Friend of mine, and I can attest to the fact that he and his wife Sam are extremely loving and caring parents for their son, Ivan. They have been put under enormous pressure and strain and they have coped with it admirably. He is a personal testament to the unsung heroes in many families who deal with very disabled children.

My hon. Friend reminded us of Mencap's "Breaking Point" campaign, which was very effective. It found that eight out of 10 parents with disabled children are close to breaking point. Indeed, today, in Committee and on Second Reading he has pointed to the gaps in society's provision of respite care—I suppose that I should use the term "short breaks" instead—equipment and support for parents with disabled children, and to the challenges facing severely disabled children who try to lead an independent life once they reach 18.

2.30 pm

My hon. Friend's amendments seek to help. They would, as he says, allow families to build up a pot of money to help children achieve as independent a life as possible, and to provide a home for the money given by charities, relatives and other family members. They would also allow for early withdrawal, to enable the provision of specialist equipment and of care in special circumstances. We had several debates in Committee on whether early withdrawal from the child trust fund should be allowed in general terms. Here, of course, he is talking about a specific case and about specific needs that the child trust fund could meet.

I shall anticipate some of the objections that might be raised, the first of which is that such a provision could be open to abuse: that it could be used as some form of tax avoidance scheme. Frankly, that is a highly unlikely, fairly low-risk possibility. In any case, there are limited tax advantages to child trust funds. There are many other tax loopholes that the Inland Revenue could spend its time investigating. I cannot see that such a provision would be widely abused.

The second objection that might be levelled is that parents would withdraw the money and spend it on themselves: that they would abuse the rights that we would be giving them. Again, that is highly unlikely. We are talking about parents who have taken it upon themselves to look after their children, rather than throwing in the towel and saying that they cannot cope. Moreover, they are the kind of parents who will have built up a significant child trust fund, so they are unlikely to abuse it at a later point. However, we would be willing to look at restrictions that the Minister might want to place on the number of early withdrawals, or on the proportion of the fund that could be withdrawn at a particular time. Indeed, as my hon. Friend said, we could consider protection of the initial Government contribution, so that it could not be withdrawn early.

The third objection that might be raised is that it would be difficult to police how the money is being used, even if it is being spent on the child. My hon. Friend's new clause sets out some of the uses to which that money could be put, but if the Minister feels that such a provision would be impossible to police I suggest that she simply trust that the parents would make good use of the money in such circumstances. In the light of that and of the restrictions to which I have referred, perhaps that would constitute a sufficient safeguard.

I remind the House that my hon. Friend received generous support from other Members when we discussed this issue in Committee, including from the hon. Member for Yeovil (Mr. Laws), who spoke for the Liberal Democrats, and from the hon. Member for Angus (Mr. Weir), who has just spoken eloquently in support of what my hon. Friend seeks to achieve. Indeed, my hon. Friend also enjoyed the support of the hon. Member for Lancaster and Wyre (Mr. Dawson). He was the most vocal Labour Member in Committee—two contributed regularly; all the others were silent—and he made a number of good contributions, including in respect of these new clauses and amendments. He said that my hon. Friend's

"proposal fits with the future model of social care that the Government want: it fits with a model in which more users of services are given the ability to determine their own services through direct payments."

He continued:

"There was some agitation on the Labour Benches because Members were genuinely taken by the strength of the hon. Gentleman's argument and the good idea that he has expressed. I hope that the Minister will be able to respond positively to the suggestion that has been made."

Of course, the Minister did just that, and my hon. Friend and I were slightly taken aback by the enthusiastic support that she offered. We had always been led to believe that one achieves absolutely zero in Committee when in opposition, so we were absolutely delighted when she said that she found his amendments

"forceful, interesting and creative. He highlights an opportunity that could be provided by the child trust fund and employs the sort of creativity that I would like to see applied to the fund as it develops over the coming years."

[Mr. George Osborne]

She was

"struck by the force of his arguments",

and said:

"I would like to go away and consider the proposal, and to see whether we could work up a scheme to deal with such a category of person. I am advised that we could do that through regulation . . . if it is possible . . . I would introduce a further regulation, perhaps a few weeks later, to deal with the issue."—[*Official Report, Standing Committee A,* 15 January 2004; c. 167–172.]

So the Minister was quite specific, and I know that, privately, she is very sympathetic to my hon. Friend's suggestion. Indeed, she has gone to considerable lengths to look at the technicalities and practicalities involved. I suspect that some of her officials in the Inland Revenue are presenting her with all manner of practical problems and objections. I urge her to override them, to exercise her ministerial discretion and to get the job done.

New clause 2 deals with the tragic cases of children with terminal illnesses. It would allow the parents—the shorthand term for a "responsible person", which is the phrase used throughout the Bill—of a terminally ill child to withdraw anything up to the full amount from the child trust fund. In such circumstances, parents would require a certificate from a consultant, attesting that the child had a terminal illness. That consultant would have to be practising in the NHS, and be

"qualified by speciality to make a professional diagnosis and prognosis regarding the child's illness".

My attempted definition of terminal illness—arriving at it was not a particularly pleasant way to spend yesterday afternoon—is:

"an illness which, in the opinion of the consulting physician, is inevitably progressive, the effects of which cannot be reversed by treatment (although treatment may be successful in relieving symptoms temporarily) and which will be likely to result in the child's death before his eighteenth birthday."

The purpose of the new clause will be obvious to the House. The funds in the child trust fund of a terminally ill child could be used to bring a little happiness and relief in a desperate situation. They could be used, for example, to pay for a special holiday or treat, or for palliative treatment or special care if, for some reason, the NHS was not providing it. Everyone will doubtless agree that it would be a cruel situation if a family who could not afford such things, except through the money in the child trust fund, could access that money only on the death of the child. There would rightly be great public concern at such a situation, and one can imagine cases grabbing the public's attention in a fairly lurid way. That would undermine much of the good in the child trust fund proposal.

The Government did look at this issue, but according to the White Paper they decided that they could not tackle it—for what I would regard as fairly bureaucratic reasons. The White Paper states:

"Where a child develops a terminal illness, parents may want access to CTF funds"—

child trust fund funds—

"to pay for medical treatment or a special holiday. Although entirely understandable, particularly where parents have made contributions to the fund, the Government is concerned that this would be very difficult to administer fairly and with sensitivity. It is also possible that some people would make fraudulent claims to access the money in the CTF account.

In view of the difficulties and risks involved, the Government does not intend to allow access to CTF accounts in these circumstances."

I suggest to the Minister that the prospect of fraud is extremely limited, not least because, if she adopted something like the safeguards set out in my new clause, a certificate from a consulting physician would be required, which would also help to provide sensitive and fair administration of the system. The alternative to the occasional case of fraud is far worse: a dying child who is deprived of the use of their money because of some pedantic concern.

In Committee, the Minister was pretty positive on this issue; indeed, she was pretty positive about virtually everything that we said in Committee. She said that she was

"struck by the arguments about terminal illness, which the Committee has already debated, and I shall consider whether parents of terminally ill children should have . . . access to the fund."—[*Official Report, Standing Committee A,* 15 January 2004; c. 172.]

I know that she is sympathetic, but I would be grateful for further assurance that she is prepared to move forward on the issue and perhaps introduce regulations this year. We want to avoid the parents of a dying child being unable to access the pot of money or spend it to good purpose while the child is alive, and having to wait for the child to die before they can access the funds.

Mr. David Laws (Yeovil) (LD): We have had a good airing of the issues surrounding new clauses 1 and 2 and their associated amendments today, and we discussed the same issues in Committee, so I can keep my comments relatively short. The hon. Member for Tatton (Mr. Osborne) highlighted the two issues in the provisions: first, early access for parents of children with terminal illness; and secondly, the circumstances described by the hon. Member for Witney (Mr. Cameron)—early withdrawal and the terms under which parents or responsible adults of disabled children can put moneys into the child trust fund accounts.

In common with the hon. Member for Tatton, I hope that the Minister will confirm today that the Government will introduce regulations to deal with the problems facing parents of terminally ill children. I understand the Government's earlier comments and their concerns about the difficulty of implementing a particular scheme, but the hon. Member for Tatton has dealt with the point in stressing that we are talking about only a relatively small number of children. His new clause 2 is very good—something of a Rolls-Royce of its type, with excellent drafting on the involvement of medical practitioners. It contrasts powerfully, I am afraid, with my own amendment No. 58, which looks merely at the reassignment of child trust fund accounts for this particular category of children. I happily support new clause 2, and I hope that no Division will be necessary. I know that the Minister spoke with understanding and sympathy in Committee and I hope that she can give us the undertakings that we seek on that matter today.

The Minister has more difficult issues to deal with in respect of new clause 1 and the associated amendments tabled by the hon. Member for Witney. I set out our

views in Committee and I have considerable sympathy and understanding for the hon. Gentleman and, indeed, all individuals who have care of disabled children. That is why I have an instinctive sympathy with his new clause. I also have sympathy with it in speaking for a political party that is sceptical about the whole value of the child trust fund accounts and believes, as the hon. Member for Witney put it, in giving more power to parents rather than to the state.

As I said in Committee, I wonder whether new clause 1 cuts away at the basis for a child trust fund account, which is essentially to lock away a pot of money from birth to the age of 18 and prevent its use even where the parent might decide that the money could be used more effectively during the childhood period than at the age of 18. One could also imagine urgent circumstances in which parents whose children are not disabled might wish to draw early on the child trust fund account. That applies not just in the tragic and extreme case of terminally ill children—other aspects of deprivation could lead a parent to decide that the moneys could be better utilised rather than being tied up in the child trust fund account up to the age of 18. The key issue is whether the parent might want to put moneys into the fund account in the first place or, as mentioned by the hon. Member for Witney, choose to use a different account to accumulate funds—a more accessible account, but with similar tax advantages.

I hope that the hon. Member for Witney understands that I have complete sympathy with the purpose of his new clause and that I hope that the Minister will give ground on it, not least because it underlines some of the weaknesses of the child trust fund account in denying access to people and children who could use some of the moneys in a far more effective way.

The Financial Secretary to the Treasury (Ruth Kelly): I am sure that the whole House would wish to congratulate the hon. Member for Witney (Mr. Cameron) on his new arrival. We should also pay tribute to him for the way in which he spoke about his first son and how he brought his personal experience to bear on circumstances in which many parents find themselves. I am sure that, in listening to his arguments, we all feel that he made a persuasive and powerful case on their behalf.

2.45 pm

The hon. Member for Witney argued that parents of disabled children should be allowed to access child trust funds before the child reaches the age of 18—in the best interests of the child. He also argued that the annual limit on contributions should be higher than the currently proposed £1,200 limit. I have given much thought to his proposal and I understand his arguments. I shall not repeat the arguments in favour, because the whole House has heard them set out very persuasively and they will be available for all to read in *Hansard*. People who follow the events of the House can read them there.

I am not going to argue that support for disabled children has increased markedly since 1997—in financial and non-financial aspects—even though it has. The hon. Gentleman brings a different argument to bear, which has wider implications than the provision that the Government have made on this matter. However, I want to expose the House to some of the Government's thinking on the subject.

The first major question that we have to answer is whether the child trust fund is the most appropriate vehicle for well-wishers, friends and the local community to invest money on behalf of a child. Is there an argument for the £1,200 limit to increase so that well-wishers and relatives can add further contributions beyond that already proposed? Having looked into those questions, I concluded that there is no real tax advantage to be gained, because contributions to children's savings accounts by anyone other than a child's parents are not affected by the income tax settlements legislation. In other words, the child can incur interest on an account in excess of £100 a year if the gift of that money, or that endowment, is provided by relatives and friends rather than the child's parents.

If the purpose of increasing the limit is for others to contribute to the child trust fund, there is no inherent reason why the child trust fund route is appropriate because the tax advantages are already in the system. It would be possible to open an instant access account for well-wishers and others to invest on behalf of the child. Indeed, an endowment of £65,000 could be built up without triggering the income tax threshold of the child, so a fairly substantial sum could be built up by well-wishers and relatives in that way. It would be possible for disabled children to have twin accounts—a child trust fund account with the initial Government endowment building up so that the child has an asset at the age of 18, and a parallel account built up so that parents can have instant access to the money whenever they judge it the most appropriate moment to use it.

Given that there are other vehicles that also have tax advantages, should the aims of the child trust fund be skewed or distorted to the potentially very good end of giving the parents of disabled children access to the account? I have considered at least three questions that have a bearing on this matter. First, will disabled children feel disadvantaged if parents decide to access the account before their children reach 18 years of age? This question is relevant to the comment of my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson), who said that children at 18 need to develop autonomy and responsibility, and that they should have a financial asset to back them up.

The question is also relevant to the Barnardo's argument, raised by the hon. Member for Witney, that disabled children aged 18 face greater transitional costs. Those costs need to be met, and parental access to the account before children reached 18 could raise questions about whether the account had been run down. Would children feel disadvantaged if parents were able to access the accounts? The hon. Gentleman argues that more money might be invested in the child trust fund to start with, but that is open to debate.

Secondly, would the growth of the initial endowment be diminished by possible early or frequent withdrawals? If that happened, the endowment built up over time would be lower.Thirdly, would stakeholder child trust fund accounts still be the appropriate vehicle for disabled children? That question was touched on by the hon. Member for Angus (Mr. Weir). Stakeholder accounts are primarily equity based, and lifestyling requirements mean that they move from riskier assets in

[Ruth Kelly]

a child's early years to safer ones later on. Would those factors be appropriate in an account with the potential for early access? I think that the answer is probably not, but I can reassure the hon. Gentleman that it would be possible for parents of disabled children to choose a non-stakeholder, cash-based account instead.

Mr. Weir: A parent may want to access an account fairly quickly. Stakeholder accounts are based on equities and depend on the state of the market at any given time, so it might not be feasible or reasonable to access them. Would it not make more sense to have the money in a more easily accessed account from the beginning?

Ruth Kelly: Of course, parents could choose a cash-based account at the outset, but there is nothing to stop them transferring the fund from an equity-based account to a cash-based account. The regulations make it clear that no exit penalty would be attracted, and I would like to think that the process would cause little delay. I hope that the hon. Gentleman is reassured on that point.

The next set of questions has to do with proportionality. Would the administrative burden on providers and the Inland Revenue be proportionate to the policy objective, given that other vehicles exist for achieving that objective? The initial proposal from the hon. Member for Witney was that receipts could be provided by the families of disabled children. They would be checked, and it would be for the Inland Revenue to determine whether it would be in the best interests of the child to part with the money.

The proposal would involve a significant administrative burden. Moreover, it is at least arguable that that burden would not be proportionate to the policy objective. However, I have undertaken to consider whether there might be less labour-intensive ways to achieve the same goals, and whether restrictions or safeguards could be built in, along the lines suggested by the hon. Member for Tatton (Mr. Osborne). Such possibilities raise different sets of questions.

Finally, what is the constituency of support for this sort of change? Is there a demand—among disabled people, the parents of disabled children and disability groups—for the proposal? In Committee, I promised to consult disability groups on the matter. The hon. Member for Witney read some of the responses that he has received from disability groups. The response has been somewhat mixed, and it is not clear that the proposal has a strong basis of support.However, I undertake to consider the arguments further and to have a more in-depth consultation with disability groups. If a consensus emerges for the changes that have been proposed, I shall undertake to consider them seriously to see whether a sensible change can be implemented that would satisfy all concerned.

I am afraid that I cannot give the hon. Member for Witney a greater assurance than that at this stage, but I certainly agree to meet him over the coming weeks. I want to continue to engage him in the work on taking this agenda forward. I hope that we can persuade him of the rightness of the changes that we propose to make.

Mr. David Ruffley (Bury St. Edmunds) (Con): Will the Minister clarify the resource implications for the Exchequer if the amendments were to be accepted in due course? She has not touched on that matter so far. Secondly, new clause 2 relates to the terminally ill —

Ruth Kelly *indicated assent.*

Mr. Ruffley: The Minister is nodding, so I am sure that she is about to deal with the question that I want to ask. However, I shall put my question on the record anyway. It seems that the Inland Revenue has concerns about when discretion might be exercised in cases where terminally ill children with only 12 months to live, as certified by a medical practitioner, need to draw money from the child trust fund. My understanding is that life insurance policies already pay out for adults in similar circumstances, where medical certification is available. Will the Minister clarify that matter? The Inland Revenue seems to be talking about a problem already covered, for adults, by existing products.

Ruth Kelly: It is not clear that there would be significant resource implications for the Exchequer from the system offering tax advantages in addition to what is already available, but the Inland Revenue would face a significant additional administrative burden, in that it would have to set up the system and run it. The burden on providers would also be greater. We do not know how serious that administrative burden is likely to be, and I am not able to tell the House today what our best estimate is. However, I pledge to keep the hon. Gentleman informed of progress on this matter. I hope that we can work towards a sensible system, as he desires.

On terminal illness, I am persuaded of the case for change for the parents of terminally ill children. However, I cannot give hon. Members the assurance that they seek in respect of the exact details of such a scheme. I have considered the proposal put forward by the hon. Member for Tatton, but at first sight there seem to be some difficulties with it. A certificate from an NHS doctor may be the best way to tackle the matter, but less burdensome ways to achieve the same goal may be found. Again, I pledge that we will continue to examine the matter thoroughly. If there is a reasonable way to achieve the goal, we will introduce regulations to that effect.

I hope that I have given the House sufficient guarantees that we are looking at these matters seriously. If I think that we can deal with them in a proportionate and appropriate way, we will do so.

Mr. Cameron: I am grateful for the Minister's undertaking to look at these matters carefully and to see what progress can be made. She is right to listen to the lobby groups, and I am listening to them too. Inevitably, they focus on the statutory services provided by social services and the NHS. I shall ask them to talk as much as they can to their Members of Parliament, with a view to enlightening them and ordinary members of the public about the suggestions that I have made.

The Minister asked whether the child trust fund was the right vehicle. I think that it is because, like Everest, it is there. That is the main point: all children will have the fund. Other accounts may be worth while, but not everyone will have them or know how to get them. The

child trust funds will be available for everyone, so other factors become somewhat secondary. I am keen to work with the Minister to get my proposals on to the statute book, as I think that would be a good thing. In the meantime, I am happy to withdraw new clause 1. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 3

OPENING BY RESPONSIBLE PERSON WITHOUT VOUCHER

'(1) In the case of each child who is first an eligible child by virtue of section 2(1)(a) and was born on or before 31st August 2002 a responsible person may apply to the Inland Revenue, in a manner prescribed by regulations, to open a child trust fund account.

(2) Upon receipt of an application, the Inland Revenue must give the responsible person concerned written authorisation to open a child trust fund account.

(3) A responsible person may, by giving the written authorisation to an account provider, apply to open for the child with the account provider a child trust fund of any description provided by the account provider.

(4) On receipt of the authorisation the account provider must—

(a) open, in accordance with regulations, a child trust fund of that description for the child and

(b) inform the Inland Revenue in accordance with regulations.'.—*[Mr. George Osborne.]*

Brought up, and read the First time.

3 pm

Mr. George Osborne: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following: New clause 8—*Uprating of Inland Revenue contributions in line with inflation*—

'(1) The amount of Inland Revenue contributions under sections 8 to 10 other than—

(a) original contributions, or

(b) initial contributions the amount of which is determined in accordance with the provisions of section [determination of initial contributions for children born before 1st April 2005],

shall be determined in accordance with the provisions of this section.

(2) The amount of a contribution to which this section applies shall be increased from the previous applicable amount with effect from 1st April in every calendar year by such amount as the Treasury determines is required to maintain the value of the amount in real terms.'.

New clause 9—*Determination of initial contributions for children born before 1st April 2005*—

'(1) This section applies for the purpose of determining the amount of initial contributions for eligible children born during the period beginning with 1st September 2002 and ending with 31st March 2005.

(2) The amount of the initial contribution for eligible children born during the period beginning with 1st September 2004 and ending with 31st March 2005 shall be 107 per cent. of the amount prescribed by regulations under section 8(1A).

(3) The amount of the initial contribution for eligible children born during the period beginning with 1st September 2003 and ending with 31st August 2004 shall be 107 per cent. of the amount determined in accordance with the provisions of subsection (2).

(4) The amount of the initial contribution for eligible children born during the period beginning with 1st September 2002 and ending with 31st August 2003 shall be 107 per cent. of the amount determined in accordance with the provisions of subsection (3).'.

Amendment No. 1, in page 1, line 13 [Clause 2], leave out '2002' and insert '1988'.

Amendment No. 2, in page 2, line 26 [Clause 2], leave out subsection (7).

Amendment No. 8, in page 3, line 29 [Clause 5], at end insert

'and was born after 31st August 2002'.

Amendment No. 62, in page 4, line 31 [Clause 8], after 'regulations', insert

'under subsection (1A) or determined in accordance with the provisions of sections [*uprating of Inland Revenue contributions in line with inflation*] or [*determination of initial contributions for children born before 1st April 2005*]'.

Amendment No. 11, in page 4, line 34 [Clause 8], at end insert—

'(1A) Regulations under subsection (1) must prescribe an initial contribution of nil in respect of any child trust fund held by a child born on or before 31st August 2002.'.

Amendment No. 63, in page 4, line 34 [Clause 8], at end insert—

'(1A) Regulations under this subsection shall prescribe the amount of the initial contribution in respect of children born during the period beginning with 1st April 2005 and ending with 31st March 2006 ("the original contribution").'.

Amendment No. 64, in page 5 [Clause 9], leave out line 3 and insert

'determined in accordance with subsection (2A) or with the provisions of section [*uprating of Inland Revenue contributions in line with inflation*]'.

Amendment No. 12, in page 5, line 3 [Clause 9], at end insert—

'(2A) Regulations under subsection (2) may prescribe a supplementary contribution of nil or a lower rate of supplementary contribution in respect of any child trust fund held by a child born on or before 31st August 2002.'.

Amendment No. 65, in page 5, line 3 [Clause 9], at end insert—

'(2A) The original contribution payable under subsection (2) shall be twice the amount prescribed by regulations under section 8(1A) or determined in accordance with the provisions of section [*determination of initial contributions for children born before 1st April 2005*].'.

Amendment No. 66, in page 6, line 9 [Clause 10], leave out from 'Revenue' to first 'of' in line 10.

Amendment No. 67, in page 6, line 14 [Clause 10], leave out from 'by' to end of line and insert

'regulations under subsection (2) or determined in accordance with the provisions of section [*uprating of Inland Revenue contributions in line with inflation*]'.

Amendment No. 13, in page 6, line 14 [Clause 10], at end insert—

'(1A) Regulations under subsection (1) may prescribe a further contribution of nil in respect of any child trust fund held by a child born on or before 31st August 2002.'.

Amendment No. 68, in page 6, line 15 [Clause 10], leave out subsection (2) and insert—

'(2) Regulations under this subsection shall prescribe the initial amounts of contributions payable under subsection (1), which shall be expressed as amounts payable to children reaching a

[Madam Deputy Speaker]

specified age during any period beginning with 1st April and ending with 31st March of the following calendar year ("the original contributions").'.

Mr. Osborne: I thank the Minister for her remarks about new clause 1 and her commitment to looking again at the terminal illness clause. I join my hon. Friend the Member for Witney (Mr. Cameron) in his remarks about considering the scheme for parents with disabled children.

New clauses 3, 8 and 9 and the consequential amendments would allow the responsible person to open a child trust fund for a child born before 1 September 2002 but without the initial Government contribution or any top-up at age seven—so my proposal should not add significantly to the burden on the taxpayer; I would not have secured the support of my right hon. and hon. Friends in the Treasury team otherwise.

Parents could set up a child trust fund account for an older child for savings of up to £1,200 a year, with a tax-free sum for the child when he or she turns 18. Amendments Nos. 8, 11, 12 and 13 make it clear that there would not be a Government contribution. In Committee, I restricted that arrangement to children born since 1992, who are not now teenagers. That arrangement drew some criticism—particularly from the hon. Member for Hastings and Rye (Mr. Foster), who commented:

"I support the principles that the hon. Member for Tatton displays in wishing to extend the benefits of this excellent scheme, which I wholly support. However, he is too modest in seeking . . . to extend it only to those born after 1992. If we want to benefit all children, we should extend it to all children. For that reason, I shall not support an amendment that simply creates a divide different from that which already exists."—[*Official Report, Standing Committee A*, 6 January 2004; c. 25.]

I was happy to heed the hon. Gentleman, so the proposed amendments broaden the scope of the scheme, opening it up to all children born after 1988. By the time the scheme is introduced, it will be open to all children under the age of 18. The hon. Member for Hastings and Rye is not in his place but I look forward to his support when he reads my comments in *Hansard* tomorrow.

The benefits of extending trust funds to all children are obvious. The Government want to encourage children to save, and parents to save for their children, which is wholly admirable—but why restrict that ambition to newborn children? Why not give parents the opportunity—not force them—to open trust funds for older children who were not lucky enough to be born when the scheme was up and running? That would help people such as the Minister and myself, who will have children who qualify and children who do not. We may find it difficult to explain, when our children reach 18, why one has a child trust fund and another does not.

The Minister and the hon. Member for Yeovil (Mr. Laws) have made the point that other savings vehicles are available, but as my hon. Friend the Member for Witney said, that argument could be deployed against the entire concept of a child trust fund—the beauty of which is their simplicity and the fact that all children could have one. Such funds allow parents to tell their children, "You're all getting the same, except the initial contribution." Parents with older children might be encouraged to save because that would piggyback on the Government's publicity campaign that the Financial Secretary is planning to coincide with the launch of child trust funds. My proposal would also remove the potential disincentive for parents such as myself, who may not want to single out one child for special treatment, and could be discouraged if they have some children who qualify and some who do not.

My proposal has widespread cross-party support, such as that of the Treasury Sub-Committee, whose excellent report concluded:

"We consider that the natural reaction of parents with children born on either side of the cut-off date will be to try to see that they are treated equally. This may mean that those parents with sufficient financial resources will make additional provision for children who do not qualify for a Child Trust Fund account. We believe they would be encouraged to do this if Child Trust Fund accounts, identical in all respects save the absence of a Government endowment, were available for their other children . . . In light of the evidence that the costs of the Treasury of the extra tax relief afforded by Child Trust Funds is negligible, we recommend that consideration be given to extending the availability of Child Trust Fund accounts but without Government endowments, to children before 1 September 2002."

Both Labour Members who spoke on Second Reading also supported my proposal. I must say that as this is Government flagship policy, the Labour Whips did poorly in fielding only two speakers—and half the Labour Members in the Chamber at the moment are Whips.

In Committee, the proposed change was supported by the hon. Member for Dumbarton (Mr. McFall), the Chairman of the Treasury Select Committee, and by the hon. Member for Hastings and Rye—and I have overcome his objection that my amendment was not ambitious enough. The initial objections of the Financial Secretary were difficult to understand—that is a polite way of putting it. They were not made on the grounds of cost because the hon. Lady had already told the Sub-Committee:

"We had to make a costing assumption for the purposes of the Red Book and we came up with the conclusion that the cost of the extra tax relief"—

for the entire scheme—

would be negligible."

The cost of extending the scheme to older children would also be negligible.

The Financial Secretary deployed a curious argument to do with the administrative burdens on financial providers. She said on Second Reading:

"We have looked at that"—

that is, the proposed extension of the scheme—

"extremely carefully, and I am disappointed to tell the House that the administrative burden on providers of allowing all children from previous cohorts to benefit from an identical tax-free vehicle is disproportionate to the benefits that would be offered."

The hon. Member for Hastings and Rye intervened to ask:

"Is that not a problem anyway? As time goes on, greater numbers will apply, so in 18 years' time people would have to deal with that volume of applications in any event."

The Financial Secretary had to concede that the hon. Gentleman was right and that

"a greater number of children will have such accounts over time, but providers have made it quite clear that the scheme needs to be phased in."—[*Official Report*, 15 December 2003; Vol. 415, c. 1394.]

I do not know which financial providers the Minister had spoken to, but all the financial providers and trade organisation representatives to whom I spoke were in favour of extending child trust funds to elder children.

The Minister's argument on Second Reading was comprehensively knocked down by the chief executive of Children's Mutual, David White, who wrote to all members of Standing Committee A:

"The Minister in her remarks at Second Reading argued that one reason for not extending the Child Trust Fund to ineligible children is that it would impose a burden on providers. We would be happy to work with the Government on how any administrative burden could be overcome, something we believe to be possible."

Thankfully, the Minister listened to the arguments advanced in Committee with the help of some of the more vocal Labour Members, and said:

"Having heard the strength of feeling on the matter, I am perfectly willing to talk to providers to see whether they think that there would be a gap that needed addressing."

She continued:

"I undertake to ask providers whether they believe that such unmet demand exists or is likely to exist so that we can review the situation in the future."—[*Official Report, Standing Committee A*, 6 January 2004; c. 30.]

The Minister was true to her word. I happened to bump into David White in the Commons about two days later. He said, "Thanks very much for what's going on in Committee, because the Inland Revenue has already been in touch with Children's Mutual, and no doubt others, and is working up a scheme." He confirms those comments in the briefing that his company has provided to all Members for this debate, which says:

"We are delighted that the Government has agreed to consider opening up the Child Trust Fund wrapper to families of children born before September 2002 and look forward to continuing discussions on this development."

I have tabled the new clause and the amendments so that we can discuss these matters now, on Report. I confess that they are much less elegant than the amendments that I tabled in Committee, but I was told that I had to come up with a different device so that we could discuss the same subject on Report. I have come up with a slightly less elegant version of what we did in Committee, but it is really only a device for getting some assurances from the Minister that discussions are ongoing, that she is talking to the providers, and that she is prepared to identify the regulatory changes that are needed, if any. She has indicated that none may be necessary. She may be right about that, but will she give me some specific assurances? That is the reason for all these amendments. If some regulatory changes are required, will she give an undertaking to make them?

Mr. Laws: I shall not deal with the issues that have just been covered by the hon. Member for Tatton (Mr. Osborne). As we pointed out in Committee, we are not in favour of the Bill or the child trust fund accounts, so we do not seek their extension to any other cohorts of children.

I shall speak to new clauses 8 and 9 and amendments Nos. 63 to 68, which would lay down in a little more detail the basis on which the Inland Revenue contributions will be calculated over time. At present, most of those issues seem to be left entirely to the discretion of the Chancellor and the Treasury, so new clause 8 would index some of the contribution levels to the rate of inflation, while some of the amendments would fix the relationship between particular levels of contribution. For example, amendment No. 65 fixes the supplementary contribution at twice the initial contribution.

I seek clarification from the Financial Secretary on an issue on which I thought we had made some progress in Committee: in essence, how much compensation will be paid by the Treasury because people entitled to child trust fund accounts from 1 September 2002 onwards will not receive the moneys until April 2005? I was expecting to tease the Financial Secretary by indicating that I thought that she would offer compensation at the rate that she anticipated the accounts would yield—that is, the 7 per cent. that the Government said would be yielded over time, which is an 8 per cent. rate of growth minus a 1 per cent. assumed level of charge.

3.15 pm

In Committee, to my surprise, the Financial Secretary said:

"The hon. Member for Yeovil queried the assumption of a 7 per cent. nominal rate of growth. I assure him that it is the rate recommended by the FSA in its "conduct of business" handbook as a fairly cautious estimate of future growth. We are aware that children born after the qualifying date of 1 September 2002 but before April 2005, when the first payments are to be made, will lose out on the potential growth of the fund over that time."

However, she went on to say:

"I intend to make up for the difference in the regulations, and I can announce that the value of the endowments will reflect a 7 per cent. growth of the fund in nominal terms for each cohort or financial year in that period, but the exact figures will be laid down in regulations."—[*Official Report, Standing Committee A*, 13 January 2004; c. 120.]

As we have finally been given the regulations, we can see that paragraph 7, on page 7, which deals with Government contributions, indicates how they are to be uprated to account for the fact that people will not actually get their hands on the money until April 2005.

Perhaps it is just me—I do not know whether my brain is not working properly today—but those amounts seem lower than I would have expected from the application of a 7 per cent. yield, compared with the amounts that would be expected by children who would otherwise have received them from September 2002 onwards. I had assumed that the Minister would be generous—or, to put it another way, fair—in her calculation of the amounts, but the amounts set out in paragraph 7(ii) on page 7 of the regulations are somewhat mean in the application of the 7 per cent. yield, compared with the amounts that would be received by individuals in their child trust fund accounts.

For example, sub-paragraph (ii) indicates that children born between 6 April 2003 and 5 April 2004 would receive £268. That seems to reflect an uprating factor of roughly 7 per cent., so anyone born during that period will receive a 7 per cent. uprate. However, children born at the beginning of the period, who would not otherwise receive their money until April 2005, could forgo two years of yields at 7 per cent. I have been

[Mr. Laws]

unable to work out the method of calculation under sub-paragraph (iii), which applies to children born between 6 April 2004 and the day preceding the appointed day—I assume that will be the end of March or the beginning of April 2005. The amount specified to be received by that cohort is only about £256, which seems to be a yield of only 2.5 per cent.

There seems to be a gap between what we might have expected those cohorts to receive, with the full application of the 7 per cent. yield, and the amount that they will actually receive. I seek clarification from the Minister about how those amounts were calculated. Does she consider that the calculation is fair, especially to people born at the beginning of the periods in question? For example, a child born on or just after 6 April 2003 might have expected to receive 7 per cent. compounded for two years. There appears to be a gap between what the Financial Secretary is delivering and the undertaking that was made in Committee, so it would be helpful to have clarification on that point.

Ruth Kelly: We have already held a significant debate in Committee about whether siblings should qualify for a look-alike child trust fund without Government contributions. It is a shame, but I have to say that the hon. Member for Tatton (Mr. Osborne) rather misrepresented my position on Second Reading. In fact, I argued that if we allocated accounts to all siblings of children who qualify for a child trust fund account, there would be 10 million shell accounts, which would be an unwarranted burden for providers. They would not welcome that additional burden at this time.

However, I recognised in Committee, as I recognise now, that there could be—indeed, would be—many parents who wanted to open similar accounts for older children and add their own endowment to the fund on a voluntary basis. That is a completely different proposition, with a much reduced impact and burden on providers. I continued to argue in Committee that if there was a demand for such a product, there was no reason why the market should not provide—and, indeed, market—a look-alike product for older siblings when marketing the child trust fund for younger siblings. It would be open to providers to offer a similar account; they could offer a charge cap which matched that on their child trust fund product, or they could offer a lifestyling facility which matched that on the child trust fund. The main difference between the accounts would be their tax treatment.

I argued, however, that the child's income from savings would not be enough to incur tax in most cases. Children have the same personal allowance as adults—currently £4,615—and the parent is taxed only when a gift from a parent produces more than £100 gross income a year. I said that I was sure that the industry would provide a look-alike product without a Government endowment if there were sufficient demand in the marketplace for such a product. However, I did commit to consult providers on whether they thought that there would be a gap in the marketplace if the Government did not step in to offer a product identical to the child trust fund for older siblings.

The Inland Revenue and I have undertaken some informal consultations with those in the industry, which has confirmed that of course, an identical product would make life easier for them. However, they have also said that they would undoubtedly step into the market to provide a look-alike product on the day of the launch and that they would see that as opportunity to market a savings vehicle for older siblings, as well as the child trust fund to younger siblings.

If we were to offer an identical child trust fund product—without the Government endowment, of course—to older siblings, it could not be up and running by 2005, which is the launch date of the child trust fund. Given that providers think that the market seems to exist and that they intend to fill that gap, we should monitor the situation to find out whether, after the launch of child trust fund products, parents feel that their demands have not been properly met, or providers feel that they have not had the opportunity to fill a gap in the marketplace. That issue will have real resonance for parents, but it will be fulfilled and taken up by the marketplace.

Mr. George Osborne: What regulatory changes does the Financial Secretary think would be required to provide an identical product? What is the main regulatory problem? What would have to be changed?

Ruth Kelly: As the hon. Gentleman correctly identified, we have been working up proposals so that we would be able to meet any unfilled gap in the market, if such a gap were identified. However, he will know that we are still at a very early stage of any plan, and I will continue to consider whether any change in regulation is required. If we find evidence of a gap in the marketplace and regulation is required to fill it, that is clearly something that we would consider.

On new clause 8, the hon. Member for Yeovil (Mr. Laws) asked us to commit to raising the Government contributions in line with inflation. It is only fair to say that it is much more sensible for the Government to keep the structure and level of the endowments under review, in the light of the progress and future evaluations of the child trust fund. I know that he is sceptical about the merits of the child trust fund, but surely he would agree that it is sensible to take into account how it develops before committing ourselves to stating in the Bill how that endowment will be increased in the future. The regulation-making powers that we are taking will enable us to develop the child trust fund further to achieve policy objectives if the evaluation of the policy suggests that that is a good idea.

New clause 9 and the related amendments suggest what the retrospective payments to children born between September 2002 and April 2005 should be. As the hon. Gentleman suggested, those extra payments were set out in the draft regulations, published on 2 February 2004. All children born between September 2002 and April 2003 will receive £277, with those entitled to the higher amount getting an additional £266. Those born between April 2003 and April 2004 will get £268, with those entitled to the higher amount getting an additional £258, and those born between April 2004 and April 2005 will get £506. The hon. Gentleman suggests that that is somehow not generous and fair. In fact, I believe that it is both generous and fair. For example,

those figures do not include any allowance for the administrative cost to the Government, whereas, as he rightly points out, the illustrative figures in the projections included an amount for the charge cap.

Mr. Laws: I wonder whether the Financial Secretary is taking this opportunity to trim back on her earlier commitment. Will she acknowledge that anyone born between 6 April 2003 and 5 April 2004 will essentially get the same compensation as though they had been born on the latter date? People born at the beginning of the period, who should get a 14 per cent. uprating, will get only 7 per cent. Why are the Government short-changing people in that way?

Ruth Kelly: I am sure that the hon. Gentleman will accept that we are not short-changing people. For the initial payment, we calculate growth at the middle of each band, so there will be some winners and, undoubtedly, some losers. However, for administrative simplicity, we have averaged over the bands. For the supplement, we took April at the end of each band, which is when the supplement would be given to the family in the usual course of events. Given that the child tax credit has to be claimed, the hon. Gentleman will understand that the second payment is normally made after the first payment. In no sense have we short-changed families. In fact, we have been both generous and fair—while, of course, ensuring value for money for the Government. The figures were calculated using a 7 per cent. nominal rate of return in accordance with FSA guidelines, as the hon. Gentleman suggests. Given that we have fulfilled his requirements, I ask him to reconsider his new clauses.

Mr. Laws: I thank the Financial Secretary for giving way one more time. I remain dissatisfied about the way in which the Government will compensate people, but what does she expect to be the total cost of delivering all the amounts that it is now anticipated will be delivered in one go, in the 2004–05 fiscal year?

Ruth Kelly: I do not have figures to hand on the total cost of the changes. I think that I gave them to the hon. Gentleman in Committee, but if I did not, I apologise. I will certainly write to him with those figures, but I can assure him that the amounts are fair, and no one is being short-changed. Given the hon. Gentleman's consideration of those factors, I hope that he will not press any of the new clauses to a Division.

Mr. Osborne: I pretty much welcome what the Minister said about new clause 3, although the hon. Member for Yeovil (Mr. Laws) made it pretty clear what he thinks of what she said about his new clauses. My brief experience of politics shows me that when there are winners and losers, the winners do not thank people, but the losers complain. We shall see what happens with people born between 1 September 2002 and the date of the implementation of child trust funds.

I turn to new clause 3, which I moved. I am sorry if I misrepresented what the Financial Secretary said on Second Reading, but that was an understandably easy mistake given that my thoughts were shared by the hon. Member for Hastings and Rye (Mr. Foster) and by Children's Mutual. I am sure that what she said was clear. She was right to point out that there are other savings vehicles—she regularly points that out—but as my hon. Friend the Member for Witney (Mr. Cameron) said at the start of our consideration on Report, that argument could be deployed against the entire Bill. She said that during her informal consultation, the providers said that an identical product would help them—I think that those were her words. She has given a commitment to monitor the situation so that if she finds a gap because of unmet demand that requires regulatory change, she will consider doing taking action.

3.30 pm

Although I shall not press new clause 3 to a Division, I send a message from the Dispatch Box to financial providers. If they become aware of unmet demands, believe that it would significantly help their marketing if they were able offer child trust funds to older children, and think that would encourage savings and help the child trust fund scheme to work from its launch, I urge them to make representations not only to me, but to the Financial Secretary, so that she will get on with making any regulatory changes that might be necessary. With that, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 4

REDUCTION OF AGE OF MAJORITY IN RESPECT OF CHILD TRUST FUNDS

'(1) For the purpose of any contact entered into in respect of a child trust fund, the age of majority shall be 16.

(2) The Family Law Reform Act 1969 (c. 46) is amended as follows.

(3) After section 1 insert—

"1A Reduction of age of majority in respect of child trust funds

(1) For the purposes of any matter specified in subsection (2) which relates to a contract entered into in respect of a child trust fund, a person shall attain full age on attaining the age of sixteen

(2) Those matters are—

(a) any rule of law, and

(b) the construction (in the absence of a definition or of any indication of a contrary intention) of the expressions listed in section 1(2) and similar expressions in—

(i) any statutory provision, whether passed or made before, on or after the date on which this section comes into force; and

(ii) any deed, will or other instrument of whatever nature (not being a statutory provision) made on or after that date.

(3) Subsections (6) and (7) of section 1 shall apply to the provisions of this section as they apply to the provisions of that section.

(4) In this section 'child trust fund' has the meaning given by section 1(2) of the Child Trust Funds Act 2004."

(4) In section 28(4) (extent), after paragraph (a) insert—

(aa) section 1A extends to Northern Ireland;".'.—*[Mr. George Osborne.]*

Brought up, and read the First time.

Mr. George Osborne: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: New clause 5—*Designation of responsible person by young parents—*

[Mr. Deputy Speaker]

'(1) This section applies to a person who has parental responsibility in relation to a child who is under the age of 18 or, in Scotland, 16 (person A).

(2) Person A may designate another person (person B) who is over the age of 17 or, in Scotland, 15 as the responsible person in relation to the child for whom person A has parental responsibility.

(3) Person B must inform the Inland Revenue that he has been designated as the responsible person in respect of the child.

(4) Regulations may prescribe—

(a) the required method of designation under subsection (2),

(b) any requirements relating to person B informing the Inland Revenue under subsection (3), and

(c) the circumstances in which person B shall cease to act as responsible person on or after the day on which person A reaches the age of 18 or, in Scotland, 16.'.

New clause 11—*Early withdrawal by young person in full-time employment*—

'(1) If this section applies to a child, that child may withdraw funds from his account in accordance with the provisions of subsections (4) and (5).

(2) This section applies to a child if—

(a) a child trust fund is held by the child,

(b) the child is over the age of 15, and

(c) the child is in full-time employment.

(3) Regulations may prescribe—

(a) the meaning of "full-time employment" for the purposes of this section, and

(b) the manner in which proof of full-time employment is to be provided for the account provider.

(4) A child to whom this section applies may apply to withdraw amounts from the fund, including the whole amount of the fund.

(5) On receipt of the proof of full-time employment prescribed by regulations under subsection (3)(b) and an application, the account provider must—

(a) release the amounts requested to be withdrawn, and

(b) inform the Inland Revenue in accordance with regulations.'.

Amendment No. 76, in page 2, line 44 [Clause 3], leave out 'as' and insert

'in accordance with the provisions of section [*early withdrawal by young person in full-time employment*] or as otherwise'.

Government amendments Nos. 33 and 34.

Amendment No. 5, in page 3, line 3 [Clause 3], after second 'person', insert

'so designated in accordance with the provisions of section [*designation of responsible person by young parents*] or a person'.

Amendment No. 6, in page 3, line 8 [Clause 3], leave out '18, or in Scotland,'.

Amendment No. 7, in page 3, line 9 [Clause 3], leave out ', in Scotland,'.

Government amendment No. 35.

Amendment No. 9, in page 3, line 33 [Clause 5], leave out from 'or' to 'to' in line 34 and insert 'where subsection (2A) applies'.

Amendment No. 10, in page 3, line 34 [Clause 5], at end insert—

'(2A) This subsection applies in the case of a child—

(a) who is such an eligible child because of section 2(3), or

(b) in respect of whom a person has informed the Inland Revenue that he is the responsible person in accordance with the provisions of section [*designation of responsible person by young parents*](3).'.

Government amendments Nos. 40 and 42.

Amendment No. 77, in page 10, line 39 [Clause 20], after '3(4)(d)', insert

'or by section [*early withdrawal by young person in full-time employment*]'.

Government amendment No. 49.

Amendment No. 28, in page 16, line 15 [Clause 30], after 'Act', insert

'except section [*reduction of age of majority in respect of child trust funds*]'.

Amendment No. 29, in page 16, line 16 [Clause 30], at end insert—

'(2) Section [*reduction of age of majority in respect of child trust funds*] extends to Northern Ireland, but does not extend to Scotland.'.

Mr. Osborne: I wish to speak to new clauses 4 and 5 and their consequential amendments, and I am sure that the hon. Member for Yeovil (Mr. Laws) will speak to new clause 11.

New clause 4 would give children aged 16 and 17 the power to manage their own child trust fund accounts, although it would not give them the power to make withdrawals from them. In effect, it would extend to children aged 16 and 17 in England, Wales and Northern Ireland the same rights that the Bill gives to 16 and 17-year-olds in Scotland, owing to a quirk of Scottish law.

The Bill's current drafting gives rise to all sorts of anomalies that we discussed in Committee. If people lived just over the border in England and opened a child trust fund account in a local village bank in Scotland, could the child manage it at the age of 16 or 18? If I walked into a branch of the Royal Bank of Scotland and opened an account for my daughter, could she manage that at the age of 16 or 18? If people born in Edinburgh moved to London on their 16th birthday—or at any other point—how would that affect the management of their child trust funds? When I read the Bill, I thought that the provisions would be a recipe for chaos and administrative complexity and that the situation would force providers to keep track of their Scottish and English customers.

Mr. Weir: I am interested in what the hon. Gentleman is saying, but is it not something of a red herring? The situation already exists because the age of majority in Scotland has been 16 for as long as anyone can remember. Financial institutions already face the problem with existing policies and investments, but it does not seem to have caused a difficulty until now.

Mr. Osborne: The hon. Gentleman makes a fair point, but the Government have caved in by accepting my proposal, so they obviously think that there is merit in what I am suggesting.

I repeat a point that I made in Committee that goes beyond the technical aspects of the situation. It would be wrong to deprive 16 and 17-year-olds in England, Wales and Northern Ireland of the chance to manage their accounts. Surely one of the objectives of child trust

funds is to improve financial education for our children, and one of the best ways to do that would be to involve them directly in the management of their own accounts—that could be tied in with school lessons.

The potential for damage to accounts and poor investment would be limited. For a start, most of the accounts will be lifestyle accounts, so risk will be minimised by the time that children reach 16. Indeed, given that children will have attended classes at school in which they will have discussed the accounts, they may well be better informed and able to make better choices than their parents.

The Minister seemed convinced by the force of our arguments in Committee, but she was worried that we would undermine the foundations of contract law in the United Kingdom—that was certainly not my intention.

She said in Committee:

"this is not to do with anomalies between the general law in England and that in Scotland, but with whether, in England, we want children under 18—perhaps those over 16—to have some say in the management of their accounts. I put it to the Committee that there are real difficulties in changing contract law on that point. I certainly undertake to consider whether it is a simple issue, but I suspect that it is much more complicated than hon. Members appreciate. If the hon. Gentleman wishes, I shall come back to him on Report to give an update on the complexities of changing contract law."—[*Official Report, Standing Committee A*, 6 January 2004; c. 74.]

Thankfully, unless I have misunderstood, it seems to be not all that complex, because Government amendments Nos. 34 and 35 achieve exactly what I wanted and urged, and with considerably greater elegance than my amendment. Indeed, amendment No. 35 is a model of simplicity. It says:

"Where a contract is entered into by or on behalf of a child who is 16 or over in connection with a child trust fund—

(a) held by the child, or

(b) held by another child in relation to whom the child has parental responsibility,

the contract has effect as if the child had been 18 or over when it was entered into."

It is extraordinary how the entire basis of contract law can be changed by a single sentence saying that the situation is as it would be if the child were 18. I am delighted that the Minister has with such elegance been able to overcome that problem.

I wonder if the hon. Lady could clarify the situation of parents who are themselves 16 or 17 years old. The Bill as originally drafted had a cumbersome process by which the Inland Revenue would manage accounts for the children of 16- and 17-year-old parents. My new clause 5 was designed to allow parents under 18, or under 16 in Scotland, to designate an adult as the responsible person who could manage their child's account until the parents themselves became adult. I thought that they could designate, for example, a grandparent or another relative. It seemed sensible, and it would avoid having to involve the Inland Revenue, with all the administrative cost that that would entail.

I should be grateful if the Minister would confirm, first, that I have understood her amendments correctly and that she is giving 16 and 17-year-olds the power to manage their own accounts, and, secondly, that the effect of subsection (6)(b) of Government amendment No. 34 is that parents aged 16 and 17 will be able to manage their children's account. That deals with the thrust of my argument in both new clause 5 and new clause 4.

I have one final point on parents aged under 16. Is the Minister saying that their accounts will have to be administered by the Inland Revenue? Does she hold open the prospect of allowing a parent under the age of 16 to nominate a grandparent or other relative to manage the child's account for them, and in a sense not force the Inland Revenue to step in? It is a small point, but there are, sadly, a relatively significant number of children born to people who are under the age of 16, so the situation will arise on a weekly basis.

All in all, the Government seem to have listened to and accepted almost all the arguments that we advanced in Committee. I tabled the amendments merely to provoke a discussion; indeed, I tabled them before I had seen the Government amendments. I am delighted that the Government have listened. This was not a matter that any financial provider or institution put to me. When I was reading through the Bill, trying to dream up all kinds of amendments to keep the Committee busy, I came across it, and I am pleasantly surprised that the Government have recognised that there is a problem and that they are correcting it.

Mr. Laws: I too welcome the Government new clauses and amendments in this group.

It would have been daft if the Government had stuck to their previous position in respect of the management of accounts, so that those over the age of 16 could not manage their own accounts, particularly if the Government are saying that one of the benefits of the child trust fund account is that it is supposed to encourage people to be more financially aware and take responsibility for monetary matters. Yet we were in the ridiculous situation whereby, even at the ages of 16 and 17, people would not be able to manage their own accounts, while, even more daftly, in Scotland people could. There would have been a complete anomaly across the borders within the United Kingdom, so I am relieved that the Financial Secretary has tabled a very elegant and unbelievably simple amendment to correct the problem.

New clause 11 and the associated amendments encourage the Government to go a little further than they may be willing to go. In their own amendments, the Government have given way to the case developed by the hon. Member for Tatton (Mr. Osborne), which we supported in Committee, for allowing children aged 16 and 17 to manage their own child trust fund accounts and, we hope, for allowing parents aged 16 and 17 to manage the child trust fund accounts of their children. It would be bizarre if that were not permitted under the Bill. Nevertheless, in respect of withdrawals, individuals aged 16 and 17 are treated as though they should have no responsibility and it should be a matter entirely for parents.

When we discussed these matters previously, I reminded the Committee of the existing entitlements under the law at the age of 16. People of that age can leave education, enter full-time employment, have sex, smoke, play the national lottery, join a trade union, apply for a passport, pay tax, pay national insurance and, with parental consent, join the armed forces, get

[Mr. Laws]

married or leave home. We know that the Government are consulting on giving the vote to young people aged 16 and over. Under those circumstances, it seems bizarre that the Government are not considering allowing young people to access their child trust fund accounts at the age of 16, especially as one of the stated objectives of the account is to assist people starting off in employment.

As the Minister knows, many young people leave school at 16 and do not go on to take A-levels or enter higher education. Many of them start their employment at 16 or 17. As the Government said earlier that they would like people to draw down their child trust fund account to provide the up-front capital for training or for the equipment that they might need in their places of work, it would be sensible to allow young people going into full-time work at 16 or 17 to draw down their child trust fund accounts.

New clause 11 would allow young people who go into full-time work at the ages of 16 and 17 to draw down their child trust fund accounts so that they can use their moneys in the way that the Government intend—to help them as they start off in employment. It is a middle way between the extreme position that young people ought to be able to manage and access their child trust fund accounts at the age of 16, and the more moderate proposal tabled by the hon. Member for Tatton and accepted by the Government that would allow young people to manage their accounts but not access them at the age of 16.

We suggest that young people who go into full-time work should be treated in a different way and be able to access their child trust fund accounts, and that the help that the Government intend should be available for people when they go into work should be available for this category of young people, who could make good use of the moneys at such an age.

Ruth Kelly: As the hon. Member for Tatton (Mr. Osborne) explained, the main purpose of new clause 4 and the connected amendments is to reduce the age at which young people can have full legal control over their child trust fund accounts from 18 to 16. In Committee, he set out a case for allowing 16 and 17-year-olds in England, Wales and Northern Ireland to manage their child trust fund accounts, as 16 and 17-year-olds in Scotland will be able to. I do not believe that this is a devolution issue. The hon. Member for Angus (Mr. Weir) made an appropriate and fair point.

This is not a problem for the Government, but I accept that it is an opportunity for us. As the hon. Members for Tatton and for Yeovil (Mr. Laws) pointed out, one aim of the child trust fund scheme is to improve people's financial education. In Committee, I accepted the argument that we should use the opportunity to consider whether children of 16 and 17 in England, Wales and Northern Ireland should also be able to manage their child trust fund accounts. The hon. Member for Tatton also argued that, following financial education classes, children of 16 and 17 could well be better placed to make informed decisions than their parents.

3.45 pm

The hon. Gentleman was clear about his intention to restrict solely to child trust funds the change in the law allowing persons aged 16 and 17 in England, Wales and Northern Ireland to enter into contracts to buy or sell equities. I am persuaded by those arguments. Further to the points that he made, I can see that if young people take a responsible role in managing their accounts, that will encourage them to make better and more considered decisions about how to use those funds when they turn 18 and gain access to them. Lowering the age of majority for the child trust fund will help very young parents, who will be able to administer their own child's account once they are 16, not 18. However, new clause 4 and the related amendments are not drafted in the best way to achieve those objectives. I think that the hon. Member for Tatton would accept that the Government amendments will better allow 16 and 17-year-olds in England, Wales and Northern Ireland to manage their child trust fund accounts by making a simpler change to the Bill.

The Government amendments give children aged 16 in England, Wales and Northern Ireland the legal capacity to give instructions for the management of their child trust fund accounts. That does not alter the rule that there can be no withdrawals from the account until the age of 18. We do not want to give children wider capacity to engage in all sorts of investment contracts—nor, I believe, do the Opposition. The advantage of the amendment is that it does not require the alteration of any other statute, so the drafting is more direct.

I understand that the hon. Gentleman is concerned about the position of under-age parents and tabled new clause 5 to address the fact that parents under 18 would not be able to manage the child trust fund accounts of their children. Delegating parental responsibility would be a radical departure from general law, which provides that parental responsibility cannot, as a personal responsibility, be transferred. I hope that his concerns will be allayed by the Government amendments, which mean that parents over the age of 16 will be able to manage their children's accounts. Statistics show that the vast majority of under-age parents are between the ages of 16 and 18. However, it remains the case that, as I outlined in Committee, if a parent is under the age of 16, their child's account will be opened directly by the Inland Revenue and invested in a stakeholder product.

Government amendments Nos. 33 and 34 ensure that, at any one time, only one person can give instructions about managing a child trust fund account. Where the child is aged 16 or over, it will usually be the child—otherwise, it will be a responsible person such as a parent or someone else with parental responsibility. That is to prevent possible confusion where more than one person has parental responsibility.

On those grounds, I ask the hon. Member for Tatton to withdraw his new clause and associated amendments and to support the Government amendments.

The amendments tabled by the hon. Member for Yeovil would allow 16-year-olds entering full-time employment to access their funds. On Second Reading, he argued that there was no obvious reason why those 16-year-olds should have to wait two years before accessing the funds in their child trust fund accounts,

and he argued that again today. I am afraid that, as he suspected, that is a step too far for the Government. We have heard persuasive arguments that children should have to wait until they are 21, or even 25, to gain access to the funds, so that they are mature enough to decide how to use them. I do not accept that. The age of 18 strikes an appropriate balance, because it recognises that a child has reached the age of maturity, but does not allow undue access before then.

Mr. Laws: Does the Financial Secretary accept that young people who go into full-time work at the age of 16 assume enormous responsibilities, yet the Government's position is that they cannot exercise responsibility over the money in their child trust fund accounts and use it sensibly?

Ruth Kelly: I would not argue that in any particular case, whether a child is entering full-time employment at 16 or full-time education, they may or may not be responsible enough to exercise and make reasonable judgments about their future. An appropriate balance must be struck for the majority of children between allowing them to have access to the funds to further their goals, and forcing them to wait until they are sufficiently mature to make those decisions in their best interests. I do not think that the particular category of children who enter full-time employment at the age of 16 should be singled out. We must decide what is the appropriate age of maturity at which such decisions can be sensibly made. A balance must be struck, and that balance should be struck at the age of 18. For those reasons, the hon. Gentleman should accept the Government's case.

Mr. Osborne: This is an extraordinary moment that I must savour. I doubt whether in my time in opposition, which will of course be short-lived, I will again be able to point to an area of the law that I helped to change in such an obvious way. As a result of the Government amendments and the arguments that I advanced, 16 and 17-year-olds will now have the power to manage their own child trust fund accounts. I hope that that teaches them about providing savings for themselves, and that it helps them when they learn about child trust fund management in their classrooms. I look forward to 16 and 17-year-olds around the country writing to me to thank me for this new right that I have secured for them, but I suspect that I may have to wait a long time for the first letter.

The Financial Secretary is right that the Government amendments are far simpler and more elegant than mine. I merely took her at her word when she said that the matter was complex, so I went off to think of some complex thing that I had to do. As it turns out, it is simple. I am genuinely delighted that the Financial Secretary has listened and responded—she is a model, and other Ministers should follow her example—and secured the agreement of senior members of the Government Whips Office. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 6

Additional Contributions by Inland Revenue for Children in Care

'(1) If this section applies to a child the Inland Revenue must inform the account provider with whom a child trust fund is held by the child that this section applies to the child.

(2) If the account provider makes a claim to the Inland Revenue in accordance with regulations, the Inland Revenue must pay to the account provider such amount as is prescribed by regulations.

(3) The amount prescribed by regulations under subsection (2) shall be calculated so as to represent a percentage of the average value of subscriptions to child trust funds made during the preceding financial year.

(4) On receipt of payment the account provider must credit the child trust fund with the amount of the payment.

(5) This section applies to a child if—

(a) a child trust fund is held by the child, and

(b) the child was first an eligible child by virtue of section 2(1)(b).'.—*[Mr. George Osborne.]*

Brought up, and read the First time.

Mr. George Osborne: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following: New clause 10—*Additional contributions by Inland Revenue for children in care (No. 2)*—

'(1) If this section applies to a child the Inland Revenue must inform the account provider with whom a child trust fund is held by the child that this section applies to the child.

(2) If the account provider makes a claim to the Inland Revenue in accordance with regulations, the Inland Revenue must pay to the account provider in respect of each year during which this section applies to the child such amount as is determined in accordance with the provisions of subsection (3).

(3) That amount shall be twelve times the minimum amount prescribed by regulations for any subscription.

(4) On receipt of the payment the account provider must credit the child trust fund with the amount of the payment.

(5) This section applies to a child if—

(a) a child trust fund is held by the child, and

(b) the child is an eligible child by virtue of section 2(1)(b).'.

Amendment No. 69, in page 4, line 34 [Clause 8], at end insert—

'(1A) The amount prescribed under subsection (1) in respect of children to whom section [additional contributions by Inland Revenue for children in care (No. 2)] applies at the time the initial contribution falls to be made shall be four times the amount prescribed in respect of other children.'.

Amendment No. 14, in page 6, line 31 [Clause 11], after '10', insert

'or [additional contributions by Inland Revenue for children in care]'.

Amendment No. 70, in page 6, line 31 [Clause 11], after '10', insert

'or [additional contributions by Inland Revenue for children in care (No. 2)]'.

Amendment No. 17, in page 10, line 27 [Clause 19], leave out 'and'.

Amendment No. 18, in page 10, line 31 [Clause 19], at end insert

'and

'(d) that the Inland Revenue was required under regulations under section [additional contribution by Inland Revenue for children in care] to make a payment in respect of the child but either the payment had not been made or, if it had, the amount of the payment had not been credited to the child trust fund held by the child.'.

[Mr. Deputy Speaker]

Amendment No. 71, in page 10, line 31 [Clause 19], at end insert

'and

'(d) that the Inland Revenue was required under regulations under section [additional contributions by Inland Revenue for children in care (No. 2)] to make a payment in respect of the child but either the payment had not been made or, if it had, the amount of the payment had not been credited to the child trust fund held by the child.'.

Amendment No. 21, in page 11, line 3 [Clause 20], after '10', insert

', [additional contributions by Inland Revenue for children in care]'.

Amendment No. 72, in page 11, line 3 [Clause 20], after '10', insert

', [additional contributions by Inland Revenue for children in care (No. 2)]'.

Amendment No. 22, in page 11, line 9 [Clause 20], after '10', insert

'or section [additional contributions by Inland Revenue for children in care]'.

Amendment No. 73, in page 11, line 9 [Clause 20], after '10', insert

'or section [additional contributions by Inland Revenue for children in care (No. 2)]'.

Amendment No. 23, in page 11 [Clause 20], leave out line 33 and insert

'9(3) or [additional contributions by Inland Revenue for children in care]'.

Amendment No. 74, in page 11 [Clause 20], leave out line 33 and insert

'9(3) or [additional contributions by Inland Revenue for children in care (No. 2)]'.

Amendment No. 24, in page 13, line 3 [Clause 22], after '10', insert

'or [additional contributions by Inland Revenue for children in care]'.

Amendment No. 75, in page 13, line 3 [Clause 22], after '10', insert

'or [additional contributions by Inland Revenue for children in care (No. 2)]'.

Mr. Osborne: I suspect that I will not make as much progress with this new clause as I did with the previous one, but it is worth trying because the issue that I am trying to address is children in care. The issue was raised on Second Reading, and gave rise to one of our best debates in Committee, in which more than the usual number of Committee members participated. Unfortunately, it is one of the few areas in which the Financial Secretary has not been prepared publicly to indicate any significant change, although she was careful not to rule out change in the future. I hope that we can secure a firmer commitment from her today—we shall see.

As I said in Committee, the chances of children in care are among the poorest in our society. When I was preparing for this debate, I went through the statistics, which are indeed striking. Only 53 per cent. of the 6,400 young people who left care last year had at least one GCSE or GNVQ, compared with 95 per cent. of all children. Only 8 per cent. of children in care achieved at least five good GCSE grades, compared with 50 per cent. of all children. Only 56 per cent. of children leaving care remain in full-time education at year 11, compared with 72 per cent. of all school leavers.

The Office for National Statistics says, rightly and sensibly, that

"educational achievement is felt to be an important indicator of children's life chances".

Its words are sadly borne out by the example of children in care, whose poor educational achievement is such that 24 per cent. of those who leave care are unemployed by the September after they leave school, compared with 6 per cent. of all school leavers. In the past year, 10 per cent. of children aged 10 or over in care were cautioned or convicted—three times the rate for children of their age—and 49 per cent. of children in care end up in prison at some point.

The record is depressing and we should all feel some shame. The state assumes the ultimate responsibility for bringing up children in care, so it is depressing that we have such poor results. Many of the reasons for their poor life chances and educational attainments are beyond the scope of the Bill. They are to do with the children's background, the emotional disturbance and possible abuse that they may have suffered in their families, and their upbringing in local authority care. However, perhaps another reason is that they have so little stake in society.

It is undeniable that, at 18, almost all children in care lack anything like the sort of financial support on which most people can count from their families as they start work or seek higher education. The Bill goes to considerable lengths to give children in care some sort of start in life. I fully commend the Government for their efforts to ensure that those children get a child trust fund that is properly set up at the right time and that they receive the full £500 initial contribution. However, I am sure that the Financial Secretary agrees that, apart from the Government top-up contribution, not many people, if any, will make additional contributions to the child trust funds of children in care. I do not claim that there will not be instances of people making contributions, but I am sure that the generalisation is correct and that those children are unlikely to enjoy significant contributions to their child trust funds.

By the time that children in care reach the age of 18, they will have approximately £1,000 and perhaps a little more in their child trust fund. I do not claim that £1,000 is insignificant and I do not dispute the reports and statistics that the Financial Secretary deployed in Committee and when she appeared before the Treasury Sub-Committee. They showed that even £1,000 can make a significant difference to people's attitude to saving and is a substantial asset for people on low incomes. It is also a vast improvement on what many children in care currently have.

As the hon. Member for Lancaster and Wyre (Mr. Dawson) said, some local authorities give children a sum of money on leaving care, but others give them, as he memorably put it, no more than a bin bag in which to take their clothing. One of the great advantages of child trust funds is that, for the first time, all children in care will have a substantial asset by the time they reach 18.

We could do more, or at least look to do more. New clause 6 would require the Inland Revenue to make additional contributions, which would be pegged as a percentage of the average value of child trust fund subscriptions in the previous year. I suggest that partly because if child trust funds are a success and people use them, the contributions to children in care will also increase. If it is clear that many people are making contributions to their children, it is fair that children in care should not be left behind.

I freely concede that the other reason for pegging the contributions as a percentage of the average value of child trust fund subscriptions in the previous financial year is that I had to suggest a new device, different from the one that I tabled in Committee. That proposal would have put a proportion of child benefit—otherwise forgone for children in care—into a child trust fund. I believe that that probably has more elegance and merit than my current proposal, but I had to change it.

I accept that the new clause carries a financial cost, which depends on the size of the contribution. We cannot therefore include an accurate figure. If the proposal that I tabled in Committee were implemented and fully taken up—if all forgone child benefit were paid into the account of all 60,000 children in care for the relevant year—the cost, according to the Library, would be £33.5 million. However, the sum that we would pay in under the new clause could be far less than the £560 that the proposal that I tabled in Committee would entail. Children tend to move in and out of care, and would not necessarily receive the full amount during a year. Therefore, £33 million is at the top end of what the proposal might cost; I suspect that it would cost significantly less. I do not want to be seen to be profligate, so I have left the amount to be decided by future regulations and made it subject to affordability.

4 pm

My proposal in Committee received general support, not least from the hon. Member for Lancaster and Wyre, who spoke with considerable experience and knowledge, and mentioned a lady who had brought the matter to his attention. He made the important point—perhaps he will seek to catch your eye today, Mr. Deputy Speaker—that local authorities will have an important duty to help to educate and work with children in care so that they are not simply handed a large lump sum at the age of 18, with none of the educational equipment needed to manage their account. He tabled an amendment that, unfortunately, could not be selected for technical reasons, but his point was well made.

Unfortunately, the Minister was not quite as enthusiastic as the hon. Member for Lancaster and Wyre. She said on Second Reading that local authorities might consider making contributions to child trust funds. That is certainly the case, but I was looking, as were other hon. Members, to central Government to do more themselves. In Committee, the Minister used a rather Whitehall argument to knock down my suggestion that we pay child benefit into the child trust funds of children in care, saying that child benefit was used to support a family looking after children, not given to the child itself. That was a Sir Humphrey answer, but it knocked down my amendment. Another advantage, therefore, of the change that I have made to the proposal in the new clause is that it would allow the Government to set an amount and pay that into the child trust funds of children in care. I have tried to deal with the Minister's objections.

When we discussed the matter in Committee, the Minister said:

> "I would not rule out any development in this area in future. As I have made it clear throughout the Committee stage and on Second Reading, this is an evolving policy, and it will develop into all sorts of areas. The most important issue for us is to get the policy up and running, see how it works in practice and monitor its development . . . However, I absolutely accept the principle that they"—

children in care—

> "are a disadvantaged group of children and that we should work to maximise their opportunities."

She went on to say:

> "I am not against the matter in principle and there are interesting possibilities. I said that I am not in a position today to say that that is a policy we will pursue."—[*Official Report, Standing Committee A*, 13 January 2004; c. 132, 137.]

I hope that the Minister is able to say a little more now that we have reached Report stage, and at least say that she is working behind the scenes with her officials to examine the feasibility of doing something to help children in care. Perhaps she will agree, as she has over the matter raised by my hon. Friend the Member for Witney (Mr. Cameron), to look at this proposal and, providing that there are not overriding practical or financial objections, consider introducing it. I am not looking to her to give a cast-iron commitment today, but I would love her to say that she is considering my proposal and working behind the scenes with Treasury officials to see whether it is feasible.

Mr. Dawson: It is a pleasure to follow the hon. Member for Tatton (Mr. Osborne), and I agree with everything that he has said. The spirit behind new clause 6 is generous. I demur in just one respect. It is sometimes too easy for Members of Parliament to focus on the difficulties of children in care. It is right that they should, but we should not let those very serious, and sometimes quite dismal, facts overwhelm us or blind us to the reality that young people come through the care system and succeed. In only a few weeks' time, on 24 February in the Attlee suite, we shall have a celebration of children and young people in care, and I honestly hope that all hon. Members will come along to what will be a joyous and optimistic occasion.

I commend my hon. Friend the Minister for the way in which she has responded to this issue, not only in Committee but when she and her officials attended the January meeting of the all-party group for children and young people in care. Anyone who was in that room will have enjoyed the spirited, well informed, thoughtful and, indeed, surprising debate. I shall go into further detail on that later.

I return to the crux of the new clause. There can be no doubt that young people leaving care will be among the most disadvantaged 18-year-olds in our society. They will have had life experiences that would have floored all of us in the House. They will have experienced huge

[Mr. Dawson]

difficulties throughout their lives, including family breakdown, abuse, neglect and extreme poverty. They could well have experienced serious dislocation and disruption while in the care system, and they could have been through a large number of homes and schools.

The Government have done a great service to young people leaving care through the introduction of the Children (Leaving Care) Act 2000, which has placed statutory duties on local authorities in respect of young adults up to the age of 21, or the age of 24 if they are still in education. Regrettably, however, the situation remains patchy across the country. We have pockets of extremely good practice where young people are supported very well indeed but, sadly, there are other parts of the country where they are supported very poorly.

An important way of addressing that problem will be through the new children's legislation arising from the Green Paper, "Every Child Matters". I look forward to the Bill coming before the House and to the profound cultural and organisational changes that will be required to improve the lot of children and young people in care. Another important way to improve their circumstances, and those of every child in the country, will be to ensure that they have a good child trust fund, that they are able to manage it well, that they understand the significance of having their own money and that they are able to put the money to the best possible use.

Those young people will face challenges that most other young people will not face. Even if they remain in care into adulthood, they will still embark on adulthood with little of the support that millions of other young adults rely on—extended families, resources, advice, assistance and somewhere to go when they are in trouble. Many young people leaving care will be left to their own devices, and will have no one else to rely on. It is therefore extremely important that we assist them to build up their resources. It is good that the Government will be giving them the full extent of what will be available under the child trust fund scheme. It is important, as I have said, that local authorities and people working with young people in care understand how to help them manage the new assets, as a good parent would do. It is essential that local authorities' leaving care plans take full account of young people's need to have substantial trust funds.

It is essential, too, that the Government contribute significant extra sums to the trust funds. It is a naive but none the less compelling argument that as young people in care do not have the benefit of child benefit, which ceases to be paid to their parents a few weeks after they go into care, there should be regular contributions to their trust funds. It is important that local authorities, as good corporate parents, are encouraged to contribute to the funds. The situation is patchy, but the Government have a tremendous commitment to children and young people in care, so they may accept that the only way to ensure that all young people in care receive significant contributions to their trust funds and are able to make the very best of them is to make regular payments from a central source.

That point was very much accepted by young people who attended the meeting in January. However, rather surprisingly, they said that they would not wish to have that money until they were 21. They thought that young people leaving care at 18 would be more vulnerable if a significant asset were put in their hands at the precise time when, perhaps in contrast to other young people at that age, they would be making other major life changes, such as leaving home. They also said, perhaps less surprisingly, that they wanted local authorities to pay very little attention to the amount in their trust funds. They were concerned that if local authorities took account of trust funds they would feel entitled to reduce the money available to them through a leaving care grant and support into higher education, as well as practical and emotional support to which they would otherwise be entitled. They thought that the resources available to them might be diminished and undermined by the fact of their having a child trust fund, which is a tragedy. It would be an indictment of local authorities if such circumstances prevailed.

Young people in care believe that the substantial assets, such as compensation for criminal injuries, that some of them have received have reduced the amount of support that local authorities were prepared to make available to them. That may not be the Treasury's responsibility, but the Department for Education and Skills certainly needs to take that point on board. Young people's reticence about the age at which they should receive trust funds is understandable, as it is entirely related to the amount of support that they believe will be available to them from the local authority, perhaps provided by a residential worker, foster carer or social carers, who can help young people to understand trust funds and manage them. The Government and local authorities clearly have a huge responsibility to ensure that the people who work with young people in care do so with alacrity, skill and a genuine understanding of the importance of trust funds to them.

4.15 pm

A great deal more needs to be done to ensure that the funds work well for young people in care. Nevertheless, anyone who was at last month's meeting or will be at the one later this month will have met, or will meet, young people with intelligence, ability and, in some cases, extraordinary resilience. I believe that they will use their trust funds well, and will benefit from having an asset over which they have complete control.

That is an important message for young people leaving care. The Government should complement it by assuring those young people that they are prepared to consider whether, in principle, they could make regular payments to the trust fund of every child in care—above and beyond what goes to other young people, above and beyond what they or their parents might contribute, and above and beyond what local authorities might contribute. They should say that, because the state owes a duty of care to such children, they will support them even better.

Mr. Laws: I agree with what has been said by the hon. Members for Lancaster and Wyre (Mr. Dawson) and for Tatton (Mr. Osborne). There seemed to be widespread agreement in Committee that the Government had a particular responsibility to look after children in care, given that they were essentially in loco

parentis. It was felt that the children should not lose out even more in relation to the value of trust fund accounts on maturity. That might well happen if no contributions were made by relations, as they would probably be in the case of most other children.

The problem in Committee was the lack of amendments commanding the support of the Committee as a whole and, in particular, the Financial Secretary, perhaps for understandable reasons. Our amendment focused on the issue of the initial contribution. We accepted that it would be defective if we were to deal with children who might go into care later in their lives.

Either the hon. Member for Tatton or the hon. Member for Witney (Mr. Cameron) proposed an annual contribution tied to the level of child benefit. Although the hon. Member for Tatton might regard it as something of a Sir Humphrey excuse, I have some sympathy with the Minister's reservations about mixing up a benefit designed for a particular purpose with a contribution to a child trust fund account designed for a very different purpose.

We wanted to table amendments that would not just get past the hon. Member for Tatton and the Clerk, but meet with the Financial Secretary's approval. I agree with the hon. Member for Lancaster and Wyre that it would not be appropriate for us to rely on discretionary contributions from local authorities, and that if we did so, money for children in care might filter into trust fund accounts to which they would have no access until later in their lives. We certainly would not want to divert money that would go to such children anyway.

New clause 10 and amendments Nos. 69 and 70 hold on to our first proposal that the initial contribution to the accounts of children in care should be twice that for any other child—in other words, four times the standard contribution and double the amount that would go to children from families on lower incomes. In order to address the annual contribution issue, we have added the proposal that an annual contribution should be linked not to child benefit, but to the minimum subscription that can be put into child trust fund accounts from time to time, perhaps on a monthly basis.

We discussed the reasonable minimum amount in Committee, and I will not anticipate that argument because we will deal with it in a separate group of new clauses and amendments. The Government have set the minimum subscription at £10, which, I am embarrassed to say, is slightly higher than the sum that I have been paying into my godchild's savings account and may cause me to revise my contribution upwards. Nevertheless, the minimum subscription is a useful benchmark by which to consider the contribution that the Government might feel is reasonable and appropriate.

In addition to an enhanced initial contribution to the child trust fund accounts of children in care, we propose that the Government should also pay in, presumably on an annual basis but it could be biannual or quarterly, an amount linked to the minimum monthly contribution, assuming that the contribution were paid monthly. In other words, if the amount were paid for a full year, it would be 12 times the minimum subscription rate, which has been set at £10, so it would be £120.

Using back-of-the-envelope calculations and the figure that the hon. Member for Tatton cited earlier of 60,000 children in care, that proposal would incur a significantly lower annual cost than his proposal to link contributions to child benefit. The cost would be £7 million to £8 million, which is affordable given that the annual cost of the Bill is likely to be between £250 million to £260 million once it is fully up and running—presumably the cost will be significantly higher once further contributions are made when children reach seven, 11 and 14.

Such an addition to the cost is affordable, and linking additional contributions for children in care to the minimum subscription is as a good a rough and ready measure as any that we might arrive at using another source. The additional contributions would be linked to the minimum subscription to child trust fund accounts for children who are not in care, where it would be reasonable for the Government to aspire to the idea of people adding such a contribution on to their own children's child trust fund accounts.

As the hon. Member for Tatton implied earlier, I do not necessarily expect the Financial Secretary to give way on the matter today. The Government have not tabled counter-proposals on children in care that we can debate today, but the Financial Secretary's responses in Committee were helpful and I hope that she can reassure Liberal Democrat Members and some Labour Members that she will go away, examine the issue and introduce a workable proposal to allow additional contributions for that particularly vulnerable category of young people.

Ruth Kelly: The Bill is about extending life chances, especially to those children who are particularly vulnerable and disadvantaged in our society. I accept that children in care undoubtedly fall into that category, despite their individual successes, to which my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson) has drawn attention. I pay tribute to him for his work with young people in care, and he is right to celebrate their achievements.

I accept the argument made by the hon. Member for Tatton (Mr. Osborne) that children in care are particularly disadvantaged. The new clauses and amendments seek to boost the child trust funds of those children in care with accounts opened by the Inland Revenue in the absence of a child benefit claim. The hon. Gentleman suggests that few additional contributions will be made to those accounts, but I would not jump to that conclusion. It will be 15 years at least between the setting up of the accounts and the time that the first ones mature, which is a considerable length of time. I do not know how the accounts will evolve in the future, but I suspect that we will see creative and imaginative thinking on how we can best serve the most vulnerable groups in society. I am not convinced that fewer contributions will be made to the accounts of children in care.

New clause 6 proposes that the Inland Revenue should contribute a sum related to the average value of contributions made to child trust funds in the preceding financial year, whereas new clause 10 would require the Inland Revenue to pay 12 times the minimum contribution level set out in the regulations. It is all too

[Ruth Kelly]

easy, as my hon. Friend the Member for Lancaster and Wyre suggested, to point to disadvantaged children and not recognise the successes. I would argue that it is also far too easy to point to the Government and claim that the answer always lies in more financial contribution from the centre. I understand the case that has been made, and I was so attracted to the new clause tabled by the hon. Member for Witney and his thinking on the matter because he recognised that point. There are other ways in which the interests of vulnerable groups can be advanced, and he proposed a creative and interesting solution to advance the interests of disabled children, which I have committed to considering further. We have 15 years before the first accounts mature, and I am sure that we will see innovative thinking on other ways to advance the interests of other vulnerable groups during that time.

It is true that children in care may be some of the most disadvantaged while they are in care, but the vast majority move out of care and have families to care for them and contribute to their child trust funds, as other children have. While children are in care, there is nothing to stop grandparents, other relatives and friends contributing to their accounts. Indeed, the new clause fails to address the category of children who have a child benefit claim set up for them. When a child is looked after by a local authority, payment of child benefit ceases after the first eight weeks, recognising the fact that the state, rather than the family, effectively maintains such children, including those placed with foster parents. That is right, as the Government provide for the cost of children being looked after through the revenue support grant paid to local authorities for personal social services expenditure. I do not believe that further Government endowments for those children are the best way to help them. Children move in and out of care and any Government payment would be hit and miss in its effect.

My hon. Friend the Member for Lancaster and Wyre mentioned the important Green Paper, "Every Child Matters", and made a powerful case for engaging young people with their child trust fund plan. Local authorities should be encouraged to consider that account in the pathway plan that they develop with children leaving care. Financial considerations are already taken into consideration in the pathway plan, but I will ensure that specific consideration is given to the child trust fund account. We are already aware of some local authorities that take financial education seriously. For example, Warwickshire county council has introduced a scheme in which a savings account is opened for foster children to help to make them aware of the value of money as they build up savings. However, most financial education will still be delivered through the school curriculum, which is the best place for such education to take place because it reaches all children. In the coming months and years, we will consult various bodies and organisations on financial education and how we can make it real for all children, but especially for vulnerable children.

Mr. Dawson: My hon. Friend is aware of the work of child-driven organisations such as A National Voice, a national organisation for young people in care, and of the Careleavers Association, an organisation for adults—generally those over 25—who have experience of the care system. Together, they combine the experience of potentially millions of people. Can she assure me that those voices in particular will be heard in the ongoing discussions on the future of trust funds for children in, and leaving, care?

4.30 pm

Ruth Kelly: I hear what my hon. Friend says. I shall draw the point that he makes to the attention of the appropriate officials, and make sure that those voices are indeed heard. As part of our consultation, we intend to address the particular needs of looked-after children that may exist, and if possible to include some looked-after children in our consultation, so my hon. Friend's point is well made.

Given the argument that I have set out, I hope that the hon. Member for Tatton will reconsider his new clauses and amendments.

Mr. George Osborne: I am very glad that we have had this debate. When I tabled my new clauses and amendments, I was not confident that they would be selected, as we covered this ground in Committee. The Minister did not really open the door to allowing such a discussion on Report, so I was very grateful to Mr. Speaker for allowing us to debate these issues. Through her reply, the Minister has moved matters on, a point to which I shall return.

I thank the hon. Member for Lancaster and Wyre (Mr. Dawson) for his contribution. I apologise to him if I painted an unnecessarily gloomy picture of children in care—I was trying to build my argument and to give force to what I was trying to achieve. He is of course right to point out that there are some outstanding examples of children in care thriving, of local authorities that do a very good job—of which Warwickshire is perhaps one—and of people working with children in care who do an excellent job. But there are also many examples of children who do not thrive in local authority care, and of local authorities that do not do a very good job and fail their children.

The Minister said that she is not convinced that the child trust funds of children in care will receive fewer contributions than those of other children. I am glad that she is confident about that, but I do not share her confidence. I suppose that time will tell who is right and who is wrong, but it will not take 15 years. It will be clear after just a few years whether any contributions are being made to the child trust funds of children in care. I hope that the Minister will at least give a commitment to monitor the situation, and to look specifically at the child trust funds of children in care. I know that the Inland Revenue will keep track of this policy in general terms—

Ruth Kelly *indicated assent.*

Mr. Osborne: The Minister nods, but it will be worth looking specifically at what happens to the child trust funds of children in care. As she knows, there is considerable interest throughout the world in the entire child trust fund policy, so such research would benefit

not just the people of this country but those of other countries, should other Governments follow the example of child trust funds.

I accept that asking central Government to put more money in is quite a crude mechanism. I suggested it because I am not particularly confident that all local authorities will put money in: there will be good local authorities and bad ones. Something of a postcode lottery could arise, as the hon. Member for Lancaster and Wyre said. As the hon. Member for Yeovil (Mr. Laws) suggests, there could be a fixed amount—I suppose that it would be £120, given that we now know that £10 is the minimum contribution; indeed, in that regard it turns out that the *Financial Times* was right—or an unspecified amount, to be determined in regulations. However, I accept that whether the amount is fixed or unspecified, such a mechanism is fairly crude.

I was interested to hear what the Minister said about considering requiring local authorities, as part of the pathway plan, to consider child trust funds and how they can use them. That is a new development, which moves matters on. I should like to think that the Government looked at this issue and decided that that should happen because of our debates in Committee, on Second Reading and on Report, and because of the speeches not only of the hon. Member for Yeovil and myself, but of the hon. Member for Lancaster and Wyre. Because that has happened, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 7

PROHIBITION ON PUBLICITY IN PRE-ELECTION PERIOD

'(1) The Government shall not advertise or publicise by the distribution of leaflets or other literature the introduction of child trust funds during the pre-election period.

(2) In this section, the "pre-election period" means the period that—

(a) starts with—

(i) the calling of a General Election by the Prime Minister, or

(ii) the day that falls twenty-five days before any Parliament shall cease to have continuance in accordance with the provisions of the Septennial Act 1715 (1 Geo 1 Stat 2 c 38),

whichever is the earlier, and

(b) ends with the day of the ensuing General Election.'.—*[Mr. Laws.]*

Brought up, and read the First time.

Mr. Laws: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: Government amendments Nos. 44, 45 and 51.

Amendment No. 26, in page 15, line 14 [Clause 27], leave out subsection (2).

Amendment No. 27, in page 15, line 17 [Clause 27], at end insert—

'(4) No order may be made under subsection (3) before the dissolution of the present Parliament.'.

Amendment No. 81, in page 15, line 17 [Clause 27], at end insert—

'(4) No order may be made under subsection (1) before the dissolution of the present Parliament.'.

Government amendment No. 52.

Mr. Laws: The Liberal Democrat new clause 7 deals with the prohibition of publicity and advertising in the pre-election period. It is a particularly sensitive and important issue, because of the timing of the payment by the Government of the initial amounts that will go into the child trust fund accounts. That will happen for those entitled to it by the likely date of the general election, and the Government are also paying out in 2005 all of the amounts to which individuals are entitled backdated to 1 December 2002. That might give rise to a particular temptation on the part of the Government in what might be the run-up to the general election in spring 2005 to devote much publicity and advertising to that particular disbursement of funds in the expectation that the effect may not be wholly unfavourable for the general election.

We debated some aspects of the issue in Committee. I drew the Committee's attention to the Cabinet Office report entitled "Information Activities during a General Election", which specifies some of the existing limitations on Government advertising in the run-up to election periods. Paragraph 10(g) of the paper, under a section entitled "Paid Media", states:

"New advertising campaigns will in general be postponed and running campaigns closed. However, some advertising (for example recruitment, health and safety) might be specifically approved to continue by the Head of the GICS in consultation with the Central Secretariat, Cabinet Office."

An additional later section appears to go further than advertising campaigns alone, stating:

"In addition, it has always been recognised that special care must be taken during the course of an Election since information material produced with complete impartiality which would be accepted as objective in ordinary times, may excite criticism during an Election period when feelings are running high."

We debated some of the issues in Committee and some of the Financial Secretary's responses were to some extent contradictory. Towards the end of her comments, she said:

"I was a little surprised that the hon. Member for Yeovil felt that new clause 11 was necessary. During any general election campaign the Government retain their responsibility to govern, and essential business must go on. It has long been the practice that, where possible, activities such as advertising are stopped for the duration of the pre-election period. The period starts when the Prime Minister calls a general election and asks the Queen for the dissolution of Parliament, and it ends once the result of the election is known. Under those rules, the operation of the child trust fund would continue during an election campaign, but any advertising surrounding its launch would cease."

In other words, she seemed to believe that I merely wanted clarification and assurance that my new clause 11 was already the Government's practice. She meant that there was no need for concern about the Government hyping up the measure at a sensitive time because the Government would shut down advertising, as the new clause sought.

However, when the hon. Lady concluded her speech, instead of accepting my new clause, which merely asked the Government to confirm that advertising should not take place during that period, she urged the Committee to reject the amendment. She said:

[Mr. Laws]

"Parents need a basic level of information to allow them to make sensible choices on behalf of their children".

A little earlier, she had said:

"It is essential to the operation of the policy that parents are well informed when they receive the voucher and have the opportunity to open a CTF account. That is at the heart of the financial education programme embedded in the Bill. Clearly, during such a period"—

the run-up to the election—

"the child trust fund information pack would be distributed to all parents, and I would be very surprised were the hon. Gentleman to suggest that we should not distribute such an information pack."—[*Official Report, Standing Committee A*, 20 January 2004; c. 232.]

That raises a problem for the child trust fund account. Although the Government may seek to abide by the letter of the rules and regulations by ending what could be considered to be advertising campaigns, they will retain a strong incentive to inform people as much as possible about the child trust fund account. We need some clarification from the Minister about where the boundary between advertising and publicity will be drawn. That is why new clause 7 says:

"The Government shall not advertise or publicise by the distribution of leaflets or other literature the introduction of child trust funds during the pre-election period."

Of course, the election period may not cover the spring of 2005. The date about which everyone is speculating may not be the date of the general election, as the Government may decide to delay it further. The major launch of the child trust fund accounts may have happened already, and the problem may not arise. However, it is possible that a May 2005 election might take place just as the Government launch a major campaign to publicise the payments to be made for cohorts of children going back to 1 September 2002.

If that happened, it would conflict with the advice given in the Cabinet Office paper to which I have already referred. Direct mail literature sent by the Government to inform people about the child trust fund account may cause concern in an election period. The Government need to be sensitive to this problem, as the number of people entitled to the payments is so large.

I hope that the Minister will confirm that if the child trust fund scheme is launched in the run-up to a general election, there will be no advertising campaign. Also, I hope that she will set out the safeguards that will be put in place to ensure that none of the publicity or information material associated with the payments can be perceived to be political, or an attempt to underpin the Government's prospects in the campaign.

Mr. George Osborne: We now come to the politics of the debate—a shame, given the constructive afternoon that we have had so far, in which hon. Members have worked together to improve the Bill. At the outset, let me say that I think that the Minister's motives in introducing the child trust funds are entirely pure. I have no doubt that she genuinely wants to encourage saving, to improve financial education and to build up the financial assets of those who are least well off in our society. However, she is surrounded by others who have impure thoughts and regard child trust funds as a clever election ploy.

Mr. Richard Bacon (South Norfolk) (Con): Where are they?

4.45 pm

Mr. Osborne: My hon. Friend asks where they are, but I can tell him that they are not here: they lurk in the shadows, surrounding the Minister in the Treasury and in Downing street. The timings involved in the child trust fund proposals are strikingly suspicious. The proposals were announced in the April 2001 Budget, just a month before what was then the expected date of that year's general election. The scheme is due to be launched in April 2005—just one month before the most likely date of the next general election. Government amendment No. 44 reveals for the first time the date of the scheme's implementation as 6 April 2005. That date is not totally unexpected, and will appear on the face of the Bill. Any flexibility that remained in the legislation to delay implementation if the processes for delivering child trusts are not ready will disappear.

I am not a cynical person, and thought that curious timing—with the scheme's announcement one month before the last general election and its implementation one month before the likely date of the next general election—was just coincidence. Then I came across the minutes of the Institute for Public Policy Research summit held at 10 Downing street in 2002. I felt a bit like an anthropologist stumbling across a forgotten tribe in the forests of Papua New Guinea cut off from the modern world and unaware of what had been happening around them.

The tribe at the IPPR summit were still talking in mystical terms about the third way—in fact, they were talking about the third way within the third way. They were still inviting Will Hutton to attend their events and listened to everything that he had to say. A huge wave of nostalgia washed across me and brought back memories of cool Britannia, the stakeholder speech in Singapore and the days when Alastair Campbell and the right hon. Member for Hartlepool (Mr. Mandelson) ran things—mind you, Alastair Campbell and the right hon. Gentleman probably still do run things.

There was a presentation at that IPPR summit by Mr. Kevin Rudd, who I assume is still the Australian shadow Minister for Foreign Affairs. Maybe he has been promoted, or perhaps he has been sacked; I do not know what has happened to Mr. Rudd. I have not really kept up with the comings and goings on the Front Bench of the Australian Labour party. It is difficult enough keeping track of what goes on among shadow Ministers on my own party's Front Bench.

I am not sure what Mr. Rudd was doing at the IPPR summit, but he gave the opening presentation to the assembled luminaries, including the Financial Secretary to the Treasury and the Home Secretary—I am not sure what he was doing there either.

Ruth Kelly: What is wrong with that?

Mr. Osborne: It was not his Bill. It is surprising that the Chancellor of the Exchequer was not present, but the Home Secretary was present. Mr. Rudd talked about child trust funds and asset-based welfare. The minutes of that meeting concluded:

"Kevin finished his presentation with a potential problem. The long-term nature of the Child Trust Fund could mean that it does not fit well with the electoral cycle. It will need to be sold to the public as there are not necessarily any short-term gains to point to."

The Government, with their inevitable genius for spotting political tricks, solved Kevin's problem for him because they are about to send out 1.8 million child trust fund vouchers to parents just before the next general election.

I am sure that such calculated political considerations did not enter the head of the Financial Secretary. Having worked with the hon. Lady in Committee, I genuinely do not think that she is one of those people always looking for a political advantage. The way in which she has engaged with Opposition Members during the passage of the Bill suggests that she does not always look for the party political advantage. Others probably do. I suspect that some of the timings relating to the Bill are motivated by the electoral cycle.

If that is the case, the Financial Secretary would surely agree that it would undermine many of her more wholesome objectives in successfully launching and promoting child trust funds. The timetable imposed for child trust funds would force financial providers and the Inland Revenue into a tight corner. Only yesterday, the Financial Secretary published the regulations. In less than one year, the hon. Lady will be sending out the first vouchers. During that period, providers will have to design their products, prepare systems, organise marketing and otherwise prepare for distributing the vouchers. I think the indication from the Government is that it will happen in January.

Even more worrying than the situation for the providers, in whom I have quite a lot of confidence, is the situation for the Inland Revenue. It, too, will have to get its systems up and running, and we already know what a mess it made of the introduction of tax credits. It is especially worrying that just after the introduction of the child trust funds, the Inland Revenue is to change its IT provider, and it is not yet clear who the new provider will be.

Furthermore, there is the question of what will happen when the election is called. The hon. Member for Yeovil (Mr. Laws) dealt with that by repeating what the Minister said in Committee, but it is not reassuring to realise that the launch of child trust funds and their promotional material could be interfered with by the election timetable. A simple solution would be for the Minister to accept my amendment No. 27, or my amendment No. 81 if the acceptance of a Government amendment renders amendment No. 27 inoperable. If the Minister accepted my amendment, she would give the Inland Revenue and providers more time, she would avoid any risk that an election campaign would interfere with the launch, and she would prevent the party political row that would inevitably have taken place.

That would not affect the success of child trust funds, because they do not mature for 18 years, so I commend my amendments to the House, and shall probably press amendment No. 81 to a vote if the Minister does not accept them.

Ruth Kelly: The new clauses and amendments are cynicism writ large. The hon. Members for Yeovil (Mr. Laws) and for Tatton (Mr. Osborne) both seem to think that somehow the Prime Minister will choose the general election date based on the date of the launch of the child trust funds. I can reassure them, because I am sure that my right hon. Friend is not even aware of the implementation date for the child trust funds.

We are committed to implementation in spring 2005. As the hon. Member for Tatton pointed out, the manifesto pledge was made before the last election, so it is only right that we should try to introduce the policy during this term of government. The 2005 introduction date for the child trust funds was announced in the Budget in 2003. Parents of eligible children born since 1 September 2002 are waiting to open their child trust fund accounts, and we want that to happen at the earliest opportunity.

The effect of new clause 7 would be to prevent any advertising of the child trust fund in a pre-election period. The hon. Member for Yeovil referred to the Government's responsibilities, and the point that I made in Committee about the fact that during any general election campaign the Government retain their responsibility to govern, and essential business must go on. It has long been the practice that once a general election is called, activities such as the advertising of policies are stopped, where possible, for the duration of the pre-election period. The proposal would thus have an impact not only on the child trust fund but also on the introduction of any Government policy during a general election campaign.

I remind the hon. Member for Tatton that a general election can be called at any time up to—I believe—summer 2006. Were an election to be called, advertising would undoubtedly be stopped. He has urged me to set out, today, in this place, the precise contents of the information pack that would be sent to parents.

Mr. Laws: If the Financial Secretary is willing to give us a guarantee that the child trust fund will not be advertised during a pre-election period, why did she oppose the new clause on that issue that we debated in Committee?

Ruth Kelly: I think that the hon. Gentleman misinterprets the remarks that I made in Committee. I have always said that the basic information pack would be sent out to parents. It is integral to the policy that parents be fully informed, so that they can make a reasonable and informed judgment about the sort of account that they should open on behalf of their child. It is essential to the operation of the policy that financial education be built into that decision. However, the surrounding publicity and advertising would stop, exactly in line with the Cabinet Office guidelines. Of course, I can give the hon. Gentleman that assurance.

Mr. Laws: I want the Financial Secretary to confirm what assurances she is giving to me. Is the first assurance that the child trust fund will not be advertised during the pre-election period? Can she give me a second reassurance that any material at all that is issued to promote the child trust fund account during that period will be considered very carefully indeed, to ensure that it is not outside the spirit of the existing Cabinet Office guidelines?

Ruth Kelly: The hon. Gentleman makes his point, but he is deliberately misinterpreting the nature of my comments. Of course all advertising would cease. Of course there would be no generic marketing of the new policy during any general election campaign. Cabinet Office guidelines, from which he quotes, set out precisely

[Ruth Kelly]

the rules that we would follow during a general election campaign, and we would follow them. I can give him that assurance. He asks for that commitment; I give him that commitment.

The proposal to remove the provision that allows the child trust fund to be phased in would not be helpful for parents, providers or the Revenue, as allowing parents of children born before April 2005 to set up child trust fund accounts before the launch date will allow people to manage what would otherwise be a pronounced peak of work at launch. Providers have welcomed the proposal to phase in the launch.

The Government amendments are technical, so I do not intend to speak to them unless hon. Members wish me to do so. I hope that the arguments that I have set out and the assurances that I have given will allow the hon. Gentleman to withdraw the motion.

Mr. Laws: I am not sure whether I am fully reassured by the Financial Secretary, not least because she appears to continue to contradict herself. At times she indicates that there will be no advertising in the pre-election period, but the fact remains that in Committee, she resisted an amendment that asked for precisely that and no more than that. She criticises the Opposition amendments as "cynicism writ large". As the hon. Member for Tatton (Mr. Osborne) said, we are trying to protect her from the cynicism of others in the Government. She ought to welcome the measures that we are taking to try to protect her integrity.

The Financial Secretary went on to say that we were somehow suggesting that the general election date had been fixed to match the launch of the child trust fund. That is not what we are suggesting at all; we are saying that it is fortuitous that the launch of the child trust fund and the payments under it seem to be matching the most likely date of a general election. That is our concern.

We have made a little bit of progress today in getting the Financial Secretary to confirm that the child trust fund account will not be advertised during the general election campaign. I wish she was a little clearer in recognising that, as is indicated in the Cabinet Office paper on advertising information during an election period, there will still be tension between the Government's understandable desire to give information about the child trust fund to people during its launch and the possibility that that information could be given during a pre-election period, when people are bound to be looking carefully at what any information on the child trust fund says and the way in which that might seek to promote the Government. Obviously, the comments from various IPPR seminars cited by the hon. Gentleman are relevant. I note that he may wish to press one of his amendments to a Division.

Mr. Osborne: I am told that apparently, I should indicate—now is a good time to do so—that we shall seek a Division, probably on amendment No. 81 if an earlier Government amendment is accepted.

Mr. Laws: After that indication, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Clause 2

ELIGIBLE CHILDREN

Ruth Kelly: I beg to move amendment No. 31, in page 2, line 4 [Clause 2], leave out

'by a directly applicable Community provision'

and insert

'because of a directly applicable Community provision or an international agreement'.

Mr. Deputy Speaker: With this it will be convenient to discuss Government amendments Nos. 32, 46 to 48, 50 and 53 to 55.

Ruth Kelly: Unless the House wishes me to discuss these purely technical, drafting and minor amendments further, I am happy to ask the House to accept them.

Amendment agreed to.

Amendment made: No. 32, in page 2, line 8 [Clause 2], after 'provision' insert 'or an international agreement'.—*[Ruth Kelly.]*

Clause 3

REQUIREMENTS TO BE SATISFIED

5 pm

Mr. Laws: I beg to move amendment No. 56, in page 2, line 31, at end insert—

'(1A) Regulations shall not require account providers to provide equity-based accounts, and shall make provision for cash deposit accounts, including provision for such accounts provided by building societies.'.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: Amendment No. 82, in page 2, line 31 [Clause 3], at end insert—

'(1A) Regulations under subsection (1) may not impose a requirement that the charge levied by the account provider must be set at less than 1.5 per cent. of the total value of the relevant funds under management by the account provider, divided by the number of child trust funds held with the account provider.'.

Amendment No. 57, in page 2, line 33 [Clause 3], at end insert—

'(2A) An account is not a child trust fund account unless it permits subscriptions of amounts of no more than £5.

(2B) The minimum amount in subsection (2A) may be increased by regulations if the Treasury is satisfied that the increase is no greater than is required to maintain the value of the amount in real terms.'.

Government amendments Nos. 36 to 39 and 41.

Amendment No. 59, in page 4, line 5 [Clause 6], at end insert—

'(1A) An account may only be selected in accordance with subsection (1) if it is an account of a description which has been designated by the Financial Services Authority in a manner prescribed by regulations as a low risk account.'.

Government amendment No. 43.

Amendment No. 60, in page 4, line 20 [Clause 6], at end insert—

'(6) Regulations shall designate a person to act generally in the stead of a responsible person in the management and oversight of provider risk and investment risk for child trust funds opened by the Inland Revenue under this section.'.

Amendment No. 78, in page 4, line 27 [Clause 7], at end insert—

'(2) No charge may be levied in respect of a transfer undertaken in accordance with the provisions of regulations under this section.'.

Mr. Laws: The group of amendments deals with a whole series of issues relevant to the supervision of account providers and the selection and opening of accounts. I shall speak especially to amendments Nos. 56, 57, 59, 60 and 78. I am afraid that I shall cover some ground that we covered in Committee in the hope that we will receive assurances from the Financial Secretary.

Amendment No. 57 addresses whether stakeholder and child trust fund accounts could be cash-based accounts rather than being required to be equity-based accounts. We have two worries about that aspect of the Bill, the first of which relates to choice and an issue raised by the Building Societies Association. Is it appropriate for the Government to rule out providers that could offer only cash-based accounts and thus perhaps rule out several building societies that might find it expensive to make provision for equity accounts? Associated with that is a concern that we expressed in Committee about whether the stakeholder accounts should all have an equity component, and whether that would be appropriate for many people who would end up with such accounts, especially if the Inland Revenue made a decision about the selection of them.

Amendment No. 57 deals with the minimum subscription amount, and I certainly hope that the Financial Secretary will address our worry today. In Committee, we referred several times to the illustrative projections of the final proceeds of child trust fund accounts that were put out by the Government and referred to by her in the House and in front of the Treasury Sub-Committee. It was clear at that stage that the Government envisaged that the minimum subscription amount would be as low as possible, thus allowing people on low incomes to contribute easily to child trust fund accounts. Many examples cited by the Financial Secretary involved a minimum subscription of £5.

We debated in Committee an article in the *Financial Times* that indicated that the Government had changed their mind about the £5 minimum subscription, and we became more concerned about that as our discussions evolved due to the Financial Secretary's unwillingness to confirm that £5 was still the Government's target. We now discover from the regulations that the Government have decided to plump for a minimum subscription of £10, although it will obviously be left open to account providers to choose a lower figure if they wish.

I understand the difficult balancing act that the Government must execute in balancing account providers' desire for a reasonable return on their commitments with the Government's desire to ensure that child trust fund accounts are as accessible as possible for those on low incomes who are saving for children. I am worried that it has been necessary for the Government to move away from the £5 minimum subscription. Although many people may believe that the £10 figure is pitched at a low level, one must put that in the context of a situation in which a huge proportion of our population save little or nothing, as the Government have indicated. A huge proportion of people—even those in employment—have low incomes. Saving £10 regularly, particularly for families with two, three or even four children, could be an onerous financial responsibility. I would have preferred the Government to maintain their apparent commitment to the £5 minimum subscription. Has the Financial Secretary had any indication that any providers might be willing to accept regular subscriptions of less than the £10 minimum set down by regulation?

We had prolonged debate in Committee about the stakeholder accounts, and in particular those where the Inland Revenue and the Government would be acting in loco parentis—for example, for children in care. I had a particular concern that the Government's eagerness to ensure that everybody should be able to benefit from the potential returns in the equity market might lead to that particularly vulnerable group of young people automatically having to have equity accounts.

Last weekend, I received a letter from a company of investment managers and tax and trust consultants based in my constituency. In the penultimate paragraph, it reminded me of the quarterly performance of the funds managed by the group and stated:

"Stock market investing is risky. Please remember that the value of investments and the income from them may fall as well as rise and there is no guarantee that you will get back the amount of your original investment. Past performance is not a reliable guide to future performance."

That final sentence relates to a matter of particular concern to many of us, because it seems that the Government have decided that past performance is a reliable guide to future performance, and that the very high returns in the equity market seen since the second world war will continue. Returns in the post-war period have sometimes been extremely adverse in some markets—for example, in the Japanese equity market. We also know that before the second world war, there were long periods when returns in the equity market were considerably less buoyant than those that the Financial Secretary and the Government allude to in the material that has surrounded the Bill.

We also have the uncertainty about the potential yield on cash-based accounts. When interest rates are rising, the responsible individuals might well put the child trust fund assets into longer-maturity deposits, where there could be a significant pick-up along the yield curve. In other words, the yields that the Government seem to think are achievable only in the stock market could be achievable by putting money into longer-term deposits for periods of years.

I am not yet convinced that the Government have put in place adequate safeguards for prolonged periods when the returns from the equity market may be negative. Short periods are allowed for to some extent in the Government's provisions for dealing with these accounts as they approach maturity, but equity market returns have been negative for a prolonged period in some foreign markets over the last 20 years.

The Government need to consider safeguards to be put into place where equity markets are in long-term decline. They should also bear in mind something that the Financial Secretary acknowledged on Second Reading: there is often a relationship between the amount of individuals' financial assets and the extent of the risk that they are willing to take. Individuals with large child trust fund accounts—where, for example,

[Mr. Laws]

parents and relatives are making large payments into the accounts or there is an affluent family background—may well be willing to accept more risk for the accounts. They know that if they endure large losses in parts of those accounts they will still have other financial assets, either in the child trust fund account or outside it.

Individuals in a weaker financial position, particularly some of those for whom the Government are acting in loco parentis, might well have a much higher risk aversion. If they had had the opportunity, they might far rather have taken guaranteed returns of 5 or 6 per cent. in a cash-based account or an account linked to Government stocks than have taken a potentially much larger risk in an equity-based account, for a return that, over a significant period of time, might not be significantly higher. I am sure that all hon. Members can understand that. When we have fewer financial assets, we are all generally less inclined to take high risks with those assets than when we have a lot of money to play with.

No doubt the Minister is motivated by legitimate concerns and a desire to make sure that people whose child trust fund accounts are managed by the Government should do as well as possible, but she needs to put in place adequate safeguards for those individuals. Some of those people, particularly if the accounts do badly, may not appreciate her taking larger risks with that money in terms of equity investment than they would have chosen to take, given that the money in their child trust fund accounts could represent a large proportion of their financial assets.

That is why we tabled amendments Nos. 59 and 60, which seek more advice and information from the Government about the safeguards that they envisage putting in place for child trust find accounts, particularly stakeholder accounts, into which the Government may put money in loco parentis. Will there be a more explicit role for the Financial Services Authority in examining the risk characteristics of those accounts? In particular, where vulnerable individuals will not be taking decisions about the equity allocation themselves, or where their parents are not taking such decisions, but the Government are doing so instead, will the FSA have any role in ensuring that the risks are reasonable, and in policing those risks over time?

In Committee, we had a not entirely enlightening debate about the individual who would act on behalf of children in care, for example, in respect of child trust fund accounts. Our discussion was predicated on the basis that the Solicitor-General would have a large role in that, but I think that the Government had in mind the Official Solicitor. The Financial Secretary has since confirmed that. In her comments to the Committee and to me subsequently, I believe that she was indicating that the Official Solicitor might play some role on behalf of children in care in respect of provider risk and investment risk, but I am not sure how far she will be able to ask the Official Solicitor to go down that route, especially as I assume that the Official Solicitor does not have the expertise to make judgments about provider and market risk.

Will the Financial Secretary clarify the responsibilities that the Official Solicitor will have in respect of accounts where the Government are acting in loco parentis? Will there be any attempt to ensure that the Official Solicitor or any other agent of the Government will manage and keep an eye on the provider risk and the investment risk inherent in the child trust fund accounts?

Our final amendment in this group, amendment No. 78, deals with the absence of charging in respect of transfers from one child trust fund account to another or one class of account managed by a single provider. That point has been addressed by the Financial Secretary in Government amendments. I am pleased that the clarification that she provided in Committee has been backed up by those amendments.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I shall explore some of the issues raised by the hon. Member for Yeovil (Mr. Laws) and, somewhat tangentially, by the hon. Member for Angus (Mr. Weir). First, I should declare an interest. I am chair of the all-party group on building societies and financial mutuals, and in another capacity, I am chair of the Labour and Co-operative group of Members of Parliament, so I have a specific interest in mutuality in the provision of financial services.

This is a very good and well-intentioned Bill that has the long-term potential to transform the prospects of people who have hitherto been unable to access the personal wealth-creating processes that are available. I want to make a few comments about how we can maximise that potential.

5.15 pm

In the long term, the Bill's success will depend on its ability to attract low-income families into the habit of saving for their children. There is little point in the Government merely introducing yet another savings plan for middle-class children, because there are already plenty of those. Traditionally, because of their strong community roots and perceived safety, building societies have been the main source of savings products for low-income, working-class people—particularly in the context of children's savings, where they have played a pioneering role. The movement is concerned about the fact that the regulations stipulate that any provider must be able to offer both savings and equity-based products, which means that some 17 of the 63 building societies will be excluded because they cannot offer the latter.

There are two possible responses. The first would be that those building societies should look to make the necessary arrangements to offer equity-based products. However, to secure the necessary compliance from the Financial Services Authority, they would have to enter into arrangements that would cost them considerable sums, making the whole process economically unfeasible. That most affects smaller building societies with the closest roots in particular communities, which means that those communities could be disadvantaged.

The other response would be to ensure that financial providers that can offer equity-based products can move into the market. One potential obstacle to their doing so was removed by today's announcement of the cap in the regulations allowing them to charge up to 1.5 per cent. in management charges. If that had been set at a lower rate, they would have found it financially uncompetitive to offer such products.

Even in this context, low-income people have natural reservations about entering into equity-based savings schemes, because they tend to put a premium on safety and perceive mutuals to be more likely to deliver that. I am seriously worried that if equity-based providers do not want to target low-income people in certain areas, and no mutual is capable of delivering a savings product there, we could end up with deserts without provision. I hope that the Minister will monitor that position carefully.

I am worried about other issues. First, as things stand, credit unions will also be excluded from the provisions, because they cannot provide equity-based products. There is a certain irony in savings institutions that have pioneered the savings habit among the lowest-income people, and in some cases with children, being excluded. For example, the Glasgow credit union, with 17,500 members and £40 million of assets, is very keen to launch a deposit-only child trust fund. The Leeds City credit union, with 14,000 members, £11.5 million of assets and, above all, a schools programme with 2,000 young savers, would also be potentially excluded. I hope that the Financial Secretary will examine how the scheme works with a view to trying to bring on board those institutions that have developed that savings ethic among low-income, working-class children.

Secondly, under the default provisions, people who do not take up the provisions will almost certainly have their accounts put with an equity provider by the Inland Revenue. Those will tend to be people on lower incomes who will be even less confident about dealing with an equity provider. As a result, I do not believe that the potential of such a role will be fulfilled. Thirdly, the minimum £10 monthly requirement to save, which has been mentioned previously, could be a deterrent to people on very low incomes, who would not be able to fulfil their full savings potential.

In total, the Bill is excellent. However, certain areas need to be monitored closely to ensure that the policy is reaching those people whom we most want to help and whom we feel will most benefit. I am reassured first by the Financial Secretary's history of support for mutuality—her contribution in relation to Private Members' Bills is recognised and acknowledged—and by her comments today and in Committee that the Government will review and monitor the working of the legislation to ensure that it achieves the objectives that have been set out. If the concerns that I have raised appear to be materialising, I hope that she will take steps to ensure that the Bill's full potential is fulfilled.

Mr. Weir: I am pleased to follow the hon. Member for West Bromwich, West (Mr. Bailey) and I agree almost entirely with his comments.

I raised this matter both on Second Reading and in Committee, because I am concerned that many small building societies will not be able to offer child trust funds. We have seen almost a flight from mutuality over the past few years, and the main Scottish mutual life insurer, Standard Life, is now seriously considering going down the plc route, too, which will remove most mutuality from the life assurance business, at least in the Scottish context.

In Scotland, only two building societies remain: the Dunfermline building society and the smaller Scottish building society. Under the Bill, the Scottish building society will not be able to offer a child trust fund. That is a shame, because over the past few years it has opened agencies in many small towns from which many of the bigger building societies have pulled out, with some following plc status and some closing agency networks. I am not sure whether it is common in England, but in many small Scottish towns it is common for a solicitor, accountant or other professional to have an agency from a smaller building society.

There is a bigger issue, however. As I have said previously, many people consider the traditional building society account to be a safe investment. The Financial Secretary said in Committee that the provider's main mechanism for selling funds was a direct offer, with little or no face-to-face advice. That concerns me greatly, as I suspect that many people who receive such an offer will not read all the small print and all the documents that come with it. That strengthens the case for allowing people to invest in something with which they feel comfortable—an ordinary deposit-based building society. I understand the Financial Secretary's argument—we have been through it several times—about equity-based investment working over a longer period, but it will not necessarily persuade many people who view the money as a significant sum that they would not otherwise get.

I understood that one of the objects of the child trust fund was to encourage people to save more for the future and to encourage financial acumen. I have a horrible fear that, if we do not give people the option of saving in a way with which they are comfortable, the object will fail. If people are forced by circumstance to have an equity-based investment that they do not understand, they are unlikely to put more funds into it. The problem would be compounded for those on lower incomes by the nature of most of the equity-based funds.

We have heard today that, according to the regulations, a minimum investment is expected to be £10 a month—a substantial commitment for anyone who has more than one child and exists on a low income. The beauty of an ordinary deposit based account is that one can put in money when one can afford it. Families on lower incomes thus have the option of investing for their children's future when they can do so, without committing themselves to the regular investment that equity-based accounts require. We therefore exclude people from what I accept, as a supporter of the Bill, to be a good system.

For many people, equity-based funds will be fine, but others will be excluded—the very people whom we need to reach to improve their financial acumen and get them to save for the future. That is a serious defect in the Bill, and I ask the Financial Secretary to reconsider yet again, but I am not confident that she will do so.

Mr. George Osborne: I shall speak about my remarkably prescient amendment No. 82. Before I do that, I want to point out that one of the most serious handicaps that hon. Members experienced in scrutinising the Bill is the absence of the detailed regulations on which most legislation greatly depends. Indeed, the success of child trust funds will depend on regulations. It is worth remembering that at the beginning of the process, the Treasury Sub-Committee stated:

[Mr. George Osborne]

"The Child Trust Funds Bill was introduced into the House without the relevant regulations covering important aspects including the proposed sales regime. We consider that these must be produced in time for the standing committee to consider them thoroughly."

Of course, they were not produced. The White Paper promised them before the end of last year, but they did not appear then or during our Committee proceedings. Indeed, they appeared only yesterday—too late for any amendments that the hon. Member for Yeovil (Mr. Laws) or I could have tabled to be selected. That is a shame.

However, I struck gold because I tabled amendment No. 82, which suggested that the charge cap should be 1.5 per cent. Yesterday, the Government announced their decision to abandon the 1 per cent. charge cap, which they set out in their response to the Sandler review and in the White Paper. They decided instead to set a charge cap of 1.5 per cent. That is a U-turn, albeit not as dramatic as the Prime Minister's U-turn on an inquiry into weapons of mass destruction. However, most of the press comments on it today.

It would be churlish not to welcome the decision, not least because I predicted it and tabled amendments to that effect in Committee. I have also tabled a similar amendment on Report. I propose a charge cap of 1.5 per cent. on, as I conceded in Committee, a remarkably unscientific basis. I took the 1 per cent., to which the Government appeared to be sticking, and the 2 per cent., for which most of the industry were calling, and suggested that we split the difference. Although unscientific, it was considerably cheaper than commissioning Deloitte and Touche to devise the same answer. Nevertheless, the Government and I reached the same conclusion by different routes.

5.30 pm

The Financial Secretary has been right to listen to the arguments advanced by the financial providers and by me and others during the passage of the Bill. With a charge cap of 1 per cent. there would have been very few child trust fund providers, most of whom would probably have cherry-picked at the more prosperous end of the market. The Government were right to swallow their pride and get themselves off the hook that they had put themselves on last July over Sandler. I agree with what the Minister said in her written ministerial statement yesterday:

"The Government's decision on the charge cap is in the best interests of consumers, as it encourages as wide a selection of providers as possible to offer child trust fund accounts. A large number of providers will encourage competition and ensure the best value for consumers."—[*Official Report*, 2 February 2004; Vol. 417, c. 25WS.]

I agree with every word of that.

I shall be interested to see whether the Minister follows a similar logic with other stakeholder products over the coming months. Ignoring what she has said before, I would urge her to look at stakeholder pensions, for example. Pensions are not part of my shadow Front-Bench portfolio, but one of the things that almost every provider said to me when I was talking to them about child trust funds was that they did not want to go down the route that they took with stakeholder pensions, which are not working. They cited the 1 per cent. charge cap on stakeholder pensions as a particular problem, but that is an issue for another day. I hope that the Minister will approach the question of charges for stakeholder products with the same open mind with which she has approached child trust funds.

Government amendment No. 39 represents another welcome U-turn, because it opens the door to allowing parents to open accounts by means other than physically handing in a paper voucher to a provider. It will allow them, for example, to open an account by telephone or on the internet. I know that it will be possible to open an account in that way anyway, and I am sure that many providers will offer that service, but the amendment will mean that they will not then physically have to send in their voucher.

In amendment No. 39, the Minister has given herself some room for the future, because she has removed from the Bill the requirement to provide a voucher to the financial provider and has at least opened the door to other methods. That is sensible, because we expect child trust funds to be with us for some time and, with all the developments that are taking place in technology, she would have been foolish to tie herself to a paper-based system. It is a shame, however, that she has not bitten the bullet and abandoned the idea of a paper-based scheme right from the start. I notice that on page 6 of the regulations there is still a requirement for the applicant to give the voucher relating to the named child to the account provider.

All the providers and trade representatives whom I have spoken to made the point that the voucher was a cumbersome, bureaucratic and unnecessary feature. I do not accept the argument advanced by the Inland Revenue that it is all to do with the prevention of fraud. There are many sophisticated ways of preventing fraud by electronic means these days, and far larger sums of money are transferred electronically than will ever be transferred in the entirety of the child trust fund system, let alone in any individual account.

Will the Minister assure us that she will monitor the way in which the system is working? I understand why she does not want to change it now—not least because she has already published the regulations—but will she do all that she can to allow providers to offer an entirely telephone or internet-based system, perhaps once the funds are up and running, when the system is working fine and when she has reassured herself that the scope for fraud is limited?

Ruth Kelly: I shall deal with the Opposition amendments first. The child trust fund account is a long-term investment for 18 years. Although the value of shares can go down as well as up, the historical evidence is that shares provide the best returns on such a long-term investment.

In Committee, we had lengthy debates with the hon. Member for Yeovil (Mr. Laws), among others, about the historical returns on equities in this country and other countries, and I do not intend to repeat those arguments here. Amendment No. 56 proposes that account providers need not provide equity-based accounts. The Government's position, however, is that all children should have the opportunity to benefit from the generally higher returns on equities over the longer

term. The child trust fund stakeholder account that all providers will be required to offer will be equity based and risk controlled, and the charge cap will ensure that they provide value for money. Amendment No. 56 also proposes that provision be made for cash deposit accounts, including those provided by building societies. Draft regulations for the child trust fund ensure that parents may indeed invest in cash deposit accounts, including those offered by building societies, if they wish to do so.

I turn now to arguments advanced by my hon. Friend the Member for West Bromwich, West (Mr. Bailey), who has sustained a long-term interest in these matters, both before and after he became a Member of Parliament, and by the hon. Member for Angus (Mr. Weir). My hon. Friend argued that the success of the child trust fund depends on the savings that low-income families contribute to the fund. I do not dispute that. One indicator of success will be the savings contributed to the funds, but I am sure that he will accept, as I argued several times in Committee, that there is more than one factor in the success of the accounts. Other factors include the size of the asset that has built up for the child and is available to them at 18; the financial education attached to that, including the understanding of risk and reward; and whether responsible choices are made by the child at the age of 18. All those factors are important to the development of the policy. However, I accept my hon. Friend's argument that certain building societies, particularly some of the smaller ones, have special relationships with low-income communities. They may have deeper community roots, and indeed are highly regarded by some low-income communities as a particularly safe source for their funds. Families and individuals may well have well developed relationships with particular providers.

I respect the arguments made by hon. Friend, and I hope that I can reassure him that I have considered the issue seriously. Most building societies, I am told by the Building Societies Association, will indeed be able to offer the stakeholder fund as well as the cash-based account. More importantly, given changes to the rules under which the Financial Services Authority operates and the depolarisation changes that it is bringing into effect, it will become possible for smaller building societies to team up with partner firms, which could provide the stakeholder account while the building societies provide a cash-based account. They will therefore be able to offer a range of accounts to people in low-income communities if they think that there is demand for them and apply for authorisation if they have not already done so. It is important that individuals and families in low-income communities are given the opportunity to have an equity-based account. Indeed, it would extremely negative if they did not have that opportunity and, as a result of living in a particular geographic location or having a particular relationship with a financial institution, were deprived of the growth opportunity available through a stakeholder account.

Mr. Laws: On the point made by the hon. Member for West Bromwich, West (Mr. Bailey) about whether smaller building societies would have the capability to offer cost-effective delivery of equity-based accounts, will the Minister confirm that the discussion with the FSA to allow smaller building societies to team up with larger building societies took place recently? Clearly, when the Building Societies Association wrote to Committee members on 15 December, it did not believe that such delivery would be possible, and said that 17 of the 65 building societies would not be able to offer the equity-based account.

Ruth Kelly: I understand that, while 17 societies would not be able to offer stakeholder accounts on their own, if the demand existed there would be no reason for them not to team up with the partner firms. The FSA's change in the polarisation rules is a relatively new development and I do not know the extent to which it had been factored into the thinking of the Building Societies Association when it wrote to MPs, but the fact remains that if societies see a demand they will be able to offer accounts to individuals and families with whom they have a relationship.

The hon. Member for Tatton (Mr. Osborne) was pleased that we had decided to set the charge cap at 1.5 per cent. I am delighted that he foresaw that. I have always made it clear to Members, and to people outside, that decisions on the charge cap in relation to stakeholder products will reflect the economics of those products. It will be a case of "what works" in each case.

I also made clear, in my written statement to the House, that the economics of the child trust fund were different from those of other stakeholder products. For a start, lower minimum contributions are required. The nature of the contributions is likely to be very different from the nature of, for instance, a stakeholder pension: the contributions are likely to be less regular and of lower value. The market is also structured very differently. We want to encourage diverse providers into the market to ensure that consumers' needs are met, and that includes encouraging building societies.

All those factors were taken into account by the research report given to us by Deloitte and Touche. We concluded, on the basis of the evidence, that a 1.5 per cent. charge was appropriate in this case. I should emphasise that that is a maximum—a cap on the amount that a firm offering stakeholder products can charge. It is desirable and, I hope, likely that providers will compete below the cap. Indeed, I have negotiated with providers who have told me of their commitment to 1 per cent. The 1.5 per cent. provision is a backstop to ensure that there is enough competition for low-income consumers in particular to feel that their interests are being met. Similar considerations apply to the minimum contribution level. The figure of £10 specified in the draft regulations is also a backstop. Again, I expect competition to drive it down if the demand is there. Firms have told us that they would accept lower levels, particularly if regular payments were made.

I have also made it clear that firms must state their minimum contribution up front. If they intend to set it at £10, that must be made clear to parents when they open accounts. Parents can of course switch at any time, free of charge, if they decide that the account does not suit them.

The draft regulations also specify the risk controls that will apply to stakeholder accounts. The provider will be required to diversify investments and to move over time into cash-based assets as a fund nears maturity in order to lock in the gains made from equities in the early years.

[Ruth Kelly]

I find the argument advanced by the hon. Member for Yeovil rather strange. I fail to understand his logic. It is difficult to see what purpose would be served by asking for additional risk controls to be set by the FSA, over and above what is already proposed. Additional provision would over-complicate accounts. If the hon. Gentleman wants the FSA to consider parents' individual circumstances and decide whether an equity account would meet their needs better than a cash account, I can tell him that that would be inappropriate.

5.45 pm

Amendment No. 60 would amend the regulations to designate a responsible person for child trust funds opened by the Inland Revenue. The hon. Member for Yeovil has assumed that where the Inland Revenue opens a child trust fund account for a child, there will not be a responsible person willing to consider which provider or which investment is best.

We will, of course, encourage parents—or someone with parental responsibility—to ensure that they take full responsibility for a child's account, and that important point will be a key message in our information and guidance on the child trust fund. We will monitor take-up by parents closely, and if large numbers of them are not using their children's child trust fund voucher we will call them to encourage them to do so. Parents can even take responsibility for the account after the Revenue has opened it. We know that some parents lead such busy lives that they may be so preoccupied with other matters that they fail to open the account before the child reaches the age of one. In that case, however, it is possible that later on in the child's life the parents will decide to activate their parental choice, switch provider and take full parental control of the fund. Nevertheless, the stakeholder account has been designed to offer the best prospects to children over the long term, even if there is no active management.

The hon. Member for Yeovil is concerned about children in care, looked after children and the role of the Official Solicitor. We have not yet finalised the possible role of the Official Solicitor, with whom we are still negotiating, but I can confirm that we have discussed the need for the Official Solicitor to consider whether the account is performing poorly. The hon. Gentleman's concerns about an equity market slump or liquidity crisis that have driven him to make his many and varied comments would be the sorts of the concerns that the Official Solicitor, if he or she were to accept that role, should consider.

Mr. Laws: The Financial Secretary is teasing me, but at the same time she appears to be indicating that the Government might take up my suggestion, so I am not sure whether she is in favour of it. Does she envisage a situation in which the Official Solicitor could consider provider risk and investment risk for the accounts of children in care? Is that what she is trying to persuade the Official Solicitor to do?

Ruth Kelly: I am arguing that the Official Solicitor would act in loco parentis and take into account the same considerations as one might expect a parent to take into account.

On the Government amendments, I remain of the opinion that giving a voucher with the child's name on it to providers is the key to the operation of the policy, but it is also the key to operational efficiency and the most effective fraud deterrent as well. Possession of the voucher will enable providers to get Government payments into children's accounts as quickly as possible because they will be able to transfer the data encoded on the voucher to the Inland Revenue without risking the inevitable errors created by the manual transfer of such information and the need to return the claim for correction.

We have learned from our experience of individual savings accounts, which has benefited the child trust fund policy. It is not unlikely that the same type of errors that have arisen in relation to ISAs will be made with child trust funds. We want to minimise delays due to wrongly opened accounts and inaccurate information, and data transfer using the voucher will help to achieve that. I am convinced that that is essential to ensure that the process for claiming Government endowments runs quickly and smoothly. However, I accept that we should retain an element of flexibility on that point in the future and that it would be sensible to amend the Bill so that that requirement is in the regulations rather than in primary legislation. I have no evidence to suggest that the impact on fraud will somehow lessen or go away in years to come, but it is sensible to retain an element of flexibility.

I hope that my arguments have reassured both my hon. Friends and Opposition Members, and that they will withdraw their amendments.

Mr. Laws: I am grateful to the Financial Secretary for her comments on several different amendments that deal with distinct issues in the Bill. I am pleased that she has offered a little more insight into the role of the Official Solicitor. However, this is a particularly critical issue, given that we are dealing with children in care, whose interests need to be properly looked after by the Government. I should therefore be very grateful if the Financial Secretary could update us on this issue, once her Department has agreed with the Official Solicitor just how proactive he or she is going to be. I do not know whether the Financial Secretary will succeed in persuading the Official Solicitor to take on what could be quite interesting investment responsibilities.

The hon. Member for West Bromwich, West (Mr. Bailey) raised a number of important points about making the child trust fund account accessible to low-income savers, rather than simply making it another savings option and savings break for the more affluent in society. I very much agree with what he said, and I hope that the Government will review some of the key issues that we have covered, including the minimum subscription amount, to see whether their decisions are making accounts more inaccessible to those from lower-income backgrounds.

Finally, I was very pleased to hear the Financial Secretary's comments on building societies. I assume that somebody at the Financial Services Authority will be available to talk to the Building Societies Association about the question of smaller societies twinning with larger ones, if they so wish. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 3

REQUIREMENTS TO BE SATISFIED

Amendments made: No. 33, in page 2, line 45, leave out from 'that' to end of line 46 and insert

'instructions may be given to the account provider with respect to its management only by the person who has the authority to manage it.'.

No. 34, in page 3, line 3, leave out subsection (6) and insert—

'(5A) The person who has the authority to manage a child trust fund held by a child—

(a) if the child is 16 or over, is the child, and

(b) if the child is under 16, is the person who has that authority by virtue of subsection (5B).

(5B) If there is one person who is a responsible person in relation to the child, that person has that authority; and if there is more than one person who is such a person which of them has that authority is to be determined in accordance with regulations.

(6) For the purposes of this Act a person is a responsible person in relation to a child under 16 if the person has parental responsibility in relation to the child and is not—

(a) a local authority or, in Northern Ireland, an authority within the meaning of the Children (Northern Ireland) Order 1995 (S.I. 1995/755 (N.I. 2)), or

(b) a person under 16.'.

No. 35, in line 14, at end insert—

'( ) Where a contract is entered into by or on behalf of a child who is 16 or over in connection with a child trust fund—

(a) held by the child, or

(b) held by another child in relation to whom the child has parental responsibility,

the contract has effect as if the child had been 18 or over when it was entered into.'.—*[Ruth Kelly.]*

Clause 5

OPENING BY RESPONSIBLE PERSON

Amendments made: No. 36, in page 3, line 35, leave out from 'may' to end of line.

No. 37, in line 37, leave out second 'the' and insert 'an'.

No. 38, in line 39, at end insert—

'( ) The application is to be made in accordance with regulations.'.

No. 39, in line 40, leave out

'On receipt of the voucher'

and insert

'When the application has been made'.

No. 40, in line 43, at end insert—

'( ) If the child is 16 or over, the references in subsections (2) and (3) to a responsible person are to the child.'.—*[Ruth Kelly.]*

Clause 6

OPENING BY INLAND REVENUE

Amendments made: No. 41, in age 4, line 3, leave out from 'selected' to end of line 5 and insert

'in accordance with regulations a child trust fund of a description so selected.

( ) The application is to be made in accordance with regulations.'.

No. 42, in line 17, at beginning insert

'the child is under 16 and'.

No. 43, in line 20, leave out 'by the Inland Revenue' and insert 'in accordance with regulations'.—*[Ruth Kelly.]*

Clause 9

SUPPLEMENTARY CONTRIBUTION BY INLAND REVENUE

Amendments made: No. 44, in page 5, line 29, leave out

'fell before the appointed day'

and insert

'is earlier than 6th April 2005'.

No. 45, in line 41, leave out 'fell before' and insert 'is earlier than'.

No. 46, in page 6, line 7, at end insert 'or an international agreement'.

No. 47, in line 7, at end insert

'or, in the case of a child to whom section 2(3) applies or section 2(5) has applied, such day as is prescribed by regulations.'.—*[Ruth Kelly.]*

Clause 19

PAYMENTS AFTER DEATH OF CHILD

Amendment made: No. 48, in page 10, line 23, leave out from 'that' to 'had' in line 24 and insert

'section 9 applied to the child (or would have'.—*[Ruth Kelly.]*

Clause 22

RIGHTS OF APPEAL

Amendment made: No. 49, in page 13, line 8, leave out

'is a responsible person and'.—*[Ruth Kelly.]*

Clause 24

TEMPORARY MODIFICATIONS

Amendment made: No. 50, in page 14, line 21, leave out from beginning to 'the' in line 23 and insert—

'(a) the Social Security Act 1998 (c. 14) (social security appeals: Great Britain),

(b) '.—*[Ruth Kelly.]*

Clause 27

COMMENCEMENT

Amendment made: No. 51, in page 15, line 12, leave out from '31)' to end of line 17 and insert

'comes into force in accordance with provision made by order.'.—*[Ruth Kelly.]*

Amendment proposed: No. 81, in line 17, at end insert—

'(4) No order may be made under subsection (1) before the dissolution of the present Parliament.'.—*[Mr. George Osborne.]*

Question put, That the amendment be made.

The House divided: Ayes 193, Noes 328.

Division No. 42] **[5:52 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Beggs, Roy *(E Antrim)*
Beith, rh A. J.
Bellingham, Henry
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burns, Simon
Burnside, David
Burstow, Paul
Burt, Alistair
Cable, Dr. Vincent
Calton, Mrs Patsy
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Conway, Derek
Cotter, Brian
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Djanogly, Jonathan
Doughty, Sue
Duncan, Peter *(Galloway)*
Duncan Smith, rh Iain
Evans, Nigel
Ewing, Annabelle
Fabricant, Michael
Fallon, Michael
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Grieve, Dominic
Gummer, rh John
Hague, rh William
Hammond, Philip
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Holmes, Paul
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Maude, rh Francis
Mawhinney, rh Sir Brian
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Murrison, Dr. Andrew
Norman, Archie
Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Portillo, rh Michael
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion
Rosindell, Andrew
Ruffley, David
Russell, Bob *(Colchester)*
Salmond, Alex
Sanders, Adrian
Sayeed, Jonathan
Selous, Andrew
Shephard, rh Mrs Gillian
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Stanley, rh Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Teather, Sarah
Thomas, Simon *(Ceredigion)*
Thurso, John
Tonge, Dr. Jenny
Tredinnick, David
Trend, Michael
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Walter, Robert
Waterson, Nigel
Webb, Steve *(Northavon)*
Weir, Michael
Whittingdale, John
Wiggin, Bill
Wilkinson, John
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Wilshire, David
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes: Mr. Mark Field and Angela Watkinson

NOES

Abbott, Ms Diane
Ainger, Nick
Alexander, Douglas
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bennett, Andrew
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, Andy
Byers, rh Stephen
Cable, Dr. Vincent
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, Jean
Cox, Tom *(Tooting)*
Cranston, Ross
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davidson, Ian

Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Iranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joyce, Eric *(Falkirk W)*
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCartney, rh Ian
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mallaber, Judy
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Meacher, rh Michael
Meale, Alan *(Mansfield)*
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Morris, rh Estelle
Mountford, Kali
Mudie, George
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Helen
Squire, Rachel
Starkey, Dr. Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, David *(NW Leics)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes: Vernon Coaker and Jim Fitzpatrick

Question accordingly negatived.

Clause 29

INTERPRETATION

Amendments made: No. 52, in page 16, leave out line 8.

No. 53, in line 11, at end insert—

'"the General Commissioners" means the Commissioners for the general purposes of the income tax appointed under section 2 of the Taxes Management Act 1970 (c. 9),'.

No. 54, in line 12, leave out 'and'.

No. 55, in line 13, at end insert

'and

"the Special Commissioners" means the Commissioners for the special purposes of the Income Tax Acts appointed under section 4 of the Taxes Management Act 1970 (c. 9).'.—[*Jim Fitzpatrick.*]

Order for Third Reading read.

6.7 pm

Ruth Kelly: I beg to move, That the Bill be now read the Third time.

The child trust fund is a radical and ambitious policy with four key objectives. They are helping people to understand the benefits of saving and investment; encouraging parents and children to develop the savings habit and engage with financial institutions; ensuring that in future all children have a financial asset at the start of adult life; and building on financial education—working with the Department for Education and Skills and the Financial Services Authority in helping people to make better financial choices throughout their lives.

The Third Reading of the Bill is a milestone on the route to achieving that ambitious policy. I am grateful to right hon. and hon. Members in all parts of the House for their support and constructive debate today and in Committee—when our deliberations were steered efficiently by my hon. Friend the Member for Bootle (Mr. Benton) and the hon. Member for Southend, West (Mr. Amess). The hon. Member for Southend, West commented that it was a model Committee. I have Opposition spokesmen to thank for that praise because their contributions were invariably made in the spirit of improving the Bill.

The value of our debates in Committee is demonstrated today by Government amendments tabled to reflect proposals discussed and agreed. The Government have presented an amendment to lower from 18 to 16 the age at which young people can manage their accounts, Young people will not be able to touch the funds until they are 18, but from 16 they will be able to make their own investment decisions. I am delighted that the House supported that amendment, which is a real improvement to our policy.

Debate in Committee focused also on the need for providers to collect the child trust fund voucher before opening an account. I still feel that collection of the vouchers is the best method to reduce errors and deter fraud, but I have signalled, by tabling an amendment allowing that feature to be changed in regulations, that the issue will be monitored in the future.

Concern was expressed about who might act for children in care in the unusual circumstances where no one had parental responsibility. I was able to inform the Committee that we were holding discussions with the Official Solicitor about whether his office could take on that role. Members will understand that a sensitive issue such as that needs to be considered thoroughly, so it was not possible to introduce an amendment at this point, but it is our intention to do so when the Bill is considered in another place.

Perhaps one of our most important debates in Committee was on the question of whether the child trust fund should have special rules for disabled children. I pay tribute to the efforts of the hon. Member for Witney (Mr. Cameron) for moving important and interesting amendments on that subject. In Committee, I promised that I would give the matter serious consideration. There are some difficult issues, both of concept and practice, and they cannot be rushed. Furthermore, I have made it clear that changes could be made by regulation without the need to amend the Bill.

Members of the Committee expressed particular interest in the level of the charge cap and the minimum contribution that providers would have to accept from parents and others who invest in the child trust funds. I am pleased to tell the House that the charge cap for stakeholder child trust fund accounts, which all providers will be required to include in their range of child trust fund accounts, will be 1.5 per cent. The decision to set the cap at 1.5 per cent. recognises that the child trust fund has certain key features that are not typical of other products in the stakeholder suite, such as stakeholder pensions. The funds in CTF accounts will be lower than funds in pension funds, for instance, and there will also be a lower level of minimum contribution than for other stakeholder products.

Providers will have to accept contributions of £10 and above for the stakeholder child trust fund account. The minimum contribution level has been chosen to ensure that the child trust fund is accessible to as wide a range of savers as possible, including those who might find it difficult to make regular contributions.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I thank my hon. Friend for informing the House about the charge cap, which I think everyone accepts, and about the minimum deposit required. After the child trust funds have been introduced, will she consider a review of the minimum amount of £10, to determine whether low-income groups, in particular, have been able to meet that hurdle, so that we ensure that they can save properly with the child trust fund?

Ruth Kelly: I certainly give my hon. Friend that commitment. Accessibility for low income groups is a vital component of the success of the policy. I anticipate that some providers will accept lower levels of contribution, especially if they are regular. I have also made it a requirement that they tell customers up front what the minimum contribution is likely to be, so that families and individuals, especially those on low incomes, can make appropriate choices in the best interests of their child.

Members will be interested to hear that there are no charges for transferring between different types of CTF account—whether between a stakeholder account and other types of account, or between providers. For example, if a family on a low income suddenly find that they are unable to make a contribution of, say, £5 with their current provider, they are at liberty to switch, with no charge, to another provider who accepts lower

amounts. A key objective of the child trust fund is to improve financial literacy, so I judged it appropriate that there should be no charge for families who choose to switch provider.

The child trust fund is a foundation on which we can build. I believe it is the key to creating a real change in people's ability and desire to save for the future, so that children can make the most of their opportunities. I ask hon. Members to support the Bill, and I commend it to the House.

6.10 pm

Mr. George Osborne: This is the first Bill that I have shadowed as an Opposition spokesman. It has been a steep learning curve, but I have enjoyed it, especially as the Committee process was particularly constructive. That was largely due to the Financial Secretary, in the sense that it is in a Minister's hands to determine the mood of the Committee—it depends on whether he or she accepts amendments and is prepared to listen to arguments. I served on several Committees as a Back Bencher and on one Committee as a Whip, and it is fair to say that we made more progress on this Bill and that there was a more constructive dialogue than in all those other Committees put together, so I thank the Financial Secretary, as without her input that would not have happened.

I thank the other members of the Committee, including the hon. Member for Yeovil (Mr. Laws), who speaks for the Liberal Democrats. We occasionally co-operated with each other and worked out where we would cause Divisions and so on, so I thank him for his support. I particularly thank Colin Lee, the Clerk to the Committee, who gave me an enormous amount of help, not least because, as I say, this was the first Bill that I have shadowed for the Conservative party. Perhaps it will be the last Bill that I shadow—it depends on when the general election takes place.

On Second Reading, I said that we Conservatives support the principle behind the Bill because we believe in the value of savings. We believe that savings nurture independence, that they encourage self-reliance and that they bolster the individual against the state. I also said that we did not stumble across those beliefs through a focus group, an Institute for Public Policy Research summit or some belief in asset-based welfare—they are rooted in the Tory tradition—but that we had concerns about the detail.

I am pleased to say that many of those concerns have been addressed by the very constructive approach that the Government have taken in considering the Bill. For example, I shall repeat some of what the Financial Secretary has just said. She accepted that 16 and 17-year-olds should be able to manage their accounts. The Government agreed to consider the situation of children with terminal illnesses. They looked very constructively—the Financial Secretary is still doing so—at the proposal made by my hon. Friend the Member for Witney (Mr. Cameron).

The Government have agreed to work with providers on the opening up of child trust funds to elder children and to consider regulatory changes if they are required. They have agreed to consider options to help children in care, and the Financial Secretary said some interesting things about that today. She has opened the door—no more than that—to a telephone and internet-based system, rather than a voucher system, by amending the Bill. She accepted the argument that sticking with a 1 per cent. charge cap would have been a mistake. I am glad that she recognised that and agreed with the 1.5 per cent. figure.

All that represents a constructive approach, but it would be a mistake to say that we do not still have some concerns, not least about the extension of means-testing to a cradle-to-grave society. We are instinctively against the extension of means-testing; it is our greatest concern, but we discussed that in Committee and I knew that it was unlikely that we would change the Government's mind on that.

Only time will tell whether child trust funds succeed in encouraging savings, educating people about the value of saving and spreading financial education. I suspect that we will not really know for 18 years whether they have been a success. We will then start to see how people spend or invest the money that they have at the age of 18, and there may be some horror stories at the time, but we shall see. Conservative Members are committed to trying to make child trust funds work, so we will support the Government if there is a Division tonight.

6.18 pm

Mr. Dawson: I have never before served on a Standing Committee that has considered a Treasury Bill and, frankly, it is an experience that I would have avoided before now. We have talked a lot about financial education. I am one of those people who tends to avoid banks, building societies, financial institutions, regulations and all those worrying things, but I have thoroughly enjoyed serving on the Committee, partly because of the Front-Bench spokesmen and my hon. Friend the Financial Secretary, who have occasionally characterised themselves, and been characterised, as the young, thrusting generation of the House. We have been talking about a Bill whose effects we will only see over a generation and the generations beyond that. By the time that the first trust funds come to fruition, I can confidently predict that my hon. Friend will have attained great eminence in government, and I am sure that the other extremely able. Members will have enjoyed themselves making small achievements amid the general wastes of Opposition for many years to come.

It is important to recognise that the consideration of the Bill has been helpful and constructive, because underlying the whole debate has been the recognition that its proposals have enormously exciting potential. We heard about the grand old Tory values of savings, self-reliance and all the rest of it, but the Bill is new Labour. It is a universal provision that addresses the most serious issues in our society: child poverty, the urgent and desperate need for regeneration and the absolute need to ensure that every child in our society has real opportunities to succeed and make the best of what they have. It takes an entrepreneurial attitude

[Mr. Dawson]

towards the future and gives young people the chance to own a substantial asset. It will create an imaginative process and implement a grand proposal that will tackle poverty and help people to address their own circumstances and future in a way that neither this country nor any other country in the world has ever seen before.

I am sad, in a way, that we have not reached the conclusion that I wanted on a matter about which I feel strongly—children in care. However, I am encouraged by the idea that over the next 16 years—the next generation—people who work with children, and children themselves, will have the opportunity to determine the way in which the development of child trust funds may be adapted, adopted and improved to support children's lives in ways that we have perhaps not been able to foresee readily during the Bill's parliamentary stages.

Some grand ideas were expressed in Committee by not only the Government, but the Opposition. Ideas on working with and supporting children with disabilities and the way in which trust funds could be adapted to meet their needs in a new future of social care are important and point the way forward. A good Committee considered a good Bill that implements a truly inspirational idea and gives us something for the future of which we can all be proud.

6.23 pm

Mr. Laws: The hon. Member for Lancaster and Wyre (Mr. Dawson) started his speech by saying that he was not always invited to serve on Committees to consider financial Bills, and that he had not expected to enjoy his experience in Committee. I share his view that our scrutiny of the Bill has been especially interesting. I warn him not to read too much into his experience on that Bill Committee, however, in case any of his Whips come running to ask whether he wants to serve on the Finance Bill Committee. I assure him that that is an altogether different prospect—I give him that advice freely and constructively.

We have been engaged in a good constructive process over the past few weeks. Our consideration of the Bill has undoubtedly been interesting because whether one agrees or disagrees with the Government's proposals—we have disagreed—their effects will clearly be felt by many families throughout the country, so it was important for us to get the Bill right and amended as best we could. I pay tribute to the Financial Secretary for her constructive approach throughout our proceedings and her patience and tolerance when I pressed her on Japanese equity markets and other such matters on many occasions, without necessarily getting very far.

It has also been a pleasure to work with the hon. Member for Tatton (Mr. Osborne), who on occasion has been more critical of his own amendments than of the Government's, and has brought great honesty and candour to the Conservative Front Bench. Now we accept that the hon. Gentleman speaks for the Conservative party on this issue, and after its previous leader went out of his way some time ago to criticise the proposal, the hon. Gentleman has clarified its position on this matter.

I also pay tribute to the Clerk of the Committee, who was extremely helpful to Opposition Members in particular, especially as those on the Front Bench for both parties were relatively inexperienced. His assistance in the drafting of amendments was particularly useful. In addition, I thank those who chaired our proceedings, and the Minister's staff, who no doubt had to do a great deal of work in responding to the amendments.

I also thank the Minister for amending certain parts of the Bill to take on board some of the considerations expressed from the Opposition Benches. She mentioned the important issue of account management at the age of 16, on which the Government have made genuine progress. It is also clear that they will introduce regulations to deal with the issue of terminally ill children, which is extremely important, and I welcome the fact that the Minister has made it clear that no charges will be imposed on transfers.

There are a number of issues that we hope the Minister will return to at some stage, either because of undertakings that she has given or because the passage of time proves that our concerns were justified. In particular, I drew attention to the minimum subscription level, which we remain uncomfortable about leaving at £10. We would like to see the accounts more open to low-income savers. I also drew the hon. Lady's attention to the issue of children in care. She has agreed to look into the matter and review the progress of our support for children in care in its totality.

I have often expressed my concern about the emphasis on equity-based investment for the accounts to be opened by the Inland Revenue, including the accounts of children in care. I am pleased that the Minister said tonight that she was thinking about how that can be dealt with, including through the involvement of the Official Solicitor. If I were the Official Solicitor I would be pretty nervous about taking the responsibility of monitoring the accounts and investment returns, unless I had a guarantee that my time in that job would not last the full 18-year life of a child trust fund account.

We pressed the Minister on access to the accounts for 16-year-olds, particularly those in full-time work. I acknowledge that it seems unlikely that she will change her mind on that subject.

In Committee we had debates, which we did not air again tonight, about the interaction between child trust fund accounts and the benefits system, including issues such as the deprivation of capital. There was not much movement from the Minister on those issues in Committee, but I hope that she will keep them under scrutiny, so that if it turns out that some of the concerns were justified, the Government will be able to respond to those concerns as evidence bears them out.

I am afraid that in the final stages of Third Reading, I shall add a somewhat discordant note. As the Minister knows, we do not share her enthusiasm, and the enthusiasm of her hon. Friends and most Conservative Members, for the Bill. Our reservation is not based on the details—important, but details none the less—that I have just outlined. Our concern is about the bigger issues involved in the Bill—whether it will succeed in doing what the Government have said it will, and to some extent whether the Government are spending the

large amount of money involved in the most effective way, particularly if they are concerned about child poverty.

Mr. Love: I should like to ask the hon. Gentleman the question that he has been asked throughout the passage of the Bill. He was constructive in Committee, and has been the same so far on Third Reading, and that constructive approach included tabling amendments that would have enhanced the Bill. Does he see any contradiction between that and his opposition to the Bill overall?

Mr. Laws: The hon. Gentleman may not be surprised to hear that I see no contradiction at all. We said at the beginning of the debates on the Bill that we were fundamentally opposed to it, because we did not believe that it would achieve its objectives, and because we thought the money could be better spent elsewhere. We made it clear that we would seek to amend the Bill, in Committee and elsewhere, as effectively as we could, to improve it. That seemed the sensible and constructive thing to do.

Nobody has mentioned in detail, although the Financial Secretary may have touched on them, the four fundamental reasons that the Government set out to justify the introduction of the child trust fund account. I shall run through them briefly, so that we can see whether the Government have satisfied the House that those objectives will be met. The first two seem to be more or less the same—first, to build on financial education to help people make better financial choices, and secondly, to help people understand the benefits of saving and investing.

We have questioned, as have the Institute for Fiscal Studies and others, whether the child trust fund accounts will succeed in those objectives, and whether money invested in financial education in schools could achieve that out-turn more effectively. After all, it was not until the past couple of days that the Financial Secretary accepted the proposal that 16 and 17-year-olds should be able to manage their own accounts, and that children should have any involvement in the running of those accounts. They were to have been run entirely by their parents, which seems an odd way to give people financial experience and education. We do not believe the Government have demonstrated that the large amount of money to be spent on the Bill satisfies those two criteria. The Minister referred in Committee to evidence-based policy. On these two objectives, we see a lack of clear economic evidence that the Bill will have the effects that the Government intend.

The third stated objective was that the Bill would ensure that in future all children had a financial asset at the start of adult life. That seems to be at odds with the Government's recent decision to encourage students to take on greater debt to fund themselves through university. The question is whether people need financial assets at particular periods of their life, or whether there is a rhythm in the way in which people earn money and save money, which means that the Government should leave those matters to people themselves, rather than interfering. There seems a particular contradiction between the Government's determination to give young people, through the Bill, assets at the age of 18, and their willingness to encourage people to take on debt at a similar age to fund themselves through university.

Mr. Dawson: Will the hon. Gentleman take into consideration the fact that the poorest 30 per cent. of students going into higher education will have substantial grant assistance? Might that not complement the asset that they will have in the child trust fund?

Mr. Laws: I accept the veracity of the hon. Gentleman's point, but it does not address my concern that Government policy appears to be heading in two contradictory directions. On one hand, there is the desire and willingness for people to have large financial liabilities at the age of 18, and the Government say, "Don't worry, you can pay it off through your income. You'll earn a lot of money over your life in employment. You shouldn't be worried about having the debt." On the other hand, the Government say that it is vital to give children a financial asset at the beginning of their working life. Those two things are clearly contradictory.

The final objective of the Bill was to encourage parents and children to develop the savings habit. That implies that the Government expect additional saving as a consequence of the Bill; otherwise the Bill would simply shift the savings habit from one savings vehicle to another. I have not seen a shred of evidence that suggests that the Financial Secretary knows whether the Bill will increase saving. Not only has she been unwilling to put a target on the additional savings, but she has been unwilling even to estimate the extent to which the Bill will increase saving. That suggests a certain scepticism on the part of the Government, or at the very least uncertainty about whether their policy will deliver one of the stated objectives.

The Financial Secretary will say that the Government have received many representations from individuals and corporate entities welcoming the Bill. As I pointed out earlier, that is not surprising, given that the financial market providers ought to gain business from the activity envisaged in it.

Lest it seem that these are only Liberal Democrat objections, I want to bring the House back to some of the comments that have been made by independent bodies that have scrutinised the Bill—*[Interruption.]* They include not only the Institute for Fiscal Studies, as the hon. Member for Tatton suggests, but the Treasury Sub-Committee, whose Chairman commented that the proposals in the Bill were likely to be of most benefit to better-off families. That must surely worry the Financial Secretary.

In connection with the Government's four objectives, I draw the Financial Secretary's attention to comments made by the Institute for Fiscal Studies. In its report of October 2001, it evaluated the savings gateway and the child trust fund and concluded that

> "it is not possible to state with certainty whether the Child Trust Fund or the Saving Gateway will lead to an increase, a reduction or no change in the rates of saving among the target groups."

The Minister should take the IFS's representations seriously, because I can think of no more independent and credible body that has made representations to the Government on the Bill. Its criticisms have covered a

[Mr. Laws]

wide variety of areas. For example, it also questions whether the educational aspects of the Bill are best delivered through the child trust fund or could be better delivered through improved financial education.

In its paper to the Treasury Sub-Committee in November 2003, the IFS summed up its position by saying that the policy has not been satisfactorily justified, and went on to say:

"it is quite possible that the immediate beneficiaries of the Child Trust Fund will be richer families who can substitute the endowment payment for saving that they would have done for their children, and so increase their current consumption. Families who would not have saved for their children, many of whom will be poorer families, will have to wait eighteen years to benefit from their Child Trust Fund."

That takes me to my final point. Several hon. Members remarked on how valuable the policy will be in dealing with child poverty, which was one of the reasons that the Prime Minister cited in launching it a couple of years ago. However, they have all entirely missed the fact that it will not deal with child poverty at all, because the assets will not be available until the age of 18. That is presumably why the IFS, in its "green Budget" of 2002, concluded its assessment of asset-based welfare by saying:

"Equally, it is not clear that children from low-income families will be better supported by being provided with an asset that grows through their childhood, rather than by targeted increases in financial support to their families or by targeted education spending. Prior to considering design issues, it would have been useful to have had a stage of the consultation process that invited comments on whether the new policy direction that is asset-based welfare is a good one to take."

Perhaps the most important reason why Liberal Democrat Members will vote against the Bill is that we question not only whether it will deliver on its objectives, but whether this is the best use of a very large amount of Government money, starting at £250 million per year and probably going up to £350 million or £400 million per year. If the Government are really concerned about child poverty, as the Prime Minister suggested when he launched the policy, the money should be focused on the early years, where the roots of inequality in our society are based.

Mr. Dawson: Is not the hon. Gentleman overlooking the generational nature of poverty, whereby one poor generation begets another; and is not this policy entirely complementary to the work that the Government are doing on Sure Start, and in many other respects, to help people out of poverty at a crucial stage of their lives?

Mr. Laws: It is of far less importance than the other good work that the Government are doing in trying to tackle inequalities of opportunity and child poverty, particularly in the early years. At a time when so many of the population, including many children living in poverty, do not have access to services such as Sure Start, the Government's first priority should be to extend the provision of those services, not to launch a Bill whose policy is supposed to be evidence based, but where evidence that the policy will work is in such short supply.

6.40 pm

Mr. Weir: The Scottish National party supports the Bill. Perhaps some of the claims for it have been overplayed, but it is none the less an interesting idea and an interesting way forward, and we have supported it throughout its various stages.

However, there are still some concerns about the Bill, and I share some of the concerns of the hon. Member for Yeovil (Mr. Laws), although not his opposition to it. I raised on Second Reading, in Committee and again today the whole question of access for lower-income families. We have seen movement on many areas from the Financial Secretary—or potential movement, as we have yet to see the outcome, which will be interesting over the next year or so. We even saw perhaps a slight indication of movement on the question of deposit-based accounts, but the absence of those will be a serious drawback for low-income families.

We live in a society in which hundreds of thousands of low-income families do not even have a bank account. Those people are to be encouraged to make their first financial investment an equity-based one, which many will not understand. As the Financial Secretary said in Committee, if my understanding is correct, most of the selling will be direct, and little will be done through face-to-face interviews. I fear that many people will end up with an investment that they do not understand, and in which they will be unable to invest in future years.

As to whether the scheme is a success, the real question, as the Treasury Sub-Committee said, and as was generally accepted on Second Reading, is whether parents will invest in these funds in the future. The absence of a building society account option will mean that many low-income families will not be able to invest, and it will fail on that level.

Secondly, the scheme may fail in relation to the minimum investment being set at £10. We discussed in Committee setting the minimum at anything between £5 and £20. For someone with two or three children, living on a low income, £10 will be an impossible target to meet on a regular monthly basis. As a result, in many cases the £250 initial investment will be all that is invested. That, too, will be judged a failure of the policy.

As I said, the policy merits support, and we will support it tonight, but I ask the Minister to review it as it goes forward. We must look at how lower-income families deal with it. If we find that there is no addition to the initial investment, and that many low-income families are not able to top it up as we would desire them to do, we will need to look again at the policy. We will need to consider again whether alternative investments, which they understand, with which they are happy, and which provide them with access to saving and to the whole banking and insurance business, would be better for those families. Although we have reservations, we support the Bill, and we look forward to seeing how the scheme works out in the future.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 415, Noes 45.

Division No. 43] **[6:43 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Ainsworth, Peter *(E Surrey)*
Alexander, Douglas
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Atkinson, David *(Bour'mth E)*
Austin, John
Bailey, Adrian
Baird, Vera
Baldry, Tony
Barker, Gregory
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Beggs, Roy *(E Antrim)*
Bell, Sir Stuart
Bellingham, Henry
Bennett, Andrew
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Borrow, David
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Bradley, rh Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brazier, Julian
Brennan, Kevin
Brown, rh Gordon *(Dunfermline E)*
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Browning, Mrs Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, Andy
Burns, Simon
Burnside, David
Burt, Alistair
Byers, rh Stephen
Cameron, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chapman, Sir Sydney *(Chipping Barnet)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Kenneth *(Rushcliffe)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clelland, David
Clifton-Brown, Geoffrey
Cohen, Harry
Colman, Tony
Conway, Derek
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, Jean
Cox, Tom *(Tooting)*
Cranston, Ross
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davidson, Ian
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Quentin *(Grantham & Stamford)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dorrell, rh Stephen
Dowd, Jim *(Lewisham W)*
Duncan, Peter *(Galloway)*
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Etherington, Bill
Evans, Nigel
Ewing, Annabelle
Fabricant, Michael
Farrelly, Paul
Fisher, Mark
Fitzsimons, Mrs Lorna
Flint, Caroline
Flook, Adrian
Flynn, Paul *(Newport W)*
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gillan, Mrs Cheryl
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Greenway, John
Grieve, Dominic
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Hammond, Philip
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Hawkins, Nick
Healey, John
Heathcoat-Amory, rh David
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hinchliffe, David
Hoban, Mark *(Fareham)*
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howarth, Gerald *(Aldershot)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hunter, Andrew
Iddon, Dr. Brian
Illsley, Eric
Ingram, rh Adam
Irranca-Davies, Huw
Jack, rh Michael
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jackson, Robert *(Wantage)*
Jamieson, David
Jenkin, Bernard
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Key, Robert *(Salisbury)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, rh Greg *(E Yorkshire)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lait, Mrs Jacqui
Lammy, David
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Dr. Julian *(New Forest E)*
Liddell, rh Mrs Helen
Liddell-Grainger, Ian
Lidington, David
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Loughton, Tim
Love, Andrew
Lucas, Ian *(Wrexham)*
Luff, Peter *(M-Worcs)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCartney, rh Ian
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIntosh, Miss Anne
McIsaac, Shona
Mackay, rh Andrew
McKechin, Ann
McKenna, Rosemary
McLoughlin, Patrick
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahmood, Khalid
Mahon, Mrs Alice
Mallaber, Judy
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Glasgow Shettleston)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Mawhinney, rh Sir Brian
Meacher, rh Michael
Meale, Alan *(Mansfield)*
Merron, Gillian
Michael, rh Alun
Milburn, rh Alan
Miliband, David
Miller, Andrew
Mitchell, Andrew *(Sutton Coldfield)*
Moffatt, Laura
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Mountford, Kali

Mudie, George
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Norman, Archie
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Osborne, George *(Tatton)*
Ottaway, Richard
Owen, Albert
Page, Richard
Palmer, Dr. Nick
Paterson, Owen
Pearson, Ian
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Price, Adam *(E Carmarthen & Dinefwr)*
Prosser, Gwyn
Purchase, Ken
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Redwood, rh John
Reed, Andy *(Loughborough)*
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Rosindell, Andrew
Ross, Ernie *(Dundee W)*
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Ruffley, David
Ryan, Joan *(Enfield N)*
Salmond, Alex
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Selous, Andrew
Shaw, Jonathan
Sheerman, Barry
Shephard, rh Mrs Gillian
Sheridan, Jim
Short, rh Clare
Simmonds, Mark
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smyth, Rev. Martin *(Belfast S)*
Soames, Nicholas
Soley, Clive
Southworth, Helen
Spink, Bob *(Castle Point)*
Squire, Rachel
Stanley, rh Sir John
Starkey, Dr. Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Swayne, Desmond
Swire, Hugo *(E Devon)*
Tami, Mark *(Alyn)*
Tapsell, Sir Peter
Taylor, David *(NW Leics)*
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Thomas, Simon *(Ceredigion)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Tredinnick, David
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Tynan, Bill *(Hamilton S)*
Tyrie, Andrew
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Walter, Robert
Ward, Claire
Wareing, Robert N.
Waterson, Nigel
Watkinson, Angela
Watson, Tom *(W Bromwich E)*
Watts, David
Weir, Michael
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Wiggin, Bill
Williams, Hywel *(Caernarfon)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wishart, Pete
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek
Young, rh Sir George

Tellers for the Ayes:
Vernon Coaker and Jim Fitzpatrick

NOES

Allan, Richard
Baker, Norman
Barrett, John
Beith, rh A. J.
Brake, Tom *(Carshalton)*
Breed, Colin
Brooke, Mrs Annette L.
Bruce, Malcolm
Burstow, Paul
Cable, Dr. Vincent
Calton, Mrs Patsy
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Chidgey, David
Cotter, Brian
Davey, Edward *(Kingston)*
Doughty, Sue
Foster, Don *(Bath)*
George, Andrew *(St. Ives)*
Gidley, Sandra
Green, Matthew *(Ludlow)*
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Holmes, Paul
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kirkwood, Sir Archy
Lamb, Norman
Laws, David *(Yeovil)*
Oaten, Mark *(Winchester)*
Öpik, Lembit
Pugh, Dr. John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Stunell, Andrew
Taylor, Matthew *(Truro)*
Teather, Sarah
Thurso, John
Tonge, Dr. Jenny
Tyler, Paul *(N Cornwall)*
Webb, Steve *(Northavon)*
Williams, Roger *(Brecon)*

Tellers for the Noes:
Richard Younger-Ross and Mr. David Heath

Question accordingly agreed to.

Bill read the Third time, and passed.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9)(European Standing Committees).

Common Agricultural Policy (Reform)

That this House takes note of European Union Document No. 12965/03, Commission Communication 'Accomplishing a sustainable agricultural model for Europe through the reformed Common Agricultural Policy-the tobacco, olive oil, cotton and sugar sectors'; and supports the Government's objective of securing reform of these subsidy regimes, in line with the reforms agreed in June this year for other sectors, which will pave the way for a more sustainable, market oriented and less trade distorting system of agriculture in the European Union.—*[Mr. Heppell.]*

Question agreed to.

School Transport

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Heppell.]*

7 pm

Matthew Taylor (Truro and St. Austell) (LD): Last week the House witnessed a fierce debate about student top-up fees. But while it is still the case that a minority of people go to university, everyone goes to school; and while tuition fees are a serious issue, school transport fees are an issue that is even more relevant to millions of pupils and parents across the country.

As the Minister will know, there have been striking developments in school transport patterns over the last 20 years. The proportion of children travelling to school by car has doubled, bus and train use has remained steady, and the proportion of children walking or cycling has decreased sharply.

That is contrary to what the Government would like, and it clearly poses serious problems and challenges. There is the problem of congestion, as more children travel by car. There is the problem of pollution, for the same reason. As traffic speed and congestion increase, there are more fears about safety even for those who live less than three miles from their schools. In fact, as more children travel by car, more children—and their parents—feel vulnerable if the children are still walking or cycling, so even more go by car. Thus the situation gets worse and worse, and with fewer cycling or walking, health gets worse too. The only success story, in terms of policy, is free school buses.

I should stress that I welcome many of the initiatives recently outlined by the Government in the travelling to school action plan. They include promoting road safety skills for pedestrians and cyclists, establishing safer walking and cycle networks, and providing secure cycle parking and locking and bus bays. Such measures to promote sustainable travel are obviously welcome. However, I applied for this debate in response to a proposal referred to in the Government's action plan, and described in the Queen's Speech, to

"enable some local authorities to pilot new arrangements for school transport to reduce road congestion".

What may sound a rather welcome statement is in fact intended to empower local authorities to charge for school transport, which at present is provided free of charge.

First, there is a point of principle. As the Minister is no doubt well aware, the law currently requires local education authorities to provide free travel for children living more than three miles from their schools, or two miles in the case of those under the age of eight. That is the maximum distance that it is felt reasonable to expect children to walk. The draft transport Bill to be presented to the House next month would free certain LEAs from that statutory obligation.

The Secretary of State for Education and Skills has insisted that the proposals are being pursued on a non-partisan basis and are at an early consultative stage. I want to express my worries now as part of that consultation. I believe that the statutory entitlement to free transport is part of the principle of free education. More than three miles is clearly too far to walk to school, and without a free bus the only option is paid transport. Effectively, education for some children, especially in rural areas, will come with a compulsory price tag: the cost of getting to school.

As the Minister probably also knows, there has already been a sharp reaction to the proposals. In Cornwall, head teachers, school governors and parents have all expressed serious concern about any plan to introduce charges, and I want to add my voice to theirs. Last month, my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) questioned the Under-Secretary of State for Transport, the hon. Member for Plymouth, Devonport (Mr. Jamieson), on the issue. The Under-Secretary of State replied:

"There is no intention to introduce a widespread withdrawal of the free transport system."—[*Official Report*, 6 January 2004; Vol. 416, c. 143.]

I am not sure what "widespread" means in this context. The launching of a trial suggests that the Government expect the withdrawal to be widespread in the future, if they judge the trial a success.

The Government also claim that all money raised through charges would have to be reinvested in better transport provision, but I oppose the principle of charging for school transport. Making parents pay is not a good transport or education policy. Moreover, there is no guarantee that new income raised through charges will not just provide an excuse for a future Government to cut funding for education to local councils, and in particular the funding that councils currently receive to meet transport costs. That is what happened to universities after the introduction of tuition fees in 1997, and the truth is that no Minister can bind their successors.

Once the principle of free transport to school is lost, the principle that every child should be entitled to a free education is also lost. Free education includes the right to get to school in the first place. Transport is free on foot or by bicycle when pupils live close enough to school, and it should be free by bus when the distance is too great.

Given that, at least in theory, the formulae provide local education authorities with the money to provide free transport, it is clear that where local authorities are allowed to charge for transport, it will be more and more difficult to make the case at local government grant settlement time that they need the money if they have the alternative of charging for it, and it will be even more difficult if they already charge for it.

More than the principle of free education is at risk, and there are clear practical reasons to oppose charging. As a Cornwall Member, I have particular concerns about the proposals. Families in rural constituencies such as mine will be hit especially hard because home-to-school distances are often greater than in urban areas. The nearest village schools are often full, so children are sometimes required to travel even further than normal to get to their allocated school. Across the county as a whole, more than 10,000 children are entitled to free transport because they live more than three miles away from their local school. Some 99 per cent. of eligible pupils take up free transport—the policy is a success, it works and it clearly provides children with a transport solution that they need and that their parents welcome.

In other words, while walking or cycling to school decline and roads become ever more congested, free school buses are the one real success story of the

[Matthew Taylor]

Government's transport policy. School buses are well used, well liked and clearly necessary. The Government's stated aims in the travelling to school action plan are to reduce car usage, increase bus patronage and reduce congestion. I fail to see how the introduction of charges for a service that has been provided for free until now and has a 99 per cent. take-up in Cornwall can be the best way to fulfil those objectives.

The simple fact is that free school buses are already extremely effective in reducing congestion. In my constituency, as elsewhere in Cornwall and indeed across the UK, the uptake of free school buses, where they are provided, is nearly 100 per cent. If only for psychological reasons, charges will deter parents from using the bus and will put children back in the car. Given the proven popularity and effectiveness of free school buses, surely we should be extending provision, not cutting it back.

It is unreasonable to expect a child to walk a six-mile round trip to school every day, even in ideal conditions. To expect them to do so along unlit rural roads with no pavements is patently wrong and dangerous. Parents object over and over again and call for free school buses within the three-mile zone. The real issue—I accept that there is a debate to be had about how buses should be funded—is not whether parents should pay if they live more than three miles away from their child's school. If the Government are serious about cutting congestion and increasing safety, why is school transport policy centred around a three-mile limit that was set in legislation dating back to world war two? The policy has become increasingly unrealistic, unsafe and inappropriate for children living in rural areas given the reality of fast cars, no pavements and increasing parental concerns.

Even children entitled to free school meals do not qualify for free transport if they live within three miles of their schools. Given that 99 per cent. of those living more than three miles from school use their free bus entitlement, the current congestion is clearly caused by families travelling less than three miles, and we should encourage those children to take the bus.

The Minister may argue that charges could provide funds for greater school bus provision, so most would pay and more buses would be laid on. However, charging families who live outside the three-mile limit in order to provide more charged buses within it seems perverse in the extreme. The Government do not want to charge only wealthy families. They defend that position by arguing that it is okay to charge because those entitled to free school meals will still be entitled to free school bus trips, but that covers only families on household incomes below £13,200. Even in Cornwall, that is a very low household income. Indeed, it is almost 50 per cent. lower that the average household income. The great majority of hard-working families, even those with incomes well below average, will be expected to pay.

Of course, the quality of transport is fundamentally important to parents. Are the buses of a high standard? Are they clearly identifiable and recognisable? Is the bus manned by a regular driver who knows the route? Are the pick-ups and drop-offs close to home and school? I am not saying that there is no room for improvements, and I understand the Government's financial concerns in terms of how to make them, but those improvements should not be at the cost of the free service currently provided, which is overwhelmingly popular and clearly successful in meeting the Government's own objectives.

If we are to get serious about increasing bus usage, reducing congestion and improving safety and security for children, arguably, we should look at what is happening in the US, for example, and build on the model of the yellow buses. Fifty per cent. of children in the US go to school by bus, compared with just 20 per cent. in the UK. However, that statistic is linked to the fact that every child in the US has the right to a free school bus place. That is the primary reason why they use it. As a result, school run congestion is relatively rare in the US.

The US has other lessons for us, as well. Yellow buses are not available to the general public, which reassures parents that their children are safe. Drivers are usually allocated to specific routes, so they get to know the schools, parents and children. Again, that reassures parents. The colour and identity of the buses increases awareness among parents, and therefore increases usage, and pick-ups and drop-offs are close to schools and homes.

I know that the Government have piloted such schemes. That is welcome, but charging for what is usually a free service is a step in the wrong direction; it is not the route that the US goes down. We have a system that is broadly popular with families, reduces congestion and improves safety and security. Let us build on it, not dismantle it. If there are cost issues, perhaps we should look at the cost of school run congestion, and consider whether the advantage to the economy of getting children out of the family car and on to the bus would be sufficient to make it sensible to consider extending, rather than reducing, provision, at least to those who are in receipt of free school meals. That is the exact opposite of the Government's position, which is to charge more children. Perhaps we should charge fewer children within the three-mile zone. Six miles is a very long round-trip on a dark, cold and wet night, on a fast rural road with no pavement.

Let me finish by quoting the response of the National Association of Head Teachers to the Government's draft proposals. It said:

> "It will lead not only to a rural revolt by parents who are going to be worse affected, but there will be parents all around the country who will be asking themselves whether this seriously undermines free education."

The NAHT is right on both counts. I represent just such a rural constituency, in which a very significant number of families will be badly affected if these proposals go through. It is my belief that they threaten the principle of free education. For people living outside the three-mile zone, there is no viable alternative to the free school bus. We cannot possibly expect children to walk or even cycle such distances. That means paid provision.

Most of all, the proposals run counter to the Government's primary policy objective, on which we are agreed. How do we reduce congestion, and get more children travelling safely to school, and, therefore, on to the buses? Charging will not help us to do that. For

10,000 families in Cornwall—a low-income area—on below average earnings, it will impose a further burden. Parents who live just within the three-mile boundary have applied pressure to get a free school pass. Such people are on very low incomes and struggle to pay the bus fares, which are not insignificant. It will be a real blow to those families if they are asked to make these payments.

7.14 pm

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Ivan Lewis): I congratulate the hon. Member for Truro and St. Austell (Matthew Taylor) on securing the Adjournment debate. I know that he has a genuine interest in many aspects of this important issue, as do other hon. Members—although not many are present this evening. I hope that we can have a constructive debate over the next few months about the matter. We need a cross-party debate that involves local communities and the Church, which also has an interest.

My desire for a consensual approach is genuine, but I have to tell the hon. Gentleman that it is a common characteristic of Liberal Democrat Members to share an analysis of a problem that genuinely faces the country, but never want to rule out any option that might challenge citizens' contributions to resolving the problem. Liberal Democrat representatives have to answer the question: if we agree that we need to expand, invest in and improve home-to-school transport, how will the expansion be paid for in the long term? Will it be another item that comes from raising the 40 per cent. tax rate up to 50 per cent., for example? That is not a churlish comment, but a genuine one. We will have to find a way of identifying the resources to improve access to transport—not only for children and young people in rural communities, but in all communities.

It is also important to say that, in the context of the proposed legislation, a local education authority would have to consult the local community and volunteer to run a pilot. The proposal would then have to be approved by the Secretary of State before the pilot would be considered acceptable as a means of testing the innovation, experimentation and new ideas. If it is true that the hon. Gentleman's local authority and community do not feel that it is worth testing those ideas in a pilot or trying to solve some complex long-running problems, there would be no compulsion to participate in the process. That is an important point.

We should not be scaremongering either local education authorities or, more importantly, local parents by saying that a compulsory obligation will soon be imposed on them to participate in a pilot against their wishes, leading to various problems. The only way that a local education authority could end up participating would be if it were initially to volunteer because the local community supported it, and if the Secretary of State were to approve the application to be one of the pilot areas.

Matthew Taylor: I accept the Minister's point about the pilot areas and I believe it extremely unlikely that Cornwall county council would volunteer to start charging parents in a pilot scheme, but the Minister must accept that the principle is to remove the entitlement and if the Government view the initial pilots as successful, they could become more general. That brings into question the principle that local authorities are automatically funded on the basis of the free school provision. That may not be the Government's view now, but they could be opening the gate to a future Government who might adopt precisely that position. It could be the start—or the thin end of the wedge—of eroding a guaranteed free school bus place for every child.

Mr. Lewis: The hon. Gentleman says that it is unlikely that his local communities, local education authority or constituents would volunteer for the experiment to introduce charging, as he puts it. However, they may seek to volunteer to test out innovative ways of tackling some of their fundamental problems in respect of travel between school and home. People are mature enough and communities are able enough to make rounded judgments about what is in the best interest of a particular community to solve some long-running problems. Any decision about the lessons learned from pilots or testing new ideas will clearly have to demonstrate that a particular course of action is, in the round, in the best interests of local communities—all local communities that face problems of access and isolation. It is unfair and unreasonable scaremongering to suggest that the proposals are the thin end of the wedge. That takes no account of our capacity to adopt a consensual approach to tackling a problem that is very real for many communities in this country.

It would be irresponsible of the Government to turn their back on the problem and not to try to resolve it. Our proposals would free up local authorities, and allow them to experiment and innovate. They would have to consult their local communities before they went down that road—I hope that the hon. Member for Truro and St. Austell will excuse the pun.

The problems that need to be resolved cross the political divide. There will be a process of pre-legislative scrutiny before legislation comes before the House. That is important and will allow hon. Members and others to express and articulate their views in a powerful way. It must be more sensible to approach the matter with an open mind and a blank sheet of paper, as that will allow everyone to make a genuine contribution to the debate. Such an approach means that nothing is ruled either in or out when we consider how to remove many of the barriers faced by children and young people who need to travel to schools, further education institutions and other education providers.

Politicians have to make decisions, often on questions that frequently offer no easy answers or choices. The hon. Member for Truro and St. Austell will not appreciate my using the example of the council in Luton, which is controlled by the Liberal Democrats and the Conservatives. It is proposing to cut school transport resources and school crossing patrols. My hon. Friend the Member for Luton, South (Margaret Moran) is leading a campaign in her community to stop the council's plan. As I said, politicians have to face up to difficult choices. I suspect that the question of home-to-school transport has been avoided for many years because it is too controversial, difficult or sensitive. Politicians have walked away, leaving people facing the

[Mr. Lewis]

same difficulties that they have faced for a long time, and which have affected young people's access to education, the local environment and the quality of life of local families and parents.

I am proud that the Government are willing to tackle this issue. We do not rule out any option, or rule any option in—we want to facilitate and enable solutions at local level. Central Government are often prey to the criticism that they seek to dictate policy in the search for one-size-fits-all solutions. Another accusation is that central Government change policy in ways that are too dramatic and hasty to take people with them.

On school transport, enabling legislation will be produced, after a pre-legislative scrutiny process, that will give local education authorities the freedom and flexibility to face up to what in many areas is a chronic problem. They will have the opportunity to step up to the mark and take responsibility for tackling the problem, and the freedom to innovate and test out new ideas as they do so. We want local authorities to achieve a step change in their response to a problem that has resisted progress for many years.

It must be right for central Government to create an environment in which local education authorities are freed from some of the constraints that prevent them from being innovative in their response to the problem. Our proposals will give them the power and the freedom to test the innovations and original ideas that they come up with.

Matthew Taylor: It was clever of the Minister to work in Luton, but people living there may not understand how their Member of Parliament can defend free transport at the same time as the Minister is arguing to remove the statutory protection for entitlement to free transport for persons resident more than 3 miles away. In Cornwall, 10,000 persons who live more than 3 miles from a school rely on free transport, but 60,000 others live closer. If they were offered a discount at the expense of people living farther away losing their free entitlement, they might vote for that change. But would it make sense to help with a bus ride those who live close enough to their schools to walk or cycle, at the expense of free transport for those who do not? The majority could take a decision that was not right for people who depend on free transport because the only way of getting their children to school is by bus.

Mr. Lewis: The hon. Gentleman is one of the architects of his party's strategy—and central to it is the concept of localism, devolution and empowering local communities to make the right decisions for themselves. That is exactly what the Government are doing with this policy. The hon. Gentleman appears to be afraid of local communities and LEAs reaching conclusions on what is in the best interests, in the round, of the young people and families in his constituency.

The Luton analogy was not fair, because there the proposal is seriously to cut home-to-school transport provision. Government policy is about freeing up local education authorities to enable them significantly to improve and expand the ways in which children and young people can have access to education and to increase capacity. I feel passionately about encouraging many more children and young people to stay on in education post-16, so that they may see the benefits and progress into further or higher education or a skilled job. It is particularly important for older young people to have access to institutions of their choice, to motivate them in staying on in education or training. An important part of that is a sensible approach to transport policy, which is fundamental to increasing aspirations and levels of attainment—particularly in low-aspiration communities, where the belief can permeate that, on reaching 16, one drops out of education and training.

Whether it be education maintenance allowances or revamping modern apprenticeships, the Government are doing much to boost post-16 participation, but there is still the problem in many families and neighbourhoods of low aspiration. If we permit significant barriers to be put in the way of children and young people in making the choice to progress and develop, we will damage the long-term social fabric and economy of communities such as that which the hon. Gentleman represents.

I ask the hon. Member for Truro and St. Austell to participate in this debate in a fair-minded and objective way. My right hon. Friend the Secretary of State has made it absolutely clear that we want to work on policy in a consensual way. We seek consensus on a difficult and challenging issue facing the whole country, which is most acute in particular areas. I ask the hon. Gentleman to resist the temptation to play party politics. I can see that scaremongering to his constituents about the thin end of the wedge and the end of free education is attractive and seductive politically, but in an era in which politicians have a problem with being trusted, it should be remembered that the public know some issues are difficult and that there must be an honest dialogue about how to resolve them.

The checks, balances and stages we propose will ensure that we shall genuinely, not superficially, engage, involve and consult local communities and give them the power to decide whether they want to be part of our policy initially. Then we must learn from best practice locally in resolving some of the issues that continue to present problems in respect of access by children and young people to education and their local environment.

Question put and agreed to.

Adjourned accordingly at half-past Seven o'clock.

House of Commons

Wednesday 4 February 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES BILL [*Lords*]. (*By Order*)

Order read for resuming adjourned debate on Question,

That the promoters of the London Local Authorities Bill [Lords] may, notwithstanding anything in the Standing Orders or practice of this House, proceed with the Bill in the present Session; and the Petition for the Bill shall be deemed to have been deposited and all Standing Orders applicable to it shall be deemed to have been complied with;

That, if the Bill is brought from the Lords in the present Session, a declaration signed by the agent shall be deposited in the Private Bill Office, stating that the Bill is the same in every respect as the Bill brought from the Lords in the last Session;

That the Clerk in the Private Bill Office shall lay upon the Table of the House a certificate, that such a declaration has been deposited;

That in the present session the Bill shall be deemed to have passed through every stage through which it passed in the last Session, and shall be recorded in the Journal of the House as having passed those stages;

That no further fees shall be charged to such stages.—*[The Chairman of Ways and Means.]*

Question again proposed,

Hon. Members: Object.

Debate to be resumed on Wednesday 11 February.

Oral Answers to Questions

DEPUTY PRIME MINISTER

The Deputy Prime Minister was asked—

Local Government Finance (Elderly People)

1. **Mr. Andrew Turner** (Isle of Wight) (Con): If he will make a statement on the formula funding settlement component for elderly people. [152479]

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): A new formula for older people's social services was introduced this year, 2003–04, following research and wide discussions with interested parties. The new combined older people's formula is a better reflection of the way in which social services are delivered to the elderly.

Mr. Turner: I thank the Minister for that answer. His formula provides Isle of Wight council with £82 a head for old folks' deprivation and Hackney with £568 a head. Before he top-sliced the funding, the objective calculation for those councils, on the new formula to which he referred, was £544 and £1,031 respectively. Why has top-slicing cost old people in Hackney 45 per cent. of their entitlement but those on the Isle of Wight 85 per cent.?

Phil Hope: One criticism from authorities such as Isle of Wight council about the previous residential formula for older people was that it did not take account of the number of people that the authority was supporting in care homes. The new combined formula uses a new population measure calculated to include the number of over-65s resident in households plus the number of residents supported by the local authority. The new formula also includes a series of age and deprivation indicators, such as the numbers of elderly receiving income support or attendance allowance, the number of pensioners in rented accommodation and the number of elderly people with limiting long-term illnesses. That is a very different way of providing resources for local councils such as Isle of Wight, and it drives up council services. I might add that Isle of Wight has received a 7 per cent. increase in next year's grant.

Mr. Tom Harris (Glasgow, Cathcart) (Lab): Can my hon. Friend tell the House whether any of the formula funding settlement is used to pay for safety features such as sprinklers or smoke detectors in care homes? After the terrible events in Uddingston at the weekend, will his Department propose new measures to improve safety in care homes?

Phil Hope: I thank my hon. Friend for his question. First, may I say that our thoughts are with the families and friends affected by the terrible tragedy at Rosepark nursing home? I have spoken to my right hon. Friend the Member for Hamilton, North and Bellshill (Dr. Reid), who visited the home recently, and to the First Minister of the Scottish Parliament, and I made a written statement on the fire this morning. It is too early to speculate on its cause or on whether a sprinkler system would have prevented any loss of life. However, we will study closely the findings of the investigation now under way, and consider the implications for England and Wales.

I might add that we were already actively investigating the effectiveness of sprinkler systems in tackling fires in residential properties. A report of that work, which is being undertaken by the Building Research Establishment, will be published later this month. Sprinklers may well have a role to play in protecting homes for vulnerable groups such as children, elderly people and people with disabilities.

Balance of Funding Review

2. **Ms Meg Munn** (Sheffield, Heeley) (Lab): What progress has been made with the balance of funding review. [152480]

The Minister for Local Government, Regional Governance and Fire (Mr. Nick Raynsford): The balance of funding review is making good progress, and is now looking at a number of proposals, suggested in the

public consultation, for reforming current local authority funding arrangements. The review will report in summer 2004.

Ms Munn: I thank my right hon. Friend for his answer. I understand that one option being considered is local income tax, which is particularly favoured by the Liberal Democrats. I urge him to ensure that the administrative difficulties of such an arrangement are fully explored, including what it would entail and its likely cost. I am sure that he would not want to repeat any of the problems of the poll tax.

Mr. Raynsford: I can confirm to my hon. Friend that we are considering a range of options proposed during the consultation, including the suggestion of a local income tax. However, although we are ready to look at options that will take greater account of people's income, unlike the Liberal Democrat party, we are not seduced by back-of-the-envelope calculations and unrealistic assumptions about administrative costs. The Lib Dem proposals for a local income tax would not only create huge administrative complexities and costs but open serious loopholes, enabling large numbers of people, including some of the wealthiest in the country, to evade any contribution to the cost of local services. That is not a sensible way forward.

Mr. David Curry (Skipton and Ripon) (Con): It is nice to see that the Minister had prepared such a good impromptu response to that question. Does the review include an examination of capping powers? Does he intend to cap every council and preceptor, with the exception of combined fire authorities, that seeks an increase in council tax revenue of more than 5 per cent?

Mr. Raynsford: The right hon. Gentleman will know that the balance of funding review is looking at the long-term issues relating to the balance of funding between central and local government sources. The specific issue of capping is topical, for obvious reasons. The Government have made it clear that we expect all authorities, including fire and police authorities, to budget prudently. We have also made it clear that we expect local authorities to look for council tax increases in low single figures, and I have already written to some 54 authorities that have indicated that they were considering unreasonably large increases. We take our responsibilities seriously, and we are determined to ensure that the levels of council tax are brought down so that people are not confronted with unreasonably high tax demands.

Mr. Curry: That is an interesting choice of words. The Minister is now talking about budgeting prudently. A few weeks ago, he was waving a big stick at anyone who proposed an increase of more than "low single figures"—that was the expression that he used over and over again. He has sent out letters to some councils that are proposing increases of barely more than 5 per cent. and to others proposing increases in the teens. However, some councils that propose increases in the teens have not received a letter. Who is going to get all these billets-doux? Should not the Minister employ a better cuttings service, so that he can find out more about what is happening? When is he going to send a billet-doux across the river to the new Labour candidate for the mayoralty of London?

Mr. Raynsford: It is appropriate for the right hon. Gentleman to talk about getting a better cuttings service, given the Conservatives' record in power of cutting services. *[Interruption.]* That was not a rehearsed answer, either. We have written to 54 authorities about which we have had indications that they might be considering increases in excess of 5 per cent. That is not necessarily an indication of the level at which we will cap, but it is right that authorities should be aware that the Government attach great importance to achieving increases in low single figures. That is the basis on which I have written to those authorities, and if there are others considering large council tax increases to whom I have not already written, I hope that the right hon. Gentleman will help to supply that information in respect of Tory authorities—which are among those proposing the highest increases—and I will be very happy to write to them.

Andrew Bennett (Denton and Reddish) (Lab): Will my right hon. Friend consider placing in the Library the working documents for the balance of funding review? Will he also make it clear that we shall continue to have a problem with local government finance until someone can come up with a practical, buoyant and progressive system of local taxation?

Mr. Raynsford: All the working papers for the balance of funding review are already on our website, and I shall have no difficulty in meeting my hon. Friend's request for copies to be placed in the Library. As I said in response to an earlier question, we are looking at a range of options, including those that would allow greater consideration to be given to income, but I would not want him to underestimate the complexities involved in the Liberal Democrat proposal to substitute a local income tax for the current council tax. The whole field of local government finance is littered with examples of over-optimistic and ill-thought-out proposals for change that have produced perverse and unsatisfactory consequences. The Conservatives were responsible for the poll tax; the Liberal Democrats seem to be rushing into a rather similar proposal. We will look at the matter prudently and take decisions based on a sensible appraisal of realistic options.

Mr. Edward Davey (Kingston and Surbiton) (LD): I am glad that the Minister is looking at our proposals so carefully. If he wants to work with me, I would be happy to take him to those countries that have a local income tax system that is cheaply administered, fair and effective. Will he comment on a document on his Department's own website, produced by the New Policy Institute, which talks about the effects of council tax band revaluation in 2007? In particular, will he comment on the finding that council tax bills for Londoners in band C properties will increase by an average of 15 per cent. because of revaluation alone, while bills for those in band H properties will remain the

same? Does he think that that is fair? If not, why do not the Government save the £200 million cost of the revaluation and scrap this unfair tax?

Mr. Raynsford: I am glad that the hon. Gentleman has looked at the evidence on the website relating to the items discussed at our last balance of funding review. Perhaps he would like to go further and consider the detailed analysis of the New Policy Institute, which suggested various amendments to the current banding system to address exactly the problem that he has identified. It is because we are looking seriously and intelligently at problems, and seeking ways of finding effective solutions, that we will come up with sensible suggestions, rather than the half-baked proposals that the hon. Gentleman's party comes up with.

Mr. Jon Owen Jones (Cardiff, Central) (Lab/Co-op): Will my right hon. Friend reject as completely unfair and unprogressive any system of taxation that allowed millionaires to live in mansions and pay no council contributions at all, while hard-working families with modest means would pay thousands of pounds more?

Mr. Raynsford: I can give my hon. Friend a very simple answer: yes.

Council Houses

3. **Bob Russell** (Colchester) (LD): How many council houses have been built since May 1997. [152482]

The Deputy Prime Minister (Mr. John Prescott): Since 1997, 105,228 new social homes have been built. Of these, 1,343 were built by local authorities.

Over the same period, we have brought 1 million social homes up to decent standards, and over the next three years we shall be investing £2.8 billion to further improve council homes—three times what it was in 1997.

Bob Russell: Mr. Speaker, you will be aware that my question was about how many council houses have been built. That is a lamentably low figure, even by the Deputy Prime Minister's standards. Is he aware that hundreds of thousands of children are living in overcrowded accommodation, and that even the Thatcher Government managed to build 360,000 council houses in their first six years? Why cannot new Labour try to match what the Thatcher Government did?

The Deputy Prime Minister: The hon. Gentleman will be aware that the priority that we set when we came in was to do something about the houses that had gone into massive disrepair through disinvestment to the tune of £19 billion. We have given priority to improving the housing conditions of people in local authority houses, and have improved almost a million. That is quite opposite to the right-to-buy policy that dominated in the previous Administration, and we have doubled the resources going into housing.

Lynne Jones (Birmingham, Selly Oak) (Lab): It is good that the Government have increased investment in housing, but it is still only up to the 1992 level in real terms. In my constituency, only those applicants for council housing or housing association housing who are homeless or are clearance cases are receiving offers. Even those living in extremely overcrowded conditions, or with urgent medical needs, cannot get an offer. Does my right hon. Friend share my concern that unless there is a substantial increase in the number of affordable homes for rent—and council housing is the most efficient way of providing this—many areas are approaching a housing crisis not seen since the post-war era?

The Deputy Prime Minister: I agree with a great deal of what my hon. Friend says. That is why we gave priority to improving housing, particularly in her area, by providing the resources to improve the housing stock. Much of that help was associated with very difficult housing conditions. That was our priority. But I agree that we need to put more money into housing. We have done that. It is double the level that it was in 1997, and it will increase even further in the next round of public expenditure.

Mr. John Hayes (South Holland and The Deepings) (Con): Further to the hon. Lady's question, the Deputy Prime Minister will know that in 2002–03 the number of social houses built by registered social landlords and local authorities was 19,174, the lowest annual total for more than 10 years. The Government are building fewer houses in this sector than the previous Conservative Government did. Will the right hon. Gentleman acknowledge that honestly and straightforwardly, and tell the House why?

The Deputy Prime Minister: The hon. Gentleman will be aware that we are doing that primarily because his Government refused to put the money into improving housing conditions. Over £7 billion from selling houses was being held in accounts that the previous Government would not allow local authorities to use to improve their housing stock. Our first priority was to make sure that the money secured from selling houses was used to improve the housing stocks, and that was a proper priority. It was our choice, and I am delighted to defend it.

Mr. Robert N. Wareing (Liverpool, West Derby) (Lab): Is it not about time we made our first social housing priority the building of council housing and repair of existing stock? Should we not also reverse the policy of transferring council houses from the ownership of democratically elected councils to that of unaccountable housing associations?

The Deputy Prime Minister: I recognise the difficulty caused by the £19 billion disinvestment that we inherited. We had to obtain extra resources as well as the public money that was being invested, so we offered the transfer facility. Some 790,000 homes have been transferred, producing £8 billion in additional private investment. I think that, in the circumstances, that was the right priority. As for democratic accountability, the residents had to vote for this, and they did, in large numbers.

Mobile Phone Masts

4. **Andrew Rosindell** (Romford) (Con): If he will make a statement on the siting of mobile phone network transmitters. [152483]

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Yvette Cooper): Current planning guidance on telecommunications is set out in the revised planning policy guidance note 8. The policy takes account of the conclusions of the Stewart report, as well as the need to facilitate the growth of telecommunications systems while protecting the environment.

Mr. Rosindell: Is the Minister aware that her Department recently sanctioned the installation of a mobile telephone mast directly opposite Gidea Park college in my constituency, which is inhabited by a large number of young people? Does she not think that an inappropriate site for such a mast? Will she and the Department call the matter in to ensure that it does not arise again, and will they put the safety of those pupils first?

Yvette Cooper: Obviously I cannot comment on the details of the case, but the hon. Gentleman will know that the Stewart report considered issues relating to mobile phones and health in some depth. A recent update said:

"Exposure levels from living near to mobile phone base stations are extremely low and the overall evidence indicates they are unlikely to pose a risk to health."

We have increased consultation and introduced an audit to ensure that masts operate within international guidelines. All masts that have been audited have been shown to be hundreds of times below the guideline limit. If the hon. Gentleman wants the site that he has mentioned to be audited, he should contact the Radiocommunications Agency.

Phil Sawford (Kettering) (Lab): Is my hon. Friend aware that the current records for such sites are hopelessly inadequate and inaccurate? Map references suggest that sites in the south of England are in northern France, and that equipment on Blackpool tower is in the middle of the Irish sea. Will she make every effort to ensure that the records are updated, and that new technology is used to make them as accurate as possible?

Yvette Cooper: My hon. Friend is right. Of course the information needs to be as accurate as possible. An independent audit of the work done by operating companies has found that they have not been keeping adequate information; we have raised the issue with them, and they have said that they will improve it. Meanwhile, the Radiocommunications Agency is producing a full list of all sites in the country. I will raise the issues that my hon. Friend has mentioned with the agency.

Mr. Roger Gale (North Thanet) (Con): Since the installation of radiocommunications masts on the water tower at Herne bay, there has been a cluster of cancer cases. The findings of the Stewart report will be of small comfort to those living in the area, who are genuinely concerned. Is it not time that we empowered the local authority to listen to local people and make decisions on the basis of local interests?

Yvette Cooper: Local voices do have to be heard as part of the planning process. The Stewart report, along with more recent work, has produced a serious analysis, and has said that further research is needed—for instance, a major epidemiological survey. I think it right for us to take account of the best scientific and health evidence and advice available, and act accordingly. That is what we have done by accepting the Stewart report's recommendations, and that is the approach that we must continue to take.

Allotments

5. **Mr. Ben Chapman** (Wirral, South) (Lab): If he will make a statement on allotment provision. [152484]

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): The Office of the Deputy Prime Minister actively supports the development of green spaces, including allotments, parks, city farms and playgrounds. We have introduced tighter restrictions on the disposal of allotments and distributed guidance on allotment management.

Mr. Chapman: Is my hon. Friend aware that allotment usage has been in long-term decline and that sites continue to be under threat, sometimes from developers, but often from vandals? Yet they provide a healthy leisure activity and are an excellent source of food. Should not the Government do more for allotments and the many people who use them and make greater efforts to sustain and promote them?

Phil Hope: My hon. Friend is well known for championing the cause of allotments and he is right to do so. The decline in the number of allotments between 1978 and 1996—during the years of the Conservative Government—was appalling. It dropped from 479,000 to 296,000—a cut of 62 per cent. in the Tory years. I saw at first hand in Nottingham at the launch of our sustainable communities report the benefits that allotments can bring, which my hon. Friend described. I can tell him that the Government recognise that allotments are a key element of good liveability in our local communities and will continue to be promoted as part of our wider policies on support for green spaces.

Mr. Robert Key (Salisbury) (Con): I share the Minister's enthusiasm for allotments, which are very important to the life of Salisbury and south Wiltshire villages. Will he consider representations from Durrington parish council in my constituency, which wants more allotments in the village? The Ministry of Defence is so strapped for cash that it is selling off fields, including those wanted by the parish council for allotments, in favour of building on greenfield sites.

Phil Hope: I cannot speak about the specific example that the hon. Gentleman mentioned, but as a former allotment holder myself, I can tell him that I value and recognise the benefits that allotments can bring,

particularly for pensioners and the unemployed. More women are also taking up allotment holding nowadays—and a very good thing it is, too.

Mr. Kevan Jones (North Durham) (Lab): Does my hon. Friend recognise that, in former coalmining areas such as North Durham, many allotments go unused? Will he join me in supporting some communities, such as Sacriston parish council, that want to find alternative uses such as house building on those unused allotments? Will the Minister give some consideration to alternative uses? *[Interruption.]*

Mr. Speaker: Order. There is far too much noise in the Chamber. The House must come to order.

Phil Hope: My hon. Friend makes a good point. It is the local authority's duty to provide allotments where there is a demand and it is supported by policy planning guidance note 17—a comprehensive statement on how local authorities should operate in this area when deciding whether to promote allotments or develop them for other uses. It is a matter for the local council rather than the central Government, but we have issued planning guidance to ensure that, when allotments are wanted, people can have them.

Council Tax

6. **Angela Watkinson** (Upminster) (Con): If he will make a statement on council tax increases in England. [152485]

The Deputy Prime Minister (Mr. John Prescott): We are investing an extra £3.7 billion in grants in 2004–05. In total, we have increased grants to councils by 30 per cent. in real terms since 1997. Despite that significant extra investment, some local authorities have said that they are going to impose large council tax increases. Under those circumstances, it appears inevitable that I shall have to use my capping powers this year—and I will do so.

Angela Watkinson: Last year, the London borough of Havering had the lowest grant increase in the whole of Greater London. This year, it is second only to Kensington and Chelsea. I wonder whether the Deputy Prime Minister has a particular grudge against Havering, but will he join me in congratulating the Conservative administration in Havering, which, over those same two years, has improved public services, cut waste and controlled the runaway council tax? This year it is bringing in a council tax increase of only 6.5 per cent.—the lowest increase in nine years.

The Deputy Prime Minister: The hon. Lady will be aware that the borough of Havering received a grant increase of more than 4.4 per cent. last year, while council tax rose by 14.9 per cent. That grant increase was above inflation, as it will be for every local authority this year. Every local authority must make a judgment in this matter, but we do not want there to be high council tax increases. Given that Havering has a Conservative majority, perhaps she should get together with the 17 resident councillors on that council and produce a reasonable tax increase.

Mr. James Plaskitt (Warwick and Leamington) (Lab): Warwick district council seems minded to impose a council tax increase of 20 per cent. Will my right hon. Friend give them some advice?

The Deputy Prime Minister: My best advice is that my right hon. Friend the Minister for Local Government, Regional Governance and Fire will be writing to the council. That will happen when any local authority raises council tax unreasonably. I will take that into account when I exercise my sophisticated view about implementing capping.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [152494] **Mr. Peter Viggers:** (Gosport) (Con): If he will list his official engagements for Wednesday 4th February.

The Prime Minister (Mr. Tony Blair): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

Mr. Viggers: Plans to build an accommodation centre at the Daedelus site in Lee-on-the-Solent for 400 young men who are political asylum seekers have been abandoned. Does the Prime Minister recognise that that shows that his asylum and immigration policies are unworkable?

The Prime Minister: We were asked to consult on those proposals, and we did so. The hon. Gentleman's question shows that we have listened to the consultation. People have asked us to take action on the issue of asylum, and we have done so, having just about halved the number of asylum applications from the level that existed some time ago. However, I hope that the hon. Gentleman would agree that there is no use in people asking us to take such action if we are not prepared to back it up with the measures necessary to make it effective.

Kali Mountford (Colne Valley) (Lab): May I tell my right hon. Friend about the experience of a constituent of mine? She was a victim of domestic violence, but when the offender was released early, she found that the present system offered little or no support. Does he agree that it is very important that the Domestic Violence, Crime and Victims Bill currently going through the other place should provide that the system gives proper and full support when prisoners are released early, and that their victims should expect to be safe? I also want to state that I am grateful to the Under-Secretary of State for the Home Department, my hon. Friend the Member for Wythenshawe and Sale, East

(Mr. Goggins), who has listened carefully to my constituent's case. I hope that that will inform the progress of the Bill.

The Prime Minister: My hon. Friend makes an important point. We know that a large proportion of violent crime is now, effectively, domestic violence. That is why we have decided to legislate on the matter. As my hon. Friend says, that legislation is long overdue. I only hope that it manages to pass through the House with the support of all parties.

Mr. Michael Howard (Folkestone and Hythe) (Con): On 1 May, 10 countries—including Hungary, Slovakia, Poland and the Czech Republic—will join the EU. We welcome that. However, Britain, unlike almost every other EU country, has imposed no transitional controls on the free movement of citizens from the accession countries of eastern Europe. Will the Prime Minister explain why?

The Prime Minister: The right hon. and learned Gentleman raises a justified point. It is important that we recognise that there is a risk that people from the accession countries will come into the country. It is precisely for that reason that we are looking at the concessions that we gave. If closing off those concessions means that we can deal with the problem, we will do so.

Mr. Howard: Almost all the other EU Governments have imposed the controls already. All this Government have done is to screen advertisements on Slovak television, asking people not to come to Britain. Is not the imposition of controls likely to be rather more effective than an advertising campaign?

The Prime Minister: May I point out that the legislation on this matter that passed through the House was supported by the Opposition, as well as by Labour Members? However, I cannot say fairer than that the right hon. and learned Gentleman raised a matter that the Government are looking into already. We will take whatever measures are necessary to make sure that the pull factor that might draw people here is closed off.

Mr. Howard: But the treaty that was incorporated in the legislation that we supported gave member states, including the UK, the right to impose the controls. If other countries have controls and we do not, will not people from the accession countries be much more likely to come to Britain? Germany, France, Italy, Austria, Belgium, Finland and most other EU countries have imposed controls already. Why have the British Government not done so?

The Prime Minister: It is precisely for that reason that we are examining doing that now. The reason why doing it in the right way is important is that if we decide to withdraw that concession, it has to be done in a way that will be fully effective. In addition, we have to look frankly at whether people's eligibility for benefits in this country is too generous under the existing regime. That is why we are looking at both issues. The right hon. and learned Gentleman is raising points on which the Government are already acting.

Mr. Tom Harris (Glasgow, Cathcart) (Lab): The Prime Minister will be aware that a number of drug dealers are using the recent reclassification of cannabis as an opportunity to open cannabis cafés in various parts of the country. I understand that one is planned for Glasgow, but does my right hon. Friend agree that what Glasgow needs is more jobs, not more drugs, and will he commit the Government to using all their resources to ensure that those cannabis cafés do not proliferate?

The Prime Minister: Yes, which is why we have taken action against such cafés. It is important that we continue to do so. I point out once again that the possession of cannabis remains a criminal offence. The purpose of what we have done recently, however, is to ensure that the police, where they need to do so, can target their main resources and activity on dealing with hard drugs. It is important to deal with all those things.

Mr. Charles Kennedy (Ross, Skye and Inverness, West) (LD): Given the two conversations that I held with the Prime Minister the night before last and the words repeated by the Foreign Secretary in his statement yesterday, will the Prime Minister confirm that, as they pointed out, the Government are not prepared to subcontract any investigation of their political judgment over the war in Iraq, and that it would indeed be undemocratic to do so, in their view? If that is the Government's position, will the Prime Minister confirm, beyond any remaining doubt whatever, that this new inquiry is not intended to address the central political public question to which people want to get an answer?

The Prime Minister: The inquiry is certainly not going to address the issue of whether it was right to go to war or not. That is a question for the Government first, then for Parliament and then, ultimately, for the people to decide. Yes, of course, it is important that the inquiry look at the use of the intelligence and the gathering and evaluation of it—all of that can be done. What it should not do, however—one cannot put this to a committee—is decide whether we took the right decision or not. That decision ultimately has to be taken by the Government and by Parliament. Of course there will continue to be an entirely legitimate debate about whether it was right or wrong to go to war in Iraq, but that in the end has to be conducted by me and by him—not by a committee.

Mr. Kennedy: Yesterday, the Foreign Secretary said that this new inquiry will follow the precedents set by the Franks inquiry into the Falklands. May I remind the Prime Minister of the remit of the Franks inquiry? It was specifically charged to

"review the way in which the responsibilities of Government . . . were discharged . . . taking account of all such factors . . . as are relevant".

That is precisely what the Government are excluding from the remit they set the inquiry. It is not following the precedent of the Franks inquiry at all.

The Prime Minister: I do not think that is right. I shall look carefully at the terms of the Franks inquiry, but my recollection is that it was about the discharge of Government responsibilities up to the invasion of the

Falklands by the Argentine Government. That is a quite different thing from deciding whether war was justified or not, which is in the end, I am afraid, a decision that we have to take as politicians. All I can say to the right hon. Gentleman, as I have said to him on many, many occasions, is that the debate on whether the war was justified will carry on—we shall be debating the matter later today. I take one view, he takes another; that is democracy and we do not need a committee to tell us that. But what is sensible is to go into the intelligence—how it was used, gathered and evaluated—so that we can learn the lessons from that. In my view, that is a sensible inquiry, but to attempt, as I put it myself, to subcontract to some committee the issue of whether it was right or wrong to go to war is not merely wrong: ultimately it is profoundly undemocratic.

Mr. Dennis Skinner (Bolsover) (Lab): Has the Prime Minister seen the film "Groundhog Day"? In that film, they keep repeating over and over again the same series of incidents. I rather suspect that if we have this second inquiry—or is it the fourth?—there will be people on the Opposition Benches, in the rest of Britain and in the media, who will demand another inquiry and another inquiry. The truth is that only the removal of the whole Government would satisfy those tinpot Liberals. Some of us voted against the war, some people voted for it. That is a political decision. I stand by it and they will have to do the same. It will be a matter for the judgment of the British people.

Hon. Members: Answer!

The Prime Minister: I could not have put it better myself. Indeed, I did not put it better myself.

Q2. [152495] **Mr. George Osborne** (Tatton) (Con): Given what the Prime Minister says about the importance of the independence of the BBC, was it appropriate for the Prime Minister's official spokesman to say that Greg Dyke's initial statement and apology did not go far enough?

The Prime Minister: I made it clear, as have other members of the Government, that we fully respect the independence of the BBC and the freedom of the press, but it is not an interference with the freedom of the press or the BBC to say that, if an allegation is made that is totally false, it should be withdrawn.

Mr. Martin Salter (Reading, West) (Lab): Did the Prime Minister have an opportunity to read the plaudits and praise heaped upon the head of Lord Hutton prior to his inquiry by sections of the national media, many of whom described his inquiry as a model for others to follow? Does he share my surprise at how quickly their tune has changed? Does he agree that, if a week is a long time in politics, 48 hours is an eternity in Fleet street?

The Prime Minister: I agree with everything that my hon. Friend says—other than that I cannot say that I was surprised.

Mr. Michael Howard (Folkestone and Hythe) (Con): In his 2002 party conference speech, the Prime Minister announced that

"anti-social tenants . . . who make money out of abusing housing benefit, while making life hell for the community, should lose their right to it."

Can he tell us how he is getting on with that initiative?

The Prime Minister: I thank the right hon. and learned Gentleman for reminding me of my conference speech of a couple of years ago, but I can tell him that, through the Housing Bill that has gone through Parliament, it is the case both that landlords who are abusing the system can have the machinery and the administration for their receipts of benefits withdrawn and that the tenants can now be subject not just to antisocial behaviour orders in the normal way but to interim orders, too.

Mr. Howard: That was not the question that I put to the Prime Minister. Why does he not just tell us in plain English that he dropped that initiative? That was announced in a written answer on the very day of the tuition fee vote last week. He does not seem to know that it was dropped. He does not seem to know about it. It was quite a good day to bury bad news. Well, let me now ask him what is happening to his initiative to give top-performing schools earned autonomy. Can he tell us how many schools have been given that much trumpeted autonomy?

The Prime Minister: Actually, I can tell the right hon. and learned Gentleman that the specialist schools have far greater freedom. *[Interruption.]* Well, they are top-performing schools—in case the Opposition have misread the results. And the city academies have far greater freedom than any of the existing schools, and what is more, under the legislation that we pass, there will be greater freedom, in fact, for all schools in relation to the hiring of teachers, the curriculum and the way they organise their schools. So it is the case that top-performing schools are getting more autonomy.

Mr. Howard: This was a specific initiative, which was the centrepiece of the Government's Education Act 2002, and it has been dropped—along with initiatives on night courts, withdrawing child benefits when children play truant, on-the-spot cash point fines, record tokens to encourage youngsters to behave and a whole host of others. Is there not a clear pattern: a gimmick dreamed up, a headline grabbed, an initiative dumped, and the Prime Minister's reverse gear in full working order?

The Prime Minister: Well, unfortunately, the right hon. and learned Gentleman is wrong in every particular. The top-performing schools are indeed being given more autonomy, which is precisely why the city academy programme and specialist school programme are under way. In respect of child benefit and truants, the parents of those who play truant can be fined under the new antisocial behaviour legislation. On-the-spot fines are precisely what we legislated for in the Anti-social Behaviour Act 2003. Has he forgotten fixed penalty notices? He actually voted for them, but he shakes his head.

The police now have the power to give on-the-spot fixed penalty notice fines for antisocial behaviour. That is precisely what we are doing. All that he is drawing

attention to is the fact that we are legislating against antisocial behaviour and in favour of schools, and he supported most of it.

Jim Knight (South Dorset) (Lab): I was told yesterday by the Post Office that Tesco, following its acquisition of a chain of convenience stores, is going to close 80 to 100 post offices across the country. It has not consulted the Post Office, the Government or the communities affected. Given the concern across the whole House about post office closures, will the Prime Minister look into this as a matter of some urgency?

The Prime Minister: I can look into it for my hon. Friend, although, obviously, it is ultimately a commercial decision for Tesco. It did give us the assurance, however, that when reviewing those stores with post offices, it would work closely with Post Office Ltd. Obviously, we will look closely at that to make sure that that assurance and undertaking were implemented. I point out yet again that under this Government hundreds of millions of pounds worth of support is going to post offices up and down the country. I am afraid that that does not mean that all post offices will remain open. It is incumbent on those who say that every single post office will remain open, however, to say how they would fund such a commitment.

Q3. [152496] **Mr. Nigel Waterson** (Eastbourne) (Con): Can the Prime Minister say, with the benefit of hindsight, and looking back to the run-up to the war with Iraq, whether there is anything at all that he said or did at the time of which he is now personally ashamed or embarrassed?

The Prime Minister: I am afraid that I am not ashamed of having taken the decision to go to war. It was the right decision. I recall that the majority of Conservative Members supported that decision. There is nothing quite so appalling as the sight of people who used to support the war now trying to make political capital out of anything that they can dredge up in order to cast doubt on that decision. I am not ashamed of the fact that we went to war. We did the right thing, the world is a safer place as a result, we are better able to tackle weapons of mass destruction world wide as a result, and this country and its armed forces should be proud of what we achieved.

Helen Jones (Warrington, North) (Lab): The Prime Minister will know that many of my constituents work in call centres and have been very concerned about recent closures, particularly when, as in the case of Abbey National in Warrington, the aim is to transfer jobs abroad. Does he therefore join me in welcoming the recent decision by Carphone Warehouse to open a new call centre at Birchwood in my constituency? Will he do all that he can to encourage other firms to follow this example and invest in British workers, especially those excellent people who happen to live in Warrington, North?

The Prime Minister: Obviously, I welcome the new jobs in Warrington. My hon. Friend will understand that it is not possible to protect all jobs in the British economy. There will be a turnover in jobs: some jobs will come and some will go. Overall, however, the strength of the British economy means that employment is now at its highest ever level, unemployment is at its lowest for more than 25 years, youth unemployment has dropped dramatically, and long-term youth unemployment has gone down to just a few thousand people country wide. We remember the debates that used to be had in the 1980s and 1990s about unemployment, and the fact that we have such a strongly functioning economy and programmes such as the new deal gives people greater hope on jobs in this country than we have seen for a generation.

Q4. [152497] **Patrick Mercer** (Newark) (Con): The Prime Minister will be aware that last week Private Jonathan Kitulagoda was killed by a British suicide bomber while he was on patrol in Kabul in Afghanistan. He was travelling at the time in an unarmoured Land Rover. If he had been in an armoured vehicle, he might well be alive today. Can the Prime Minister tell us how many more of our soldiers will die before they get the equipment that they need?

The Prime Minister: It is wrong of the hon. Gentleman to put his question in that way. I do not know the precise circumstances in which this individual soldier died. I am deeply sorry for him and his family. I do not know about the decisions as to what vehicle he was travelling in. I suspect that those decisions will be taken by people on the ground. Of course, we will look into all these matters, but it is wrong to put the question in that way. It is unfair to people, and it does absolutely nothing for the grief of anyone concerned.

Mr. Chris Mole (Ipswich) (Lab): Does the Prime Minister agree that following the successful progress of the Higher Education Bill into Committee, he should work with our right hon. Friend the Chancellor to deliver, through the comprehensive spending review 2004, the public service agreement commitment to give 50 per cent. of young people the opportunity of a university place? Does he further agree that those additional places will form the foundation on which to give economies and towns such as Ipswich, Swindon, Doncaster and Cumbria the chance of a university of their own?

The Prime Minister: My hon. Friend is absolutely right. A young person who gets the grades and is able to go to university should be able to do so; no arbitrary limit should be put on them. Our aim of getting half our young people into university puts us at the forefront of international competition, as is right. Given that many of the degrees that people take at university will be two-year foundation course degrees in technical or vocational subjects, the policy is extremely important not only for academic, but for vocational study. That is why I wholly deplore the policy of the Conservative party, which is to cut the number of people who are able to go to university.

Q5. [152498] **Matthew Green** (Ludlow) (LD): Can the Prime Minister explain the impact of his Government's policy of rural proofing?

The Prime Minister: It means, for example, that on the common agricultural policy we have been able to

consider whether modulation and diversification in the farming industry are a better way of proceeding than simply continuing farmer support. Rural proofing is about ensuring that our policies do well for rural areas.

I shall give the hon. Gentleman a second example—the money that we have put into rural buses. Because we know that many people in rural areas cannot travel about if they do not have decent bus services, we put an extra £20 million into them.

Mr. Piara S. Khabra (Ealing, Southall) (Lab): May I ask the Prime Minister what the Government's policy is on the return of the Elgin marbles to Greece, and if there has been any progress in the negotiations with the Greek Government?

The Prime Minister: In the end, I am afraid that it is a matter for the trustees of the museum; the British Government's position remains unchanged.

Q6. [152499] **Mr. Patrick McLoughlin** (West Derbyshire) (Con): May I take the Prime Minister's mind back to the statement on student support that the Secretary of State for Education and Skills made on 8 January this year? During the debate, Lord Butler of Brockwell was quoted as having said:

"'the general view among universities appears to be that the Government should get its top-up fees legislation through as a first step. There will certainly . . . be further steps'".—[*Official Report*, 8 January 2004; Vol. 416, c. 439.]

Does the Prime Minister agree with that, or does he agree with the Secretary of State, who said that Lord Butler did not know what he was talking about?

The Prime Minister: There should be no assumption that there are to be further changes. As we have made clear, if there is any desire for such changes, they will have to go through this House. It is important to recognise that all universities need more resources, which come from the taxpayer or from a balance between the taxpayer and the student after graduation. Most people, when they look at that policy, think that it is a fairer way of proceeding. It is a far better policy than that which the hon. Gentleman apparently supports—that 100,000 fewer initially, then up to 250,000 fewer young people should be able to go to university.

Joan Ruddock (Lewisham, Deptford) (Lab): A new inquest has just opened into the New Cross fire, which occurred in my constituency 23 years ago and took the lives of 14 young black people. Will my right hon. Friend join me in paying tribute to the fortitude of the families, led by George Francis; to the support of Ministers and of Lewisham council; and particularly to the painstaking reinvestigation by the Metropolitan police, which has led to the inquest and to the hope that justice will at last be realised, so that closure can be placed on this terrible tragedy?

The Prime Minister: I understand that, as my hon. Friend says, it is the 23rd anniversary of the fire in New Cross that claimed the lives of 14 people. I offer my sympathy to the families and friends of those who died. I also pay tribute to the hard work of my hon. Friend on this matter. The Government would like to see a conclusive resolution to a particularly difficult and appalling case. The High Court ordered a second inquest on the matter, which, as my hon. Friend says, started this week; that must now take its course.

Q7. [152501] **Mrs. Annette L. Brooke** (Mid-Dorset and North Poole) (LD): Will the Prime Minister investigate with Dorset county council ways of avoiding its proposed closure of Leeson house, an excellent residential outdoor educational centre that is used by children from my constituency? Will he reaffirm his belief that the experiences offered by such facilities should be available to all children?

The Prime Minister: I am sure that the hon. Lady is right in what she says about the facility, but in the end, these are obviously decisions that have to be made locally. We are increasing substantially the money that is available to councils in respect of such facilities, but ultimately the decisions must be made locally.

Mr. Andrew Dismore (Hendon) (Lab): May I draw my right hon. Friend's attention to the appalling cuts in social services that are being made by the Conservatives who run the London borough of Barnet? After their £10 million overspend, they are now making the most vulnerable in our society pay for their mistakes by cutting Springwood day centre, Flightways day centre and the Age Concern budget. Will he look into this matter and see whether anything can be done to stop the appalling cuts that are affecting my community?

The Prime Minister: I will certainly be happy to meet my hon. Friend to discuss those issues, on which I know that he has campaigned long and hard. Of course, he is right to say that there has been a substantial increase in the amount of funding, but it is important that it be used to preserve local services, because those services provide a vital means of support for the local community.

Q8. [152502] **Mr. Alan Reid** (Argyll and Bute) (LD): The Ministry of Defence has issued a press release to the *Campbeltown Courier* saying that the Machrihanish base in Kintyre is being considered as a possible site for dumping radioactive waste from submarines. In the recent consultation process, Machrihanish was not included on the list of possible sites. Why is it being considered now, after the consultation is over? There is no radioactive waste at Machrihanish at the moment, and the site is clearly unsuitable. Will the Prime Minister alleviate the concerns of local people by ensuring that Machrihanish is ruled out as quickly as possible as a possible site?

The Prime Minister: It will not surprise the hon. Gentleman to learn that I am not aware of the particular issue to which he refers. Of course, in respect of any radioactive waste, very strict procedures and rules must be adhered to, and I am sure that they would have been in this case.

Jonathan Shaw (Chatham and Aylesford) (Lab): Is my right hon. Friend aware that there are now 60 million rats in the United Kingdom—and the numbers are growing? Does he agree with the Chartered Institute of Environmental Health, which has strongly criticised water companies for their failure to bait sewers

effectively? Is it not time that they faced up to their responsibility? Finally, will he remember that at any one time, every person in the United Kingdom is no more than 9 m away from the nearest rat?

The Prime Minister: First, I did not know that there were 60 million rats in the UK; in fact, I am not sure that I wanted to know that. I am told that the control of rats and mice is mainly the responsibility of local authorities under the Prevention of Damage by Pests Act 1949, with which I am sure the House is familiar. However, I can also tell my hon. Friend that the Local Government Association and the water industry published a joint protocol in 1999 setting out arrangements for closer working between sewerage undertakers and local authorities in respect of rodent infestation in sewers. I hope that, just as I am now enlightened, he is too.

Q10. [152504] **Lembit Öpik** (Montgomeryshire) (LD): Gavyn Davies and Greg Dyke resigned from the BBC because they acted in good faith in defending bad information from their subordinates. Can the Prime Minister confirm whether the same principle applies to his Government?

The Prime Minister: It is important that the Government take responsibility for any information that is put out to people. That is precisely why we held the Hutton inquiry into the allegation that we had falsified the information that we put out to people. I remind him—I am sorry that this is difficult for those who wanted the Hutton inquiry to reach a different point of view—that Lord Hutton took the view, absolutely conclusively on the evidence, that that charge was unjustified.

Q11. [152505] **Ms Meg Munn** (Sheffield, Heeley) (Lab/Co-op): Over the last year, many children in my constituency have had the opportunity to attend either newly built schools or refurbished schools, and more such schools are planned. However, far too many children still go to school in old buildings that cannot cope with the demands of the 21st century. Can my right hon. Friend assure me that the Government are committed to continuing to fund schools so that all children can attend schools fit for the 21st century?

The Prime Minister: We are committed to what my hon. Friend said. There are 21,500 schools repaired or refurbished, and 650 are being completely replaced or completely modernised. Over the next couple of years, £2 billion will be available under the "building schools for the future" programme. My hon. Friend will know that in Sheffield alone investment has risen fivefold with, in addition, private finance initiatives worth more than £140 million. Every penny piece of that investment will create a better future for our children. It is essential that we maintain it. It is not, as is sometimes said by the Conservative party, money wasted. It is money that is a vital investment in the future prosperity of this country.

Point of Order

12.30 pm

Llew Smith (Blaenau Gwent) (Lab): On a point of order, Mr. Speaker. At the time of the Scott inquiry the House was given a commitment that that inquiry would not preclude Back Benchers from asking questions relating to the subject of that inquiry. Very soon after that, that rule was broken and Members such as myself were prevented from asking questions, even though in answer to a letter from me, Lord Justice Scott said that he had no objections.

The Butler inquiry is not a judicial inquiry so the problem is not whether questions would be sub judice. However, we need protection from the Chair to ensure that we can continue to ask the sort of questions that are necessary while the Butler inquiry continues.

Mr. Speaker: I am grateful to the hon. Gentleman for giving me notice of his point of order. The setting up of the inquiry under the chairmanship of the Lord Butler of Brockwell will not affect the admissibility of questions to Ministers on matters covered by the inquiry. I hope that that is helpful to the hon. Gentleman.

European Communities (Deregulation)

12.31 pm

Mr. Jonathan Djanogly (Huntingdon): I beg to move,

That leave be given to bring in a Bill to make provision in respect of the effect on persons and businesses of regulations made under section 2 of the European Communities Act 1972.

It is a recurrent complaint by members of the United Kingdom business community that the burden of compliance with regulations of all kinds has worsened in recent years, and that that acts as a major impediment to profitability and competitiveness, especially for smaller businesses. The Bill is intended to introduce a new procedure in relation to regulations introduced pursuant to European directives.

In presenting the Bill I acknowledge the sterling work previously carried out by my hon. Friend the Member for Cities of London and Westminster (Mr. Field) in presenting a similar Bill last year and the work that has been done by Sir Paul Judge. This has long been an issue on which he has campaigned.

It has to be said that not all regulation affecting business is down to Europe. Examples of recent UK-inspired legislation affecting business in a significant way include the climate change levy and the aggregates tax. Those are very much creatures of our Government's devising. However, excessive European legislation has become a growing political issue in the UK, where the CBI, the Institute of Directors, the British Chambers of Commerce and the Corporation of London, to name but a few, have all been heavily critical of the way in which rules are being applied, particularly without due regard to the cost of their implementation.

The shadow Secretary of State for Trade and Industry pointed out in his recent comments on the Employment Relations Bill that under this Government as many major EU directives have been implemented in the UK as during the preceding quarter of a century of our EU membership. However, no matter where those regulations are coming from—whether Europe or Britain—what matters is the significant impact that they are having on business.

A Huntingdon constituent of mine who owns a business recently received a letter from a solicitor. In the letter, the solicitor explained the recent legislation introduced by the Government but emanating from the European social chapter, to give employees more rights in relation to parental leave and flexible working. The solicitor explained how this meant more work, more bureaucracy and greater costs for the employer. He went on to paint an alarming picture, saying that if my constituent did not follow the new rules, she would be in breach of the law and may be taken to a tribunal by her employees. Unsurprisingly the solicitor concluded the letter by offering her his advice.

It can be seen from that example that we are creating a new industry for lawyers and a feeling of being oppressed and victimised for employers. Although in piecemeal terms these regulations may look attractive to employees, those same employees need to realise that we are losing our hard-won competitive advantages, at the cost of seeing our factories move to China and our call centres and settlement businesses move to India. The figures clearly show that it is not just a question of British business moving abroad; foreign business is also choosing not to invest in this country.

[Mr. Jonathan Djanogly]

It is estimated that the Government introduce some 3,000 new regulations a year. The British Chambers of Commerce, in its ongoing quantitative assessment of the burden of regulation, suggested that the total cost of regulations imposed on business since 1998 is now more than £20 billion. The Government's own Better Regulation Task Force estimates that European legislation now accounts for more than 40 per cent. of significant new regulatory proposals in Britain.

The Economist, in an article of 15 November last year, said that company bosses are increasingly condemning the flood of European directives, which are made even more stringent when turned into British law and regulations, and then applied relentlessly. Business also points out that this is not the case in all other competing EU countries. One source quoted in *The Economist* article contrasted the stern safety regime in a now-closed midlands tractor plant with the way in which workers wandered over a moving assembly line in a sister plant in France.

In September 2003, the Better Regulation Task Force blamed cultural inertia among Whitehall civil servants for frustrating attempts to reduce red tape. An expression that Members will be very familiar with in this context is "gold-plating". This seems to be a phenomenon particularly associated with the UK, illustrating the fact that eager civil servants, in their attempt to codify standards laid down by European directives, go far beyond the minimum standards required by European legislation. Indeed, that frequently happens even when such standards do not have to be separately implemented by British legislation, as they originate from EU regulations that are legally binding in this country in any event.

The British Chambers of Commerce has set out the recommended key action points to which the Government need to commit in order to stem the tide of regulation. They include using regulation only as a last resort in business-related policy, providing greater transparency in respect of the cumulative burden of regulation on business, introducing sunset clauses into all new regulations, and investigating fully and regularly the operation of existing laws.

The current Government have announced at various times that they will look into regulation, but never to much avail. It is important to realise that on its own, a deregulatory approach cannot reduce, or is very unlikely to reduce, the net amount of regulation, because regulations are continually being produced at a faster rate than they are being reviewed.

The Bill that I am proposing today is designed to close this gap by introducing the right for businesses, individuals and public bodies alike to seek a declaration by the courts that UK regulations enacted under section 2 of the 1972 Act are ineffective, to the extent that their provisions go beyond the basic minimum required by Community law, first, where UK regulations contain burdensome regulations that are not required by Community law; secondly, where other member states have not implemented certain provisions of European law; or thirdly, where other member states have implemented such provisions in a less burdensome way. Such a declaration could be applied for by affected individuals or businesses in the administrative courts, as well as in any civil or criminal proceedings through which a person is prosecuted or sued for breach of such a regulation.

These proposals would force policy-makers and civil servants to monitor closely what is going on in other member states and their laws. They would also encourage Members to take a somewhat greater interest than I have often found to be the case in what is going on in Brussels legislation. This increased review and co-ordination would, in turn, avoid the current nonsensical situation whereby the UK almost always adopts the lowest common denominator in its interpretation of European law. Any legislative provisions going beyond the minimum required by European directives should be implemented using the usual parliamentary legislation procedures, rather than their being shuffled in through the back door, in the form of statutory instruments, under section 2(2) of the 1972 Act.

For all those reasons, this new legislation would be an important step towards relieving UK business of the burgeoning morass of European red tape by providing for an effective procedure through which businesses and people could challenge uneconomic over-regulation that is unfairly imposed on them. In allowing this, the Bill will go some way towards revitalising the confidence of the British people in the powers of this House, and accordingly in the democratic integrity of our nation.

Question put and agreed to.

Bill ordered to be brought in by Mr. Djanogly, Mr. Stephen O'Brien, Mr. James Arbuthnot, Mr. Henry Bellingham, Mr. Laurence Robertson, Mr. Andrew Mitchell, Michael Fabricant, Mr. Peter Atkinson and Mr. Mark Field.

EUROPEAN COMMUNITIES (DEREGULATION)

Mr. Djanogly accordingly presented a Bill to make provision in respect of the effect on persons and businesses of regulations made under section 2 of the European Communities Act 197: And the same was read the First time; and ordered to be read a Second time on Friday 26 March, and to be printed [Bill 48].

Lord Hutton's Report

[Relevant document: The Intelligence and Security Committee's Report, Iraqi Weapons of Mass Destruction—Intelligence and Assessments, Cm 5972.]

Mr. Speaker: I inform the House that there is an eight-minute limit on Back-Bench speeches. That makes it clear that a large number of hon. Members want to speak in the debate. It will not be appreciated for them to come down to find out where they are on the list, by either myself or the Deputy Speakers.

Motion made, and Question proposed, That this House do now adjourn.—*[Paul Clark.]*

12.41 pm

The Prime Minister (Mr. Tony Blair): This is a debate on the Hutton report, but I know that the House will want to range wider than the report itself. I intend to cover four issues: the report itself and its findings; the inquiry into the issue of intelligence announced yesterday; the threat of weapons of mass destruction more generally; and the current situation in Iraq. I shall try to take as many interventions as possible, to allow questions on those issues.

The Hutton report did not, of course, consider whether the intelligence that the Government received prior to the war in Iraq was right, but it did examine exhaustively and in painstaking detail two issues: whether Downing street or the Government acted improperly in respect of the September 2002 dossier, and in particular whether the BBC story in respect of it was correct; and whether I or anyone else acted duplicitously or in an underhand manner in respect of the naming of Dr. Kelly.

The Hutton report found conclusively that on both counts the answer was no. It did find that the Ministry of Defence was at fault in not telling Dr. Kelly clearly and immediately that his name would be confirmed if a journalist suggested it. Again, as I said last week, we accept those findings, and I am sure that the whole House would want to join me in paying tribute to the dignity with which Mrs. Kelly and her family have conducted themselves during this extremely difficult period.

The report itself—clear, forensic and utterly comprehensive in its analysis of the evidence—is the best defence to the charges of Government whitewash, often from the same people who just over a week ago were describing Lord Hutton as a model of impartiality, wisdom and insight. I simply make two points to those who cannot accept that Lord Hutton could acquit the Government of dishonesty. On the principal point, Lord Hutton confirmed the conclusion that the Intelligence and Security Committee had found before him, and the Foreign Affairs Committee before it, and the Government published responses to their reports yesterday. It would have been impossible from the evidence, frankly, to find otherwise.

I read that there are some who still say that the broadcast by Mr. Gilligan was 90 per cent. right. Actually, it was 100 per cent. wrong. The claim by Mr. Gilligan was that, a) the intelligence about Saddam using some weapons of mass destruction within 45 minutes of an order to do so was inserted into the dossier not by the Joint Intelligence Committee, as I told Parliament, but by Downing street; b) that this was done against the express wishes of the intelligence community; c) that it was done by Downing street,

"probably knowing that it was wrong";

and, furthermore, d) that the source of this unprecedented charge was

"a senior official in charge of drawing up the dossier".

In fact, every single one of those claims was wrong—not a little wrong, 100 per cent. wrong. The reason why Lord Hutton found as much was that not a single shred of evidence was presented to his inquiry that would have justified an alternative finding. The same is true for the Intelligence and Security Committee and for the Foreign Affairs Committee.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Is the Prime Minister able to say whether all the correspondence that passed between the BBC, its chairman and director general was made available in its entirety to Lord Hutton?

The Prime Minister: Everything that was relevant to the inquiry was made available to Lord Hutton, and I understand that he has already indicated that he believes he has all the relevant material. I do not believe that there is anything that we concealed from that inquiry. Indeed, I do not think that there has ever been a case in which a Government have disclosed so much information in such a way.

Mr. Crispin Blunt (Reigate) (Con): The Prime Minister has had some notice of this question, because I asked it two minutes before Lord Hutton began the presentation of his report a week ago. The evidence before Lord Hutton includes a copy of an e-mail about the dossier from the Prime Minister's chief of staff, which asks:

"what will be the headline in the Standard on day of publication? What do we want it to be?"

The headline turned out to be, "45 Minutes From Attack". Does the Prime Minister agree that that headline was wholly misleading? Why did not the Government take steps to make it clear that it was misleading?

The Prime Minister: All of that was covered in the inquiry—*[Interruption.]* It was, actually. I will not go into the detail of the explanation, except to say that if I could ensure that every *Evening Standard* headline read as I wished it to, I would be a happier man.

Gregory Barker (Bexhill and Battle) (Con): In the famous 24 September dossier, the Prime Minister stated in the foreword:

"I am in no doubt that the threat is serious, and current; that he has made progress on WMD, and that he has to be stopped."

In light of the inquiry that the Prime Minister has announced, when did he cease to believe that Saddam Hussein had WMD?

The Prime Minister: Again, I answered questions on that point at the Liaison Committee yesterday. As I said in my statement to the House last September, I could not say that the threat would materialise that day, the next

[The Prime Minister]

day, the next week or even the next year, but I could say that to allow Saddam Hussein to continue developing programmes for weapons of mass destruction was a serious threat to the world. What I said yesterday, and I shall come to this point later in my speech, is that we obviously have to take account of what Dr. David Kay has said, as the head of the Iraq survey group. I hope that I will be able to convince the hon. Gentleman, after I go through the whole of what Dr. Kay actually said, that in fact we were fully justified in the decision that we took.

Dr. Julian Lewis (New Forest, East) (Con): Three weeks ago, the Prime Minister said in the Chamber that the question of his official spokesman, Tom Kelly, describing Dr. Kelly as a "'Walter Mitty' character" before his body had even been buried was a matter for Lord Hutton. Lord Hutton has concluded that that comment was "wholly improper", though he noted that Tom Kelly had apologised for it. Given that Jo Moore apologised for her outrageous comment, but still had to go, when will the Prime Minister dispense with the services of his official spokesman?

The Prime Minister: I do not agree with what the hon. Gentleman implies. Tom Kelly made an immediate and very full apology at the time, and he repeated it to the inquiry. Indeed, Lord Hutton deals with that in his report.

Donald Anderson (Swansea, East) (Lab): Is it not also relevant that the late Dr. Kelly said, in the broadcast that was shown posthumously, that WMD could be deployed within days or weeks? Is not the real problem for the press and the Opposition their disappointment and frustration that they do not have the heads of my right hon. Friends the Prime Minister and the Secretary of State for Defence on a platter?

The Prime Minister: My right hon. Friend is probably right.

I sympathise with the confusion in the public mind about how the Hutton report has been received. The reason is simple. There is a world of difference between the evidence given to the inquiry and some—although I stress by no means all—of the reporting of it at the time. I shall give one example, which is relevant to some of what is in the newspapers today. The concerns by people within Defence Intelligence Staff about the way in which the 45-minute intelligence was phrased in the dossier, which was after all possibly the grain of truth that led to the mountain of untruth in Mr. Gilligan's broadcast, was reported the next day as leaving the credibility of the dossier in tatters, and the Government's case shot to pieces. One would have thought that the entirety of the Government's case in the dossier had been destroyed after listening to or reading some accounts of the evidence. In fact, one of those who gave evidence to the Hutton inquiry said that overall the dossier was

"a reasonable and accurate picture of the intelligence."

It was also revealed to the inquiry that Dr. Kelly himself said that it was "good".

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): Bearing in mind what the Prime Minister has just said, and the Government's response to the Intelligence and Security Committee that it was important to preserve the line-management authority of Joint Intelligence Committee members in judging what should be brought to the attention of the chairman of that committee from their departments, could the Prime Minister say whether it is more important that any serious reservations felt by experts in defence intelligence should be made known to those who make the decisions, or that the authority of line management should be preserved? Surely we were trying to get the evidence to the right point, not managing a bus company.

The Prime Minister: Of course that is right, but the whole point about the evidence—and I shall deal with other aspects in a moment—is that the concerns expressed by Dr. Jones were considered by the head of defence intelligence. In the end, he concluded that the way in which the dossier expressed the evidence was right. Incidentally, those concerns—again, I shall come back to them in a moment—never came to the full Joint Intelligence Committee, let alone to Downing street. I have no doubt that questions will be asked about whether that was the right way to proceed. Personally, I think that people should be allowed to manage their own departments properly. What cannot be said is that Downing street had anything to do with those concerns. They never came before the JIC, let alone Downing street. I totally agree with the right hon. Gentleman that issues may arise about procedures within departments, but those are a million miles away from the allegation that was broadcast—and I think that he would accept that.

Mr. James Arbuthnot (North-East Hampshire) (Con): The Prime Minister referred to the response to the ISC. That Committee produced a balanced report: some of its comments were supportive of the Government's actions and some were less so. The Government's response picked out four key judgments, all of which happened to support their actions. On reflection, does the Prime Minister regret that selective use of material? *[Interruption.]*

The Prime Minister: For obvious reasons, I missed the last part of what the hon. Gentleman said.

Mr. Arbuthnot: In picking out key judgments of the ISC, do the Government regret choosing those that supported the Government and not choosing those that were less supportive?

The Prime Minister: I think that overall we gave a balanced picture to people. Those who have looked into the whole question of whether the dossier was altered in any improper way have found that we did not do so. I will come to what was being said in September 2002, not only by myself, but by everyone else. Issues arise now, because of the evidence that has been given by David Kay, who headed the Iraq survey group. The whole reason for the inquiry that was announced yesterday is that we accept that some things may have been got wrong. We cannot have a situation—*[Interruption.]* I somehow feel that I am not being entirely persuasive in

certain quarters. We cannot have a situation in which we end up translating what we know today back into the context of what was known and thought in September 2002, and then reaching a judgment. I shall come to that point in a moment.

I wish to deal with the story in *The Independent* today. Dr. Jones is an expert in his field and is highly respected. However, the newspapers today suggest that there is missing intelligence on the 45-minute issue. There is no missing intelligence on that issue. As far as I am aware, Dr. Jones saw all the intelligence that there was to see on it. So did Lord Hutton. The intelligence referred to the article that he—*[Interruption.]* Perhaps people could concentrate on this point—*[Interruption.]*

Mr. Speaker directed that the Public Galleries be cleared owing to instances of misconduct on the part of Strangers.

12.54 pm

Sitting suspended.

On resuming—

1.6 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Speaker. It has been necessary to have a suspension, which has lost about 15 minutes from today's business. You will be aware of the large number of Members on both sides of the House who wish to speak in the debate. Could you make inquiries, perhaps with the usual channels, to see whether it would be possible to extend the sitting by 15 minutes and allow two more people to speak?

Mr. Speaker: Order. I feel that I have enough problems today, without worrying about that one.

The Prime Minister: I was dealing with the issue of today's story about Dr. Jones, and I was saying that there are really two issues. One is whether there was some missing intelligence that was not seen, and the other is obviously about the evidence of Dr. Jones himself. I was saying, and I repeat, that Dr. Jones is an expert in this field and is highly respected. But on the 45 minutes there is no missing intelligence. Dr. Jones saw all the intelligence there was to see on it. So, incidentally, did Lord Hutton. The intelligence referred to in the article which he did not see was, I am told, about the production of chemical and biological warfare agents. He did not see it, because the Secret Intelligence Service put it out on a very restricted basis owing to source sensitivity. His superiors, however, were briefed on the intelligence. It does not bear on the 45-minute point at all, and the ISC itself saw this CW intelligence and was satisfied with it.

Mr. Alex Salmond (Banff and Buchan) (SNP): In his article this morning, Dr. Jones says that he formalised complaints about the September dossier because he did not wish to see himself and other experts scapegoated for the failure to find weapons of mass destruction. Will the Prime Minister make it clear that he would not want to subcontract any such responsibility, but would accept it, as Prime Minister?

The Prime Minister: I have made it clear throughout that not merely do I take full responsibility for the decision to go to war, but that our security services—I shall come to this later—do a magnificent job for this country. I hope that nobody in the House doubts their worth to the security of our people, or that they are immensely dedicated public servants.

Richard Ottaway (Croydon, South) (Con): The Prime Minister says that all the intelligence about the 45 minutes was made available. As he will be well aware, it has subsequently emerged that this related to battlefield weapons or small-calibre weaponry. In the eyes of many, if that information had been available, those weapons might not have been described as weapons of mass destruction threatening the region and the stability of the world. When did the Prime Minister know that information? In particular, did he know it when the House divided on 18 March?

The Prime Minister: No. I have already indicated exactly when this came to my attention. It was not before the debate on 18 March last year. The hon. Gentleman says that a battlefield weapon would not be a weapon of mass destruction, but if there were chemical, biological or nuclear battlefield weapons, they most certainly would be weapons of mass destruction. The idea that their use would not threaten the region's stability I find somewhat eccentric.

Lynne Jones (Birmingham, Selly Oak) (Lab): Brian Jones suggests that the particular intelligence information was made available only to a limited number of people. He suggests that it was confined to the chief of defence intelligence, and not even shown to his deputy. He also suggests that those to whom that intelligence was made available were not sufficiently knowledgeable to be able to assess its importance. Can my right hon. Friend comment on those suggestions?

The Prime Minister: I can comment on them, and it is helpful that my hon. Friend intervenes in that way. First, the particular intelligence that she is talking about is not intelligence on the 45 minutes; it was intelligence on the different issue to do with chemical and biological weapons. The ISC considered this in its report. It was not seen by everyone within DIS. The procedures of SIS are that where there is a very sensitive source it will go on a restricted access to people, but they were briefed on the details. However, people on the Joint Intelligence Committee were able to know exactly what the provenance of that intelligence was and exactly what its significance was. But the point that I was making was that it does not relate to the 45 minutes. What has happened—it is perfectly understandable, because this gets extremely complicated over time—is that people have conflated a different piece of intelligence with assuming that there was some secret bit of 45-minute intelligence that was not seen. Lord Hutton saw all that there was to see on the 45 minutes.

Jim Knight (South Dorset) (Lab): Does my right hon. Friend agree that those who are quoting Dr. Jones should also look closely at the evidence given by Dr. Kay to the Armed Services Committee on 28 January? He said, for example:

[Jim Knight]

"All I can say is if you read the total body of intelligence in the last 12 to 15 years that flowed on Iraq, I quite frankly think it would be hard to come to a conclusion other than Iraq was a gathering, serious threat to the world with regard to WMD."

The Prime Minister: My hon. Friend is absolutely right. I shall come in a moment to what Dr. Kay said.

I should like to say exactly what the point is that Dr. Jones was making in the course of his evidence. The whole issue was gone into in minute detail by Lord Hutton. It is true that Dr. Jones was expressing concern about the strength of the language used to describe the 45-minute claim. But it is important also to contextualise that. In his evidence, to be found at page 120 of the Hutton report, he makes it clear in an answer to Lord Hutton that

"The important point is that we at no stage argued that this intelligence should not be included in the dossier . . . We thought it was important intelligence."

In other words, he was not even saying that it should not be in the dossier. He then said that he thought that the references in the foreword

"were too strong"

and that what he believed was that instead of saying that the intelligence "shows" this it should be that the intelligence "indicates" this.

I agree that there is a difference between the two. But let us be quite clear. It is hardly of earth-shattering significance in terms of how the whole dossier would be perceived. In any event, I do not pass judgment on whether it was right to say "indicates" or right to say "shows". That judgment was made by the Joint Intelligence Committee. It never reached this difference within the DIS. In the Joint Intelligence Committee as a committee it did not reach the chairman of the committee, let alone Downing street.

Therefore, when people ask why the judge concluded that Downing street had not interfered improperly with the dossier, it was because even on that small issue, which is the only issue that has allowed Mr. Gilligan's claim to have any provenance at all, it never came anywhere near Downing Street.

Mr. Boris Johnson (Henley) (Con): When Alastair Campbell requested and was granted a change in the language about the 45-minute claim, so as to drop the word "may", was that because he had some superior knowledge about the state of readiness of weapons in Iraq, or was it, rather, that he was seeking to embellish or, as Gilligan put it, to "sex up" the dossier?

The Prime Minister: The hon. Gentleman simply will not accept the verdict of the Hutton inquiry. He is entitled to do that, but I disagree with him. The fact is that, whatever suggestions were made, it was the chairman of the Joint Intelligence Committee who cleared the entirety of the dossier. That dossier, as Lord Hutton finds, was not improperly interfered with. That was the finding also of the Intelligence and Security Committee and of the Foreign Affairs Committee.

Clare Short (Birmingham, Ladywood) (Lab) *rose—*

The Prime Minister: I shall give way to my right hon. Friend, and then I must make progress.

Clare Short: I am grateful to my right hon. Friend. Surely the crucial point for the world here is that the dossier exaggerated how immediate the threat was, and that was the justification to rush to war by a preordained date, which divided the world, divided the United Nations and has caused a bitter and dangerous situation in Iraq and the Middle East. That exaggeration was the great fault, and it has led to dreadful consequences.

The Prime Minister: First, I do not accept my right hon. Friend's point about the exaggeration, for the reasons given by Lord Hutton and by the Intelligence and Security Committee before him. Secondly—I shall say more about this in a moment—the reason we went to war was that we believed there was a failure by Saddam Hussein to abide by the terms of United Nations resolution 1441. In a moment I shall come to what that failure was.

Thirdly, my right hon. Friend says that there is a bitter situation in Iraq today. There was a bitter situation in Iraq for a long time, and it was caused by a ruthless tyrant who killed literally hundreds of thousands of his people. I know that whatever disagreement my right hon. Friend has with me over the war, she would accept that Iraq is a better place without him.

Before I leave the subject of the Hutton report itself, let me make one final observation. Having produced his findings, Lord Hutton has been accused in certain quarters—we heard that earlier during Prime Minister's Question Time—of putting at risk the freedom of the press or the independence of the BBC. In fairness to him, we should be clear about what Lord Hutton is saying. What Lord Hutton says is that if an allegation of gross impropriety or dishonesty is made against someone it should be checked out first, or if it is made and turns out to be false, it should be withdrawn. That is not to curtail a free press; it is actually to ensure a free society.

Mr. George Osborne (Tatton) (Con): I think the Prime Minister was referring to my question to him. What I asked about was the Government's reaction to the Hutton report—particularly the statement by the Prime Minister's official spokesman, who said that Greg Dyke's initial response did not go far enough, and the behaviour of Alastair Campbell, who over two or three days after the reaction to the Hutton report was parading around the media beating the BBC. The Prime Minister cannot claim that Alastair Campbell was simply operating as a private individual during those days.

The Prime Minister: Surely the key question for everyone—the hon. Gentleman and me, and everyone

concerned with this—is whether we accept the findings of the Hutton inquiry. I assume that he does accept those findings.

Mr. Osborne: Yes

The Prime Minister: In that case, we can no doubt have a debate about what happened subsequent to their publication. But let us be quite clear: the allegation that was being made—not just against me but against Alastair Campbell and to an extent, in a sense, against the security services themselves—was that we had done something improper or wrong, in effectively falsifying the intelligence that I presented to Parliament. That allegation never had a shred of evidence to it. It could never be supported. I am glad it has now been withdrawn, and I think it should have been withdrawn in the first place.

Mr. Gerald Kaufman (Manchester, Gorton) (Lab): Will my right hon. Friend give way?

The Prime Minister: Yes, but then I must try to move on, or others will not have a chance to intervene.

Mr. Kaufman: Has my right hon. Friend seen the article by the editor of the *Financial Times* that was published at the weekend? The editor said:

"The Hutton report is about a story that was wrong, defended against furious government complaints by a BBC management that had not bothered to check it, even weeks after it was broadcast, and backed by a board of governors determined to resist external pressure at the expense of obscuring the truth."

The Prime Minister: I did read that article. I think there is a debate that can be held—in, I hope, in a reasonably calm and reflective atmosphere—about the relationship between politics and the media. Who knows, that might benefit not just Labour Members but those in all parts of the House.

David Winnick (Walsall, North) (Lab) *rose—*

Mr. Geoffrey Clifton-Brown (Cotswold) (Con) *rose—*

The Prime Minister: I will give way to my hon. Friend and the hon. Gentleman, but then I must move on.

David Winnick: The BBC obviously made very bad mistakes, and—at least as far as I am concerned—no one would wish to justify them. Nevertheless, will my right hon. Friend bear in mind the fact that the integrity of the BBC is absolutely essential? Why should we not admit that despite all those mistakes, which undoubtedly and understandably caused the Government much dismay, the BBC is probably the finest broadcasting organisation in the world? Let us say so, and be proud of it.

The Prime Minister: I think we all say how much pride we have in the BBC as an institution, but the important thing—and, as I have said, I hope that a calm and effective assessment of Lord Hutton's report will do this—is to make people understand the best way in which the BBC can preserve its place as an institution in which we can all have pride: if it does launch an accusation of impropriety that turns out to be false, it should withdraw it. That would actually help the BBC rather than harming it.

Mr. Clifton-Brown: In paragraph 435 of his report, Lord Hutton says that Dr. Kelly had a right to feel

"badly let down by his employer".

Once the Prime Minister had condoned the strategy of naming Dr. Kelly, he received a lamentable lack of support from the Government. What changes of procedure will the Prime Minister make to ensure that no other employee—let alone someone as eminent as Dr. Kelly—ever feels so badly let down by the Government again?

The Prime Minister: The hon. Gentleman is eliding two separate things. Lord Hutton found that there was no underhand or duplicitous treatment in respect of the naming of Dr. Kelly. He did find that within the Ministry of Defence Dr. Kelly should have been informed that his name was going to come out. I have already indicated—I indicated last week—that we fully accepted those findings and that we will do our best to act on them, but that is an entirely different matter from the allegation that was made against us. Of course, where there have been failings in respect of Dr. Kelly we must take account of them. I also said, however—and I would like to repeat it—that some of those officials in the Ministry of Defence, who are good and dedicated public servants, have had the most appalling and difficult time themselves over the past few months. I think we should bear that in mind as well.

Let me now turn to whether the intelligence on which we relied, in part, to go to war was correct. Originally, as the House knows, I wanted to wait until the Iraq survey group had reported fully before any investigation occurred. Last Tuesday, however, David Kay, the outgoing head of the ISG, gave evidence to the Senate Armed Services Committee in Washington which, frankly, cannot be ignored. More important still, it is now clear that the ISG itself, under its new chairman, will not make its full report any time soon. President Bush has announced a commission in the United States, and yesterday we announced one here.

I want to make clear, incidentally, that I personally would have been happy for the Intelligence and Security Committee to conduct this inquiry. That was within its statutory remit, and it does an excellent job. But I was pressed hard for a committee of the type headed by Lord Franks after the Falklands conflict, and I agreed to that. I might add that I have now looked at the terms of reference for the Franks committee. It is not correct that the committee passed judgment on whether or not the Falklands war was right. It did not do so.

As I said, I was pressed hard for a committee of that type, and I agreed. The committee will be able to examine the whole issue to do with intelligence and weapons of mass destruction, the difficulties associated with that across the piece, and of course, on Iraq specifically, any discrepancies between the intelligence gathered, evaluated and used by the Government and what the ISG found.

Jeremy Corbyn (Islington, North) (Lab): Will the Prime Minister give way?

The Prime Minister: In one moment.

[The Prime Minister]

The committee will subsequently be able to make recommendations on the way such intelligence is handled in the future. I am grateful to Lord Butler and the other members of the committee for their participation.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): How can the right hon. Member for Dewsbury (Ann Taylor) be a fit appointee to the committee, when she herself was sent a copy of the September dossier for comment before its publication?

The Prime Minister: I am sorry that the hon. Gentleman has chosen to make those remarks. My right hon. Friend is the Chairman of the Intelligence and Security Committee, and has done a superb job in that role. She is someone who had the interests of this country at heart.

Mr. Robert Jackson (Wantage) (Con): Does the Prime Minister agree that neither the Government nor the media nor the public should look to the intelligence services for cast-iron certainties? Their business is the assessment of possibilities, probabilities and risks. Does the Prime Minister also agree that it is uniquely the responsibility of a Government to make decisions, which they must obviously do on the basis of the best available evidence, however imperfect it may be?

The Prime Minister: I do agree, and that is the only sensible basis on which either the security services or Government can proceed.

Jeremy Corbyn: Will the inquiry also look at the political decisions made in the run-up to the war, in particular the Prime Minister's discussions with the President of the United States in April 2002, and when he thinks the United States made its decision to deploy troops as the start of the build-up to war?

The Prime Minister: I know perfectly well what the discussions were between myself and the President. I want to make this clear, because it was clear throughout. The reason why, after the dossier, we went back to the United Nations in November 2002 was that we wanted an opportunity to resolve this peacefully. It was made clear by both myself and the President at the time that if Saddam Hussein complied with resolution 1441, however much we might think it a good idea to get rid of him, the fact was that he would remain. He did not comply, for reasons that I will come to in a moment.

Dr. Nick Palmer (Broxtowe) (Lab): Will the Prime Minister give way?

The Prime Minister: I will give way one last time, but then I must make progress.

Dr. Palmer: Does my right hon. Friend agree that one of the fundamental difficulties of inquiries is that they are good at establishing facts, but not so good at changing opinions? Is not the difficulty of having an inquiry to assess whether it was right to remove Saddam Hussein the fact that it would not change a single mind?

The Prime Minister: My hon. Friend is absolutely right.

I am sorry that the Liberal Democrats felt that they could not participate in the committee, but I cannot accept that the issue of whether the political judgment that led to war was right should be given to a committee. We are the elected politicians; we make the judgment; it is for us to choose, and ultimately for the people to decide. However, I enter one word of caution. It has already been said—and it surprises me not at all—that this report will not do either. For some people, it will not. Some who opposed the war will not rest until one inquiry succeeds another, until a final inquiry concludes that it was all a mistake or, even better, a conspiracy. I have given up trying to satisfy that audience.

I also have a word of caution for others who rightly want to know whether the intelligence was correct. That word of caution surrounds the evidence of Dr. Kay and what the Iraq survey group has found so far. I accept that it has not found what many others, including Dr. Kay, and I confidently expected they would—actual weapons ready for immediate use. Let others accept that what it has found are laboratories, technology, diagrams, documents and teams of scientists told to conceal their work on biological, nuclear and chemical weapons capability, which, in sum, amount to breaches of UN resolutions many times over.

If we ever want an example of the impossibility of having a balanced debate on the issues, it is the way in which Dr. Kay's comments have been treated. I asked Senator Warner of the Senate Armed Services Committee in the United States and he agreed that we could place in the Library of the House of Commons the full transcript of Dr. Kay's remarks. I simply ask hon. Members to read it in full.

I shall read one or two items from it. First, Dr. Kay says on the subject of breaches of resolution 1441:

"In my judgment, based on the work that has been done to this point of the Iraq Survey Group . . . Iraq was in clear violation of the terms of Resolution 1441 . . . We have discovered hundreds of cases, based on both documents, physical evidence and the testimony of Iraqis, of activities prohibited under"

the UN resolutions.

In replying to Senator Warner, he went on to say:

"I think the world is far safer with the disappearance and removal of Saddam Hussein. I have said I actually think this may be one of those cases where it was even more dangerous than we thought. I think when we have the complete record you're going to discover that after 1998 it became a regime that was totally corrupt. Individuals were out for their own protection. And in a world where we know others are seeking WMD, the likelihood at some point in the future of a seller and a buyer meeting up would have made that a far more dangerous country than even we anticipated".

Asked specifically by one Senator whether it would have been better to have allowed the UN inspectors to remain there, Dr. Kay says:

"All I can say is that among an extensive body of the U.N.—of Iraqi scientists who were talking to us, they have said: 'The U.N. interviewed us. We did not tell them the truth. We did not show them this equipment. We did not talk about these programmes. We couldn't do it as long as Saddam was in power.'"

Dr. Kay goes on:

"I suspect regardless of how long they had stayed, that attitude would have been the same."

He goes on to detail information about restarting the nuclear weapons programme, which is even worse than we thought. He continues to talk about mass

destruction- related programme activities and goes on to detail how they were attempting to develop VX and anthrax of a more potent sort than we had anticipated. He goes on to give evidence of an unmanned aerial vehicle with a range of 500 km—way beyond 150 km—ready to be fitted with exactly the type of sprays used for WMD.

Dr. Kay goes on to say that, in addition to all those things, the group discovered even more evidence about a ballistic missile technology that Iraq was trying to develop to produce ballistic missiles of up to 1,000 km.

Annabelle Ewing (Perth) (SNP) *rose—*

Mr. William Cash (Stone) (Con) *rose—*

The Prime Minister: Before I give way, let me say what is absolutely clear. I fully accept that what I have referred to is not the same as the intelligence that we were told about actual weapons, but it is fully consistent with the determination to pursue WMD programmes and it indicates a total, unrepentant and malignant intent on the part of Saddam, which is, in the multiple breaches of UN resolutions, a justification for conflict. I cannot accept one part of Dr. Kay's comments and leave the other part to one side—but neither can others.

Annabelle Ewing: If the Prime Minister truly believed in March last year that Iraq had weapons of mass destruction, why did he send the Black Watch into battle without adequate protective nuclear, biological and chemical equipment?

The Prime Minister: That is simply not right. Where we needed protective clothing, we issued it to people. I honestly think that if the hon. Lady spoke to people in the Black Watch Regiment, she would find that they were immensely proud of what they did in Iraq.

Mr. Cash: I would like to ask the Prime Minister a question that I put to the Foreign Secretary yesterday about the Attorney-General's opinion, which we had in truncated form immediately before the important debate that took place in March. Will the Prime Minister confirm that all the information that the Attorney-General would have needed in respect of the matters to which the Prime Minister has just referred does, in fact, and will continue to, marry up with the conclusions? In other words, there will be no discrepancy, and furthermore, the new committee to be established will have full access to the full opinion.

The Prime Minister: The Committee can have access to whatever it wants to have access to. Let me tell the hon. Gentleman that the whole point of reading what Dr. Kay said is that if the UN inspectors at that time had returned and laid before us effectively what Dr. Kay is now saying, the legal justification would not have been in doubt. There would have been absolutely no doubt about it at all, because it indicates multiple breaches of the UN resolution. It was expressly stated in the resolution put before the House on 18 March—which was the first time that a Government have laid a resolution before the House of Commons before going into conflict—that the legal basis was the material breach of resolution 1441.

Mr. Mike Hancock (Portsmouth, South) (LD) *rose—*

The Prime Minister: I shall give way one more time, but then I shall have to get on.

Mr. Hancock: The Prime Minister makes a compelling and convincing case that he knew, and that the intelligence that he had established confirmed, that the Iraqis had those weapons. He also alluded more than once to the fact that he knew where they were—500 sites were identified. Does not the Prime Minister regret the fact that he did not pass all that information on to the inspectors so that they could carry out their job properly?

The Prime Minister: We did pass a great deal of information on to the UN inspectors. However, I say to the hon. Gentleman that they were gravely inhibited in one respect. The single most important thing is to be able to interview the people concerned with the weapons programme. That is why in Libya today we are getting co-operation from the Libyan authorities and we are able to make real progress. Incidentally, I believe that, when we are able to talk about it, people will be surprised at the extent of that progress.

What Saddam was doing, however, was effectively refusing to allow the scientists to be interviewed properly. If scientists came to interviews, there would be a tape recorder there, or they were obliged to bring a "friend" to the interview. The fact is, as Dr. Kay said, that Iraqi scientists are on record as saying to him that when Saddam was in power, they did not dare give the information. I am afraid that we are left with the situation where, if people are reasonable, they will have to accept that Saddam retained the full intention of developing the programmes. In the end—Dr. Kelly himself once made this remark—Saddam was never going to change. Ultimately, even though we went through the UN and through the business of putting inspectors back into Iraq, he was never going to change unless he was removed from power.

Let me make one further comment. Suppose we had accepted Saddam's assurances and left him to get on with it, or suppose the inspections that he had no intention of co-operating with had wound their weary way to nowhere until the world's attention turned away. Do we think that in the chaos and corruption in Iraq that Dr. Kay described and that in the inevitable licence that Saddam would have gained in the face of the world's weakness, the world would be a safer place? Does anyone really believe that? Even if the Iraq survey group finds no more than it has found so far—incidentally, it still has 26 million pages of documents to read, as well as innumerable sites to visit and scientists to interview—we would have been irresponsible in the highest degree if we had not acted against Saddam and removed him and his loathsome regime from power.

[The Prime Minister]

However, I never based the case for war on Iraq alone. Iraq was also an essential test of whether the world was prepared to confront the new security threat that we face—the nexus between unstable, repressive states that develop WMD and terrorists who seek unlimited destruction in pursuit of fanatical goals. I shall not rehearse every aspect of that argument today, but I repeat my conviction that that nexus between terrorism and WMD is the security threat of the early 21st century.

After Afghanistan, and now after Iraq, the world knows that we will fight back. It knows that, wherever the terrorists are, we will get after them, and that we will press hard on states that sponsor terrorism. The pressure that we exert may well be diplomatic pressure, but such states now know that we have the military means at our disposal, and the willingness to use to it if necessary.

When states that used to harbour ambitions for WMD reach out to us in friendship, we will reach out to them and offer a way out. That is why I welcome the six-nation talks involving North Korea that have begun. It is why I am pleased that Iran has recommenced negotiations with the International Atomic Energy Authority, and why President Bush and I are prepared to seek a new relationship with Libya. Does anyone seriously believe that we would be better placed in any of those endeavours if we had shied away from confronting Saddam?

Also, in respect of each of the nations to which I have just referred, we have acted in part on intelligence. I cannot say—this bears directly on the point made earlier by the hon. Member for Wantage (Mr. Jackson)—that all that intelligence is right in every respect. It may even be that we have underestimated the WMD threat in certain quarters. Intelligence never pretends to be an exact science. However, we are very lucky to have our intelligence capability, and we should be proud of the work that our intelligence services do, and of the people who work in them.

Therefore, if any part of the intelligence turns out to be wrong—and we know that much of it was right—or if the threat from Saddam turns out to be different or to have changed from what we thought, I will accept that, as I should. However, others should accept that ridding Iraq of Saddam Hussein has made the world not just better, but safer. It has hugely strengthened us in our fight against the proliferation of biological, chemical and nuclear weapons. Although the responsibility for going to war is mine, as it should be, it would also have been my responsibility if, having received the intelligence, I had refused to act on it. I know which course lies more easily on my conscience.

One very clear reason for that is what is happening in Iraq today—and I come now to my final point. Yes, the terrorists and the rump of Saddam sympathisers wreak their deathly havoc. Yes, there are still a myriad problems to overcome. But 17,000 construction projects are now under way in Iraq; the oil is flowing, and its wealth is being put back into the hands of Iraqis; the schools and hospitals are open; a new currency is in circulation; a new police force is taking shape, and newspapers and radio stations abound.

Mr. Tam Dalyell (Linlithgow) (Lab): Will the Prime Minister give way?

Mr. Ernie Ross (Dundee, West) (Lab): Will my right hon. Friend give way?

The Prime Minister: In a moment. Democracy is on its way in Iraq. The people are free, and Iraq—a nation of immense history and deepest culture—is no longer a pariah, with its people enslaved. It is now a country with some hope for the future in its heart. That is a gain worth having.

Mr. Dalyell: The Prime Minister is a lawyer. Some very wicked people, among them Hermann Goering and others, were at least brought to trial at Nuremburg. Does he think that we ought to do something to arrange a trial for Tariq Aziz and others, and even for Saddam himself? Would not bringing forward the trial procedure allow the west to set an example, however unpalatable the people involved might have been?

The Prime Minister: My hon. Friend is right to say that we must make sure that the procedure that we use is fair and justified. In the end, though, it is important that the matter is determined by the new Iraqi Government. We are working closely with the Iraqis to ensure that Saddam Hussein and the other leaders of his regime get a fair trial. That is something that he denied to thousands of people when he was in power.

Mr. Ross: If we are to get an Iraq that is free, fair and democratic, will my right hon. Friend emphasise to President Bush at their next meeting that the people of Iraq have the need—and the right—to organise? People who organise a trade union or a committee in a mosque, for example, should not be suspected of being members of al-Qaeda, or of having links with that group. Will my right hon. Friend stress the need to allow and encourage the formation of such organisations, perhaps by suggesting that British companies that win contracts in Iraq should welcome the involvement of a free trade union movement?

The Prime Minister: My hon. Friend makes a good point. Obviously, it is important that we give free organisation in Iraq every chance to express itself. There will be difficulties, as we go through the transition period. For obvious reasons, the coalition forces will sometimes be worried by one organisation or another. However, I agree that the forces must exercise their authority with discretion.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Will the Prime Minister give way?

Dr. Jenny Tonge (Richmond Park) (LD): Will the Prime Minister give way?

The Prime Minister: No, as I am conscious of the time, and of the fact that other hon. Members wish to speak.

We must recognise that the process that has begun in Iraq will give the Iraqi people, for the first time ever, the chance to run their own affairs in a democratic way. I remember that before the conflict, many people, both here and abroad, said that we did not understand what Iraq was like, and that countries such as Iraq preferred hard-line military dictators who were able to keep order. However, people in Iraq now rejoice at the possibility of democracy.

That brings me to my final point, which I think is important. Sometimes, the values that we are trying to help Iraqis to achieve are talked about as though they were solely western values. A sort of self-loathing comes upon us when we talk about them in that way, but those values are not only western in origin. They are the values of the human spirit. People support them wherever they can get them. We should be proud that, in Iraq today, we have a process under way that will allow the Iraqi people to achieve the freedom, democracy and the rule of the law that we take for granted.

Yes, we will get protests, as we saw earlier today. However, we in this House of Commons are very lucky: we can say what we want about the policy issues of the day, and we can debate them properly and come to decisions about them. In the end, the people of this country elect their Government. That is a fantastic thing, and it is an opportunity that is available for people in Iraq today.

I know that people—some of them Labour Members—are worried about our alliance with the United States of America. However, I think that America now understands and believes that the best and ultimate guarantee of its security is the spread of the values of freedom, democracy and the rule of law. If America no longer takes an isolationist view of the world but considers that part of its job is to spread those values around the world, I for one am proud to be its friend and ally.

The values that I have described are important: they are, ultimately, the best guarantee of security. We can have everything that we want in terms of security services and military action, but the best guarantee of our security is that people everywhere in the world are allowed to live their lives in decency and freedom. They must be able to know that the knock on the door does not come from the secret police. They must be able to hold their Governments to account, and to do the same for anyone who transgresses their rights, in courts that are properly run. In the end, that is the freedom that people in Iraq and everywhere else want. It is the freedom that we should be giving to them.

1.43 pm

Mr. Michael Howard (Folkestone and Hythe) (Con): At the outset, may I say that I very much agree with the Prime Minister's concluding remarks? I agree with what he said about the United States, and about present conditions in Iraq. I agree, too, with what he said about the threats that we face in this dangerous world, and about the necessity to take action to deal with those threats. On all those vitally important matters, there is complete agreement between us.

I also welcome the Prime Minister's decision, announced yesterday, to set up an inquiry into the matters to which he has referred. I believe that the war in Iraq was a just war. My party has been consistent in offering support to the Government and our armed forces—*[Interruption.]* I remind Labour Members that, if it had not been for our support, the Government would not have had the House's authority to proceed. That is something that should be remembered. We have been equally consistent in calling, since last June, for an inquiry to be held into the intelligence surrounding the war. It is becoming increasingly clear that there was a discrepancy between the intelligence assessment of the weapons of mass destruction which it was believed Saddam Hussein possessed and the reality on the ground. David Kay, whom the Prime Minister quoted frequently in his speech, has said that he does not believe that weapons of mass destruction exist, or existed, in Iraq. He said a number of other things, too—the Prime Minister is quite right—and I shall come to some of them.

Let me make one thing clear: it is possible both to support the war and to want to get at the truth. That is the position of David Kay; it was the position of the late David Kelly; and it is my position, too. The purpose of the inquiry that the Prime Minister announced yesterday should not be to find scapegoats in the intelligence service—I agree with what the Prime Minister said about the enormous contribution that the intelligence services make to our security—nor should it be to rerun the arguments for war. As David Kay said—I think the Prime Minister has quoted these words—

"the world is a far safer place with the disappearance and removal of Saddam Hussein"

and Iraq

"was even more dangerous than we thought."

It is precisely because we live in such a dangerous world, where many threats may be even graver than we currently think, that it is so important that we have the best intelligence possible and the best guarantee that it will be acted on wisely.

If it is the case that intelligence overestimated Saddam Hussein's weapons of mass destruction, it is also true that, in the past, intelligence has underestimated threats, not least from Libya and Iraq in the 1990s. Underestimating the dangers we face should be at least as big a concern as overestimating them. I agree with my hon. Friend the Member for Wantage (Mr. Jackson) that there can never be total certainty on these matters, but if the Government are to safeguard the national interest and people's lives, we need to be as certain as we can be of the hazards Britain faces, so that the correct action can be taken by our Government and their allies.

It is also vitally important that any future Government, before they discharge their most solemn duty—the dispatch of our forces abroad—must be able to convince the House and the British people of the necessity for action. I have little doubt that such a solemn duty will be required of a future Prime Minister and, given the fact that many of the threats we face from rogue states, weapons of mass destruction and terrorists are incubated in secrecy, we must have sound intelligence before we can make a convincing case for necessary action. The inquiry, for which we have long argued, is thus clearly in the nation's interest as a means of rebuilding public confidence and strengthening our capacity to defend ourselves and make the world a safer place. Those are serious issues, which the inquiry must address.

[Mr. Michael Howard]

The inquiry may show that no one is to blame; after all, no one should underestimate the difficulties of obtaining accurate intelligence on countries such as Iraq. However, there must be lessons to be learned and it is essential that we learn them.

Angela Eagle (Wallasey) (Lab): In the light of what the right hon. and learned Gentleman has just said about the inquiry, does he agree that the attack made earlier by the Plaid Cymru Member, the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), on my right hon. Friend the Member for Dewsbury (Ann Taylor) for her good public service in joining the inquiry, and which might also be made against the Conservative Member who is serving on the inquiry and on Lord Butler, who will head the inquiry, needs to be deplored now, so that a foundation is not laid for attacking people who agree to serve on inquiries on such difficult issues, and who take on an onerous public duty in doing so?

Mr. Howard: Well, Mr. Speaker, I have been accused of many things in my time, but never before have I been held responsible for the observations of Plaid Cymru.

Angela Eagle: I asked the right hon. and learned Gentleman whether he agreed that the attack was deplorable.

Mr. Howard: I was about to tell the hon. Lady that I entirely dissociate myself from the remarks that were made.

Mr. Llwyd: I thank the right hon. and learned Gentleman for his courtesy in giving way. I have an e-mail that proves exactly what I said: a pre-publication copy was given to the right hon. Member for Dewsbury (Ann Taylor) for her comments and the draft was subsequently published. The right hon. Lady was the only Back Bencher to receive a copy and now she will be sitting in judgment on it.

Mr. Howard: I am happy to offer my mediation in this dispute if that is what the hon. Gentleman and the right hon. Member for Dewsbury (Ann Taylor) want; otherwise I think he will have to take the matter up directly with the right hon. Lady.

Sir Patrick Cormack (South Staffordshire) (Con): Will my right hon. and learned Friend explain to the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) that there is a difference between a draft and a pre-publication copy?

Mr. Howard: My hon. Friend, as ever, makes his point to perfection.

I mentioned the consistency of the Conservative position on the inquiry. Although I am reluctant at this stage to introduce this small note of controversy, that is a contrast with the lack of consistency on the issue that we have seen from others. For many months, the Prime Minister has been in denial about the need for an inquiry. Indeed, it must be said that he was the last person to change his mind. When I asked him about it last week, he replied that we should wait for the Iraq survey group to complete its work, yet now he says that an inquiry is the right approach because the Iraq survey group probably will not report in the very near term. What did he discover between last Wednesday and yesterday that led him to that conclusion?

The Prime Minister and the Foreign Secretary say that it is now right to hold an inquiry because of what David Kay said, but David Kay's remarks were the very comments that I put to the Prime Minister last week. What a pity no one told the Lord Chancellor and the Leader of the House that the Prime Minister was changing his mind. Only this Sunday, the Leader of the House was still saying,

"let's wait for the survey group to finish".

When the Lord Chancellor was asked—also on Sunday—whether there should now be an inquiry on weapons of mass destruction, he replied:

"No, I don't think there should".

So what has happened? Why did the Government perform such an extraordinary volte-face in the space of two days?

I would really like to think that my renewed calls for an inquiry over the weekend may have had something to do with that decision, but in fact I am realistic and I know perfectly well that it had nothing to do with me. The thing that changed between Sunday, when an inquiry was apparently quite out of the question, and Monday, when it was not, was the statement from President Bush. It is the President who deserves all the credit—I am happy to give it to him—for changing the Prime Minister's mind on this issue. Where the President led, the Prime Minister followed, so we should all be grateful to the President. At least we have an inquiry, and as I say, I am grateful for that.

Mr. Barry Gardiner (Brent, North) (Lab): Turning to the Hutton inquiry, does the right hon. and learned Gentleman share with Lord Howe of Aberavon unqualified relief that the Prime Minister has been acquitted of dishonesty, and will he now be prepared to apologise for his own remarks, when he called the Prime Minister a liar and a stranger to the truth?

Mr. Howard: I said last week that I accepted the conclusions of the Hutton report and I do not in any way resile from that. As to the other part of the hon. Gentleman's question, I am glad that he asked it; I hope that he has done his research and not merely taken a handout from the Whips, because I want to deal very comprehensively with his suggestion. I made three claims, none of which I resile from today.

First, I referred to the dodgy dossier. Even the Prime Minister said that he apologised for the dossier, and the Foreign Secretary described it as a complete Horlicks.

Mrs. Angela Browning (Tiverton and Honiton) (Con): Will my right hon. and learned Friend give way?

Mr. Howard: I am responding to the hon. Member for Brent, North (Mr. Gardiner). I shall give way to my hon. Friend in a moment.

Even the hon. Member for Brent, North could not argue with my first point.

It then became increasingly clear—I commented on it—that people were misled about the 45-minute claim. If the hon. Gentleman has not read Dr. Jones's article in *The Independent* today, I suggest that he do so.

Thirdly, I asked the Prime Minister about his denial, on the aeroplane to Hong Kong, that he authorised the naming of David Kelly. The Government have now completely changed their tune on that. Before the Hutton report, they denied that they had anything to do with the naming of David Kelly, because they were afraid that they would be found by Lord Hutton to have done so dishonestly, duplicitously and in an underhand way.

Mr. James Plaskitt (Warwick and Leamington) (Lab): Will the right hon. and learned Gentleman give way?

Mr. Howard: No, I am dealing with the intervention made by the hon. Member for Brent, North (Mr. Gardiner). The hon. Gentleman will have to contain himself.

That allegation was indeed made. It was not made by me—I have never said any of those things—and Lord Hutton rejected that allegation. Ever since Lord Hutton rejected that allegation, the Government, including the Prime Minister, have been happy to claim the credit for naming David Kelly. Indeed, the Prime Minister said last week that he was under a duty to do so. Now, the Prime Minister could have said all that on the plane, but he did not; he said something very different. The Prime Minister can have what he said on the plane, or he can have what he said last week—he cannot have them both.

I shall give way to my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) if she still wishes to intervene, and then to any other hon. Member who wants to deal with this issue, so that we can get it out of the way once and for all.

Mrs. Browning: My right hon. and learned Friend says that the Prime Minister has apologised for the dodgy dossier. I have exchanged correspondence with the Prime Minister. I wrote to him in June, and he replied to me ultimately in November last year. When I asked him to apologise for the dodgy dossier, he replied that the Foreign Secretary had apologised for it—he had nothing to add.

Mr. Howard: I have not seen that correspondence, but the debate has been conducted thus far in a spirit of generosity, which was perhaps why I said what I did about the Prime Minister.

Kali Mountford (Colne Valley) (Lab): I am grateful to the right hon. and learned Gentleman for being gracious in giving way. In one breath he says he accepts in full the findings of the Hutton report; then he goes on to equivocate about what he agrees with. How can we be confident that the outcome of the WMD inquiry will have his full support; or will he continue to equivocate?

Mr. Howard: The hon. Lady is entirely wrong. First, I accepted the conclusions of the Hutton report: that is perfectly true. Lord Hutton did not deal with the issues that I have just raised. In particular, he did not deal with the question of what the Prime Minister said. [HON. MEMBERS: "He did."] Lord Hutton said that what was said on the plane cast no light on the controversy in which I have been engaging the hon. Lady, so she is quite wrong.

Mr. Plaskitt: I am grateful to the right hon. and learned Gentleman for giving way on the subject of the naming of Dr. Kelly. On 11 January this year, the right hon. and learned Gentleman accused the Government thus:

"the deliberate disclosure of confidential information ... that's exactly what the Government were about."

On that, Lord Hutton concluded:

"there was no strategy ... devised by the Prime Minister and his officials to leak Dr. Kelly's name."

Given that the right hon. and learned Gentleman now says that he accepts the Hutton report, does he also accept that he was wrong on 11 January?

Mr. Howard: Not at all. I am afraid that the hon. Gentleman is very confused about this. Let me remind him that the Prime Minister said last week that the Government had a duty to disclose the name of David Kelly. *[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the right hon. and learned Gentleman. The Leader of the Opposition is replying to a question that was put to him; the House should hear the answer.

Mr. Howard: The Prime Minister is now saying something about this issue that is completely different from what he said on the plane. That is a fact; it is on the record; and everyone can test it. That is the position. I am sorry if the hon. Gentleman is unhappy about that, but there it is.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) (Lab/Co-op) *rose—*

Mr. Howard: I give way to the right hon. Gentleman, and then I shall make progress.

Mr. Foulkes: I think that I can be helpful. Has the Leader of the Opposition read *The Observer* of 11 January, which says:

"On 10 December *Spectator* magazine held a Save Andrew Gilligan dinner at Luigi's restaurant in Covent Garden. As you would expect, many of the guests who wanted to save Gilligan were Conservatives."

Among those present was

"David Davis ... Davis was canvassing advice on how best to attack Tony Blair after the release of Lord Hutton's report."

Is it not true that, if there is any conspiracy, that is where it was?

Mr. Howard: I must confess that I am mortified that I was not invited to that occasion. It was obviously a most convivial affair. I am sure that I would have greatly enjoyed it, and I shall take up with my hon. Friend the

[Mr. Howard]

Member for Henley (Mr. Johnson), the editor of *The Spectator*, why it was that he never extended an invitation to me to attend that happy occasion.

Mr. Boris Johnson *rose—*

Hon. Members: Give way!

Mr. Howard: I want to make progress.

Mr. Boris Johnson: If my right hon. and learned Friend will briefly allow me, perhaps for the avoidance of doubt, I should say that I was not at that dinner myself either.

Mr. Howard: I am not sure whether that is a wholly convincing excuse. I would have been happy to go even if my hon. Friend had not been there, but there it is—we cannot all win on these things.

I want to make some progress and to deal with some of the discussion that has taken place about the inquiry's terms of reference. I was not happy with the wording that the Prime Minister originally proposed to me. I wanted it to be clear that the committee can and should consider the way in which the Government used the intelligence with which they had been provided. That is now included fairly and squarely in the terms of reference that have been agreed. Indeed, that is why I agreed to them.

There are some things that can and should be done in relation to these issues, however, that do not need the report of that inquiry. Some things could be done now. Writing in *The Independent* today, Dr. Brian Jones has made a specific request to the Prime Minister to publish now the intelligence which he was not shown at the time, but which he says lay behind the Government's key claims that Iraq was actively producing chemical weapons and could launch an attack within 45 minutes of an order to do so. The Prime Minister has referred to that intelligence today in his speech. It clearly exists. Dr. Jones says that it should now be released. Given that Saddam Hussein has been overthrown, even if that intelligence came from a source that was sensitive when Saddam still ruled Iraq, Dr. Jones clearly believes that it is no longer sensitive now, although he went on to say that, if there is a reason of sensitivity, the Prime Minister should state it clearly. It seems to me that the request made by Dr. Jones is entirely reasonable. I hope the Prime Minister will respond to it. If he chooses not to, I hope that the Secretary of State for Defence will deal with it in his winding-up speech.

Mr. Kevin Hughes (Doncaster, North) (Lab): Is the right hon. and learned Gentleman saying that he would be happy for sources of intelligence to be paraded in the media around the world? Would that not put our intelligence people at risk?

Mr. Howard: I suggest that the hon. Gentleman read what Dr. Jones said in his article today. What Dr. Jones said is that he thinks that the intelligence should be published. He doubts whether there is any reason of sensitivity for not publishing it. *[Interruption.]* If the hon. Gentleman will wait just a moment, I shall carry on telling him what Dr. Jones said. Dr. Jones said that, if there is a reason of such sensitivity for not publishing the intelligence, the Prime Minister should say so clearly. Presumably, Dr. Jones would be happy with that, and so would I.

We must always remember that the Hutton inquiry was first and foremost about a tragedy: the tragic loss of a gifted and honourable scientist. I join the Prime Minister in paying tribute to the dignity with which Dr. Kelly's family have behaved during the months that have passed since his death. Lord Hutton has completed his report. I accepted its conclusions last week. Lord Hutton sets out in some detail what happened regarding the events surrounding the David Kelly's death, but he provided no recommendations. So it is up to the House and the Government to consider the lessons of those tragic events. There are lessons about the use of intelligence, about the way in which Select Committees should operate in future, about treatment of staff, about the way in which the Government do their business and about the Government's relationship with the media.

In the use of intelligence, a new precedent has now been set through the publication of intelligence dossiers. Everyone is clear about the February dossier—the dodgy dossier, to which I have already referred. The process that led to the publication of that document must never happen again.

The September dossier was the first document, so far as I am aware, prepared by the Joint Intelligence Committee and published by the Government. That decision gives rise to very serious questions. Will it be possible in future to go to war without publishing dossiers of that kind, including material from intelligence? If they are to be published, can the process of publication be better managed than it was on that occasion? For example, should not the Government have gone to greater lengths to avoid the kind of false interpretation that was placed on the 45 minutes claim? When, for example, newspapers published headlines such as "45 minutes from attack", on the day of the September dossier, and "Brits 45 minutes from doom", the day after, should not the Government have made it clear that the claim in the dossier referred to battlefield weapons? The Intelligence and Security Committee said:

"the context of the intelligence on the 45 minutes claim should have been explained, in particular the fact that it was assessed to refer to battlefield chemical and biological munitions and their movement on the battlefield, not to any other form of chemical or biological attack, should have been highlighted in the dossier. The omission of this context and assessment allowed speculation as to its exact meaning".

That was the finding of the Committee. The Government response failed to respond to that specific point, which was the point raised by my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot) in his intervention. The Defence Secretary was asked at the Hutton inquiry,

"why was no corrective statement issued for the benefit of the public in relation to those media reports?"

He replied, "I do not know". Perhaps the Prime Minister can provide an assurance that lessons from that episode have been learned.

There may also be lessons to be learned about how the operation of Select Committees can be improved. In the previous Parliament, my noble Friend Lord Norton of

Louth chaired a commission of distinguished parliamentarians and constitutional experts, and proposed ways to strengthen democratic control of the Executive. Many of its recommendations relate to Select Committees, including strengthening their research support. Our party's pledge at the last election was to make sure that Select Committees are independent of party managers, which also followed the work of the Norton commission.

Then there is the Government. There are specific criticisms of the Ministry of Defence in the Hutton report, focusing on the way in which it treated Dr. Kelly in relation to the naming process. Paragraph 432 of the report states:

"The principal fault lay in the failure of the MoD to inform Dr Kelly that the press office was going to confirm his name if a journalist suggested it."

I trust that across Government attention will be paid in future to ensuring that their employees are given the care and respect that they deserve.

Mr. Clive Soley (Ealing, Acton and Shepherd's Bush) (Lab): Is not an issue being missed, which is profoundly important, in relation to the way in which Mr. Gilligan used a member of the Select Committee and the media to make Dr. Kelly's position more untenable? Is not one of the issues to which we are not paying enough attention the problem of the relationship between politics and the media, which in this case was incredibly destructive for Dr. Kelly?

Mr. Howard: There is considerable force in the important point made by the hon. Gentleman.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I was interested in what the right hon. and learned Gentleman said about the operation of Select Committees. Would he support a move for the Intelligence and Security Committee to be made a Committee of the House rather than one appointed by the Prime Minister and reporting to the Prime Minister?

Mr. Howard: That is an interesting and important question. I was a member of the Government who set up the Intelligence and Security Committee, and who did so on the basis on which it currently exists. I do not want to rush into any judgment on the important question raised by the hon. Lady: it is an important question that has many implications, but it requires mature consideration.

There are also lessons in the Hutton report about the process of government. There is a lack of documentary evidence of the conclusions of crucial meetings, on which Lord Hutton commented in the course of the inquiry. Two weeks ago, the House debated the issue of a civil service Act. Once again, the Government said that they were in favour of such an Act in principle. Once again, they failed to give any indication that they were about to turn that theory into practice. They need to do so. The independence and impartiality of the civil service need to be given statutory reinforcement.

The most serious and far-reaching repercussions of the Hutton report in the last week have been for the BBC. I want to start by paying tribute to Gavyn Davies and Greg Dyke. Notwithstanding the criticisms contained in the Hutton report, to which I will refer in a minute, they both made a very significant contribution to the BBC. Clearly, however, the BBC did make mistakes in the handling of this issue. Indeed, Gavyn Davies and Greg Dyke have acknowledged as much themselves. I believe that some institutional changes are required, too. Conservatives have long argued that the governors cannot properly both run and regulate the BBC and that, particularly in relation to complaints procedures, there should be a role for Ofcom. Ofcom already has some jurisdiction over the BBC, so it is difficult to see how there can be any objection in principle to extending its remit in this way. At the last election, we specifically argued that Ofcom should have jurisdiction over complaints. If that had been in place, the most important of the complaints made by the Government would have been dealt with by Ofcom. That might have had a significant effect on the whole tragic train of events that led to the death of David Kelly.

When all is said and done, however, the Hutton report must not be used to undermine the independence of the BBC. On this issue, many people have concerns about the Government's reaction. Within minutes of the Hutton report, Alastair Campbell was touring the studios demanding multiple resignations. Officials made it clear that the Prime Minister was not satisfied with the resignation of Gavyn Davies. Even after Greg Dyke's initial apology, the Prime Minister's official spokesman said that the BBC response was not good enough. Then, after seeing the reaction of the public, the Prime Minister said that all he ever wanted was an apology.

There is an essential point of principle here. No one should underestimate the vital role that a free media plays in sustaining a vigorous and healthy democracy.

Mr. Kevin Hughes: Will the right hon. and learned Gentleman give way?

Mr. Howard: I have given way to the hon. Gentleman once already.

As Lord Hutton himself says:

"The communication by the media of information (including information obtained by investigative reporters) on matters of public interest and importance is a vital part of life in a democratic society".

And as I said last week, it is vital that the media are not cowed, and that they carry out their responsibilities fairly but rigorously. That includes challenging politicians. Sometimes, however occasionally, that process of holding us all to account can include making allegations about integrity. When that is appropriate, the media should not feel intimidated into not doing so. It is rather ironic that those who are now screaming for such challenges to become out of bounds were in the forefront of making them until they assumed office.

David Winnick: Respecting the integrity of the BBC, is it not right that in the 1980s Lord Tebbit in particular baited and tried to undermine the BBC because he considered that its broadcasting of the bombing attack on Libya was wrong, and that on many occasions Bernard Ingham taunted the BBC because he disliked, on behalf of the Tory Government, what was being

[David Winnick]

done? Let us not be hypocritical: the BBC has come under attack from successive Governments and not least from the previous one.

Mr. Howard: Of course, all Governments make representations to the BBC. That is perfectly true. I do not believe, however—and I do not believe that the hon. Gentleman could point to one—that any accusation against a member of the previous Government is at all comparable with Greg Dyke's allegation of bullying against the present Government. That is something that the hon. Gentleman will have to live with.

The last seven days have demonstrated yet again that a week is a long time in politics—

Gregory Barker: Does my right hon. and learned Friend not agree that there is a world of difference between confronting or contradicting the BBC, and seeking to crush the spirit of the journalists and editorial staff who work for it?

Mr. Howard: They are my hon. Friend's words, and he has made his point.

Mr. Tony McWalter (Hemel Hempstead) (Lab/Co-op): I am listening carefully to what the right hon. and learned Gentleman is saying. As he knows, I am very interested in the role of rationality in politics, to which he has made a contribution today, as has my right hon. Friend the Prime Minister. He will be aware, however, that the issue that has particularly vexed Labour Members is that he seems to have personally associated himself with attacks on the integrity of the Prime Minister. Will he be consistent with the rational tone of his speech by explicitly denying that he intended to do that at any stage?

Mr. Howard: I have dealt with that matter, but since the hon. Gentleman raises it, let me deal with it again. Last week, the Prime Minister referred to what I said about him in a television broadcast that I made last August, when I made allegations—[HON. MEMBERS: "In this House?"] No, it was in a television broadcast. In that broadcast, I made some allegations about the Prime Minister. In doing so, I quoted—verbatim, I think—from something that had been said on that very day by someone else in an article in *The Independent on Sunday*. That someone else—*[Interruption.]* I think that hon. Members should listen for a moment. That someone else was the hon. Member for Liverpool, Walton (Mr. Kilfoyle), who is widely respected in all quarters of this House. In that article, describing the Government's spin, he said:

> "This is spin of a different order to the kind which was around for many years. That sort of spin was an attempt to put the best gloss on government policy and action. It was not a consistent and concerted effort at evasiveness and duplicity which has become the hallmark of government in the perception of so many."

On that day, I associated myself with the words of the hon. Member for Liverpool, Walton, and I make absolutely no apology for doing so.

Mr. Tony Clarke (Northampton, South) (Lab): The right hon. and learned Gentleman wriggles away from an apology. Seven days ago, prior to his wanting an inquiry into WMDs, the chairman of his party wanted an inquiry into the leaking of the Hutton report to *The Sun*. If he does not have the decency to apologise to the Prime Minister for his own comments, would he at least have the decency to apologise for the comments of the chairman of his party, who accused the Government of leaking the report to the media?

Mr. Howard: We shall have to see what happens when the report on that is concluded—that will be the time to consider it. In relation to his other question, I am afraid that the hon. Gentleman has not been listening to what I have said.

Tony Wright (Cannock Chase) (Lab): Before the right hon. and learned Gentleman leaves the issue of lessons to be learned, will he reflect for a moment on whether there is any lesson to be learned by the Leader of the Opposition? Despite his loyally wriggling, the fact is that we have sat for week after week listening to him effectively calling the Prime Minister a liar. It would help our proceedings immensely if he now had the grace to withdraw that charge.

Mr. Howard: What I did in this House, as opposed to what I did in the television studio, was to put a series of questions to the Prime Minister; and it is a matter of great and abiding regret that he was so reluctant to answer them. If he had answered them immediately and straightforwardly, there would have been no difficulty at all. I must say to the hon. Gentleman that if he were to look back at the answers that the Prime Minister gave to those questions, he would regret his accusation of "loyally wriggling". He needs to look at what the Prime Minister said.

Dr. Palmer *rose—*

Mr. Howard: I shall give way once more, then I really must make progress.

Dr. Palmer: Does the right hon. and learned Gentleman seriously expect the House to accept that if he puts questions suggesting lying, that is not the same as suggesting lying? If I were to put a question suggesting to him that he might be guilty of paedophilia or some other crime, would he accept that merely as a question, or would he feel that it called for a withdrawal?

Mr. Howard: I am afraid that that is a million miles away from the questions that I put to the Prime Minister. I asked the Prime Minister to stand by certain things that he had said before, and what we heard in response could be described only as loyally wriggling.

Huw Irranca-Davies (Ogmore) (Lab) *rose—*

Mr. Howard: I will not give way again, because I have done so very generously.

In the past seven days, events outside this House haye moved fast, as have comment and opinion. The Hutton report has been subjected to intense comment, some of it questioning, some of it critical, and some of it more

than a little incredulous. Unfortunately for the Prime Minister, the initial opinion of his colleagues last Wednesday does not seem to be reflected in the more settled opinion of the public. In the past, people would sometimes warn me of the dangers of winning an argument in this House, but not in the country. In a spirit of good will, perhaps I can offer the Prime Minister that same piece of advice.

There are clearly very important lessons to be learned from the Hutton report about how Governments of different parties run their business. There are lessons that the Prime Minister needs to address and lessons that leaders of any party need to address. That is why I have dealt with some of the general questions arising from the report and how they might be addressed in the absence of recommendations from Lord Hutton; why I welcome the fact that the Prime Minister has accepted the need for a wider inquiry on the relation between intelligence and Government; and why it is essential that Governments of all political persuasions are extremely sensitive to the independence of the media, particularly the BBC, in the way in which they conduct themselves.

These are not easy decisions for any Government, and they require a great deal of restraint. I do not pretend that that was always present when my party was in power, and it is clear from the Hutton report that it has not been present in recent times. There are lessons to be learned from the events that led to the Hutton inquiry, and I hope that they will be learned.

2.21 pm

Mr. Charles Kennedy (Ross, Skye and Inverness, West) (LD): As I said to the Prime Minister last week when he delivered his original statement on the Hutton report, we welcome and accept the conclusions arrived at by Lord Hutton, and pay tribute to the thoroughness of his work and that of his colleagues on the inquiry. Whatever our disagreements and differences, whether this week or during the war, on the issues and principles at stake, once the Hutton inquiry was established, we did not, as the Prime Minister was reasonable enough to acknowledge to me publicly across the Floor of the House last week, seek at any point to impugn his integrity or to reach premature judgments on the report. That distinction has not been lost on people inside and outside the House.

We accept the fundamental conclusion reached in the report—namely, that the Government did not insert intelligence information that they knew to be wrong into the dossier. There is no doubt whatsoever that mistakes were made by the BBC. There used to be an old saying at the BBC that whenever there was an inquiry, deputy heads would roll. This occasion has been the exception to the rule, because although two senior heads have rolled, as well as the junior head—Gilligan—deputy heads of management have remained unscathed. Some of us looking at the BBC from the outside in find that a bit puzzling, given the management shortcomings that the report clearly reveals.

I make this plea regarding the BBC. Last week, a number of hon. Members on both sides of the Chamber said that the report would become a weapon with which to beat the BBC and to undermine its integrity and independence in relation to function and funding. Now that the licence renewal process is under way and the charter is up for discussion, I hope, given the pledge that the Prime Minister made last week in his response to the resignations that took place, that the Government will ensure that the BBC's independence and integrity remain inviolate. Whatever mistakes were made in this case—and they were serious mistakes that led to serious consequences for all those involved and contributed to the particularly tragic consequence on which the report is centred—it is in all our long-term interests to have a viable, questioning, independent BBC. That is important not only for our national public life in Britain, but for the reputation of our country around the world.

It is clear that, as the Government and the Prime Minister have acknowledged, significant criticisms are made in the Hutton report. As the Prime Minister knows, our reservations about Hutton are based on similar grounds to those of the reservations that we expressed in our conversations earlier this week with regard to the next inquiry that is now coming on stream. The concern is that the tightness of the remit does not adequately enable the inquiries to address the fundamental question that the public want addressed—the political judgments that were taken at the top of the Government in committing this country to war.

Jim Sheridan (West Renfrewshire) (Lab): The right hon. Gentleman has consistently questioned the integrity of the Government as to whether there are weapons of mass destruction in Iraq. Is he equally consistent and concerned about the possibility, extreme though it may be, of weapons of mass destruction in the seas and oceans around this island? I represent a constituency that sits in the nuclear basin of the Clyde, like his hon. Friend the Member for Argyll and Bute (Mr. Reid). This is a perfect opportunity for the right hon. Gentleman to question the intelligence services through the Butler inquiry about exactly that issue, rather than to carry on grandstanding from the sidelines.

Mr. Kennedy: I have questioned the narrowness of the remit, but even I would have to acknowledge that the subject that the hon. Gentleman raises would be a rather broad remit for any further inquiry. You, Mr. Deputy Speaker, might well call me to order if I were to pursue that issue. None the less, the hon. Gentleman may want to make those representations as and when the next inquiry gets under way.

Mr. George Osborne: The right hon. Gentleman spoke about the political decisions taken in the Government that led to the war. Was not the political decision ultimately taken by this House in March in a vote, after a very important debate? Surely, that decision cannot now be subcontracted to a committee of inquiry. Are not such matters what we are sent here by our electorates to decide upon?

Mr. Kennedy: The hon. Gentleman asks a perfectly fair question that gets to the heart of the matter. The parliamentary decision was indeed taken in the context and on the night to which he refers. However, the outstanding concern of many people, including many senior figures in his party—it has been expressed over the past few days—is clear. Will a further inquiry be

[Mr. Kennedy]

able—clearly, it will not—to address the legitimate question that many have raised persistently: was the political decision to execute the war taken quite some considerable time before the decision was put in front of Parliament? Was it essentially arrived at in Washington, after which the Prime Minister reached his own private conclusion that war was inevitable, so it was only at a much later date that the House of Commons had the opportunity to speak as it did?

Ms Stuart: It is a political decision that has to be made at the time and on the basis of the best available evidence. This House was given, for the first time, the opportunity to have a substantive vote. What the right hon. Gentleman is questioning—this is what is puzzling me—is what is said even by intelligence sources such as David Kay, who said:

"I will just say if—I am convinced myself. If I had been there, presented with what I have seen as the record of the intelligence estimates, I probably would have come to the"—

he then corrects himself, and continues—

"not probably—I would have come to the same conclusion that the political leaders did."

Given that that is the case, and that this House makes the political decision, I am still at a loss as to what the right hon. Gentleman would have wanted the new inquiry to achieve, other than giving the political decision to someone else.

Mr. Kennedy: If the hon. Lady was in the Chamber earlier to hear Prime Minister's questions, she will have heard the exchanges between the Prime Minister and me about the Franks committee. That committee's remit enables an analysis of the sort of questions to which she is drawing attention, but which we do not accept that Lord Hutton, as he explicitly makes clear, had a remit to inquire into in respect of certain fundamental issues. We are also concerned that the next forthcoming inquiry will be similar hidebound in terms of the remit that has been set.

Donald Anderson *rose—*

Several hon. Members *rose—*

Mr. Kennedy: I must give way to the Chairman of the Select Committee on Foreign Affairs.

Donald Anderson: Surely, if a decision has been made—it was made in March by this House on the best evidence then available—and fresh evidence subsequently arises, as it may in respect of the Iraq survey group, the court of appeal will not be some committee, but rather this House as well?

Mr. Kennedy: As my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) has just to remarked to me, if this House is the ultimate court of appeal, why have all the committees been set up in the first place? That seems a rather strange way for the Government to go about conducting the process, while denying that they are going to subcontract their own decisions to somebody else.

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): Is the right hon. Gentleman not aware that he is quoting the Franks report without ever having read it? In paragraph 13 of his introductory chapter, Lord Franks states:

"We have sought to judge on each important issue whether the views expressed by Ministers and the action taken by those concerned were reasonable in the light of the information available to them and the circumstances prevailing at the time, and not to substitute our judgment of what we might have done in those circumstances."

Yet that is exactly what the right hon. Gentleman is seeking for in respect of the Butler inquiry.

Mr. Kennedy: The question is very straightforward and we have enunciated it consistently throughout: were the big political decisions that were in front of Ministers—we can agree or disagree with the conclusions that were reached—taken in an adequate and satisfactory way, given the information that was available?

Several hon. Members *rose—*

Mr. Kennedy: I apologise, but I must make some progress.

As Lord Hutton makes clear, it is important in the operations of government that the duty of care that was extended to Dr. Kelly was clearly not sustainable. That is not to forgive or overlook the fact that Dr. Kelly had overstepped his remit in terms of his governmental position. None the less, given the seniority and quality of the input that he had provided for the interests of this country over so many decades, it seems that the criticisms are very telling. First, there was the grotesquely bizarre strategy that was arrived at to somehow get out Dr. Kelly's name under "Any Questions?" style inquiries through the press officers in the Government. Secondly, given the torrent of interest that was going to descend upon his head, he was not given adequate press support or indeed private security when that strategy erupted and he found himself in the public domain. It is important that that issue be borne in mind.

On the dossier itself, as the Prime Minister said, the whole matter of public presentation is significant, not least in terms of the vital 45-minute issue. Yesterday, the Government said in paragraph 15 of their response to the Intelligence and Security Committee:

"The Government understands the reasoning behind the Committee's view (paragraph 112) that the presentation of the 45 minutes issue in the dossier, which was compiled for the public and not for experienced readers of intelligence material, allowed speculation as to its exact meaning."

When the Prime Minister says, "I am not responsible for headlines in the London *Standard* or anywhere else", it is worth bearing in mind the colossal public build-up and the sense of anticipation that surrounded the document. In the huge public relations activity that the Government entered into, they made every conceivable effort on public presentation in terms of the interpretation of the document—presentation that was

clearly designed decisively to move people in one direction, and one direction only. However, as the Prime Minister acknowledged some time ago in the House, they did not do a very good job, as public opinion remained largely unmoved.

The Prime Minister: I cannot forbear quoting to the right hon. Gentleman what he said about the dossier two days after its publication. He said that it contained "no killer fact" and was

"more a confirmation of what we already knew."

Mr. Kennedy: That is the very point that I have just made. Despite the most strenuous efforts beginning at the top of the Government, public opinion remained substantially unmoved. That was the case despite all the propaganda efforts that were engaged upon by the Prime Minister, Alastair Campbell and everybody else. That is why so many of these questions remained outstanding then, and remain outstanding to this day.

Mr. Foulkes: Will the right hon. Gentleman give way?

Mr. Kennedy: No. I must make progress.

A further point arises in all this. Senior figures—indeed, those who themselves have occupied the position of chairman of the Joint Intelligence Committee—have reflected on the matter. There is a sense—perhaps the further inquiry will have more to say on it in due course—that the intelligence that was sifted, assessed, brought together and put in front of Ministers had at times, or on this occasion, become too embroiled with the policy presentation of the Government. There are two distinct components, and if they are allowed to become conflated—this is an observation that has come from people who have occupied senior positions—it is something that the Government should reflect upon extremely seriously with regard to future activities of this sort.

Mr. Foulkes: Will the right hon. Gentleman give way?

Mr. Kennedy: No. I am not going to give way.

There is the independent inquiry. Lord Hutton made his position clear at the outset on pages 2 and 3 of his report. He stated:

"However, I concluded that a question of such wide import"—

that is, to what extent Saddam Hussein posed an immediate danger to the direct interests of Britain—

"... is not one which falls within my terms of reference."

He continued:

"The issue whether, if approved by the Joint Intelligence Committee and believed by the Government to be reliable, the intelligence contained in the dossier was nevertheless unreliable is a separate issue which I consider does not fall within my terms of reference."

The position was made clear. That disclaimer was made at the outset.

My worry is that we will not resolve those issues with the forthcoming inquiry, given the terms and the remit that have been set out again. The longer this situation continues, the longer public confidence remains dissatisfied. This life-and-death issue, specifically relating to one individual in the Hutton report but, with the war and its aftermath, to many more individuals, will continue to bedevil British politics and bedevil the world stage. We remain of the view, given the situation at the time and for the reasons that were given, that it was the wrong war, prosecuted at the wrong time for quite the wrong reasons.

Mr. Deputy Speaker: I remind the House that the eight-minute limit on Back-Bench Members' speeches applies. I am sure that shorter speeches would be welcome on both sides of the House.

2.37 pm

Ann Taylor (Dewsbury) (Lab): The opening speeches have been quite wide ranging. For reasons that I trust my colleagues will understand, I wish to concentrate on some specific aspects that are covered in the Intelligence and Security Committee's Report, "Iraqi Weapons of Mass Destruction—Intelligence and Assessments", which is helpfully described in the Order Paper as relevant to the debate.

I say at the beginning that in respect of Dr. David Kelly, from whom the Intelligence and Security Committee took evidence the day before his death, I agree with the hon. Member for South Staffordshire (Sir Patrick Cormack), who said last week that his death was a great personal tragedy but not a great public scandal. I think that that is the right way of putting it. As someone who gave evidence to the Hutton inquiry, and followed it carefully, I stand by what I said at the beginning of the inquiry, which was that we must all accept it and accept the totality of the outcome in all respects.

I shall take the House back to a time a little before the Hutton inquiry. In the annual report of the ISC, which we wrote in May 2003, we said:

"It is impossible at the present moment to make any definitive statements about the role of intelligence in the situation in Iraq. ... We intend to examine in more detail the intelligence and assessments available and their use."

In July last year the House voted for the following motion:

"That ... the Intelligence and Security Committee, established by Parliament, by statute, is the appropriate body to consider intelligence relating to Iraq; and notes that it has already begun its work."

During last summer, the ISC worked incredibly hard to deliver the report that we produced to my right hon. Friend the Prime Minister on 9 September. It was published in full, despite speculation to the contrary, by my right hon. Friend. I pay tribute to the members of that Committee. Much of that work was done during the summer recess, and most of our meetings are attended in full by all of the members. I thank our staff, who worked extremely hard, and the agencies that provided the information that we requested.

The ISC produced a unanimous report, even though we are a multi-party Committee with members who took very different views on the war: we are a Committee of nine members, five of whom voted for action against Iraq. However, our conclusions are unanimous, and I hope that they are all the stronger for that. I am obviously pleased that Lord Hutton, who covered some of the same areas, agreed with many of our conclusions and quoted them.

[Ann Taylor]

Yesterday, the Government published their response to the Committee's report. In that response they chose, as has been mentioned, to highlight some of our conclusions—only some. Nevertheless, they are valid. We said that the September dossier was endorsed by the whole JIC. The September document was founded on the intelligence assessments then available. It was not sexed up. Perhaps most important of all, the JIC was not subject to political pressures. Its independence and impartiality were not compromised in any way.

I know that those issues are not central in the minds of many people now because the arguments have moved on, but at the time they were the original charges that were put to the Government. They have now been rejected not only by Lord Hutton and not only by the ISC but by the Foreign Affairs Committee.

I turn to some sections of the Committee's report that make significant points that the Government have not highlighted because they do not always agree with them. First, we believe and we say that there was a casual attitude to the 45-minute issue. We are not blaming Ministers; we are not criticising Ministers. Instead we are saying that the issue was badly handled by intelligence professionals, not least because they were not thinking of the audience who would be reading the document. Similarly, there is the issue of battlefield weapons.

We made significant comments that the Government have partly taken on board about reporting differences of opinion to the JIC within different agencies, Departments or organisations. This is specific to Brian Jones. It is a question of principle how differing views within any organisation or service can be fed to the JIC chairman when necessary.

There is much more that I would like to say about the problems of terminology and about issues that were left out of the dossier that could have been in to help people understand the nature of weapons of mass destruction and that terminology and wording. In the Prime Minister's original draft of his introduction there was reference to the fact that he was not talking about an attack on London. There was not time to go into all of those details. However, one important point relates to the basic problem of the JIC assessment on which the September dossier was based. It is covered in paragraphs 64 to 67 of our report. The JIC minute of the meeting of 4 September 2002 stated that the then draft of what became the JIC's assessment of 9 September

"needed to make clearer which of its judgments were based on firm intelligence, which were based more on informed assessment or interpretation, and where the major intelligence gaps in the UK's knowledge and understanding of Iraq's capabilities remained."

The ISC believes that the final JIC assessment issued before the September dossier was a balanced assessment of the scenario. However, I quote the ISC's report and its verdict on the JIC's assessment:

"it did not highlight the key judgements, the uncertainties and the gaps in the UK's knowledge about the Iraqi biological and chemical weapons."

That meant that the JIC assessment, which was written for Ministers, did not highlight those, and consequently they were not highlighted in the dossier. We believe that that omission is the cause of much of the discussion and many of the difficulties that have arisen about the dossier.

There is much more that I would like to say. I want to mention the continuing work of the ISC and, in particular, the work that we have flagged up in our report on the agencies' relationship with the media, which is a very important area that we want to look at.

I wish that this debate were longer, but I hope that those who were making accusations against the Government about the September dossier will acknowledge the weight of the evidence presented by Lord Hutton and the ISC.

2.45 pm

Mr. Andrew Mackay (Bracknell) (Con): I want to make two points, but before I do so I take up the last point made by the right hon. Member for Dewsbury (Ann Taylor), the Chairman of the Intelligence and Security Committee, who rightly said that it is a great pity that the debate is not going on longer. Many of us called, first, for the debate to continue until 10 o'clock, or, secondly, for it to be a two-day debate. The Leader of the House ignored us, but I believe that today we are fully vindicated. I am very pleased that the right hon. Lady, an ex-Government Chief Whip and Chairman of the appropriate Committee, entirely agrees; her point was well made.

My first point, which I put to the Secretary of State for Defence—I should have liked to put it also to the Prime Minister—is that sometimes there are wrongs that are so serious that an apology is not sufficient, and a resignation or sacking is required. I refer specifically to what Lord Hutton said in paragraph 463 of his report, when he said that it was "wholly improper" for Mr. Tom Kelly to have said before the funeral that Dr. David Kelly, who had only just died, was a Walter Mitty figure. I need hardly say to the Secretary of State that that not only caused great hurt to Dr. Kelly's family and friends but was patently untrue, as was shown by all the tributes made to Dr. Kelly, perhaps most powerfully by the Prime Minister himself. I cannot understand how the Prime Minister can allow Mr. Tom Kelly to remain one of his most senior advisers in Downing street and to deal with the press.

Dr. Julian Lewis: Will my right hon. Friend give way?

Mr. Mackay: No, sadly, much as I would like to give way to my hon. Friend, who earlier made a very useful intervention on the Prime Minister on this very point, time is short.

As the House will be aware, I have had some interest in Northern Ireland, both as Tom King's Parliamentary Private Secretary when he was Secretary of State there in the 1980s and, in the last Parliament, as the shadow Secretary of State for Northern Ireland. I therefore have some recollection of how Mr. Tom Kelly arrived on the scene, and it was a bad, sad occasion. The then Secretary of State, Mo Mowlam, in collusion with Alastair Campbell, removed an excellent civil servant, Andy Wood. He had been a distinguished chief press officer in that Department for a long time, and he was hugely well regarded. You will recall, Mr. Deputy Speaker, that there was a purge of civil servants in the press departments of different Departments, with certain

Secretaries of State more willing than others to dance to Mr. Campbell's tune, and so from the BBC came Mr. Tom Kelly—

Mr. Foulkes: On a point of order, Mr. Deputy Speaker. Is it in order for a Member of this House to make a sustained personal attack on a civil servant who is unable to defend himself?

Mr. Deputy Speaker: Order. The right hon. Member for Bracknell (Mr. Mackay) is referring specifically to something in the Hutton report, which is before the House today. What he says about names is, then, a matter for his judgment.

Mr. Peter Mandelson (Hartlepool) (Lab): Further to that point of order, Mr. Deputy Speaker. I am sorry, but what the right hon. Member for Bracknell (Mr. Mackay) is talking about does not feature in the Hutton report at all; he is talking about a perfectly routine change of civil servants in the Northern Ireland Office some years ago, which bears absolutely no resemblance or relationship to anything in the Hutton report.

Mr. Deputy Speaker: That is not a point of order for the Chair. The right hon. Member for Bracknell has to be responsible for what he says in the House, and that becomes a matter of debate. I am sure that he will measure his words.

Mr. Mackay: I am delighted by the point of order from the right hon. Member for Hartlepool (Mr. Mandelson), who made my case extremely well. He will know that there was a purge of distinguished civil servants who were not prepared to dance to the tune of the chief press secretary, Alastair Campbell. Such was Mr. Kelly's devotion that he was then moved to Downing street to be Mr. Campbell's No. 2. I go back to the point that I made earlier, which is that Mr. Kelly's position should be considered.

Mr. Mandelson: On a point of order, Mr. Deputy Speaker. I think that it is a discourtesy to the House, as well as to you, that after you have guided the right hon. Gentleman he should persist in referring to matters that are not the subject of this debate.

Mr. Deputy Speaker: The right hon. Member for Hartlepool (Mr. Mandelson) must not bring the Chair into the debate. As I understand it, nothing out of order has been said in the line of argument that the right hon. Member for Bracknell is taking on the report. I said that that was not out of order. I also said that I was sure that the right hon. Gentleman would measure his words.

Mr. Mackay: I now move on to my second point. Many of my right hon. and hon. Friends, and certainly Labour Members such as the hon. Member for Cynon Valley (Ann Clwyd), whose intervention yesterday was, as so often on this subject, remarkable and correct, would have voted for action in Iraq and supported the Government whether or not there was evidence of weapons of mass destruction. As the hon. Lady said yesterday, there were other good reasons, not least genocide and the way in which Saddam Hussein's regime was destabilising the middle east, for the action to be taken.

It is absolutely clear, however, that a significant number of Members—some on this side of the House, but many more of them Labour Members—finally decided in that fateful vote at the end of the debate last May to vote with the Government only because of the evidence that had been given from the Dispatch Box about weapons of mass destruction. If that evidence had not been forthcoming, the Government would probably either have lost that vote or won it in a way that hopelessly split the parliamentary Labour party. That would inevitably have been a pressure on Ministers.

Peter Bradley (The Wrekin) (Lab): Will the right hon. Gentleman give way?

Mr. Mackay: I cannot because I have only two minutes left.

I recall from my day as Government deputy Chief Whip the pressures when there was a rebellion and a tight vote. I am not for one moment suggesting to the Secretary of State for Defence that those pressures would have been succumbed to, but what is absolutely essential for this inquiry is that those conducting it satisfy themselves that at no point did Ministers in any way over-emphasise the evidence of weapons of mass destruction with the clear knowledge in the back of their mind that they would need to have that evidence to persuade so many of their right hon. and hon. Friends. That is a perfectly legitimate concern for the House, and it is essential that the inquiry reach a conclusion on that very specific point.

2.54 pm

Joyce Quin (Gateshead, East and Washington, West) (Lab): Thank you, Mr. Deputy Speaker, for calling me to speak in this important debate. I do so as a member of the Intelligence and Security Committee, but also as someone who did not support the Government in going to war in Iraq, and who would maintain that view today. However, let me say at the outset that my difficulty in supporting the Government at that time was not because I felt that they had behaved improperly over intelligence matters or exercised improper influence over the intelligence agencies, but because I disagreed with the political judgments that they took after receiving the intelligence, and because of other issues, not intelligence-related, which were part of the open and public political debate at the time.

I support what my right hon. Friend the Member for Dewsbury (Ann Taylor) said about the Intelligence and Security Committee. She rightly refuted the claim that members of the ISC, because they are appointed by the Prime Minister, are there to do the Prime Minister's bidding. The fact that he appoints us is in any case, in my view, far more significant in theory than in practice, as in practice consultations take place between the parties and the Whips, and, furthermore, I believe that we take our duties as parliamentarians seriously and reject the idea that the job of a Committee member is to be a cipher for anyone, the Prime Minister included.

The ISC report contained criticisms of the Government, as well as recognising areas where they should definitely not be blamed. The Committee was able to agree the report unanimously, on the basis of the detailed investigations that it carried out, but the point

[Joyce Quin]

needs to be stressed that intelligence, and the conclusions drawn from it, are only one part of the overall situation, forming only a part of the basis on which a political judgment on whether to go to war is made.

The other elements are familiar to all of us, yet, frustratingly, in all the furore over intelligence, get overlooked. Those include issues such as whether it was advisable to give the inspectors more time, given that they had begun to have successes, and issues such as achieving a wider and bigger coalition of countries willing to take action, or whether the importance of our alliance with the United States should take precedence, to which the Prime Minister and the Government obviously attached great priority.

Other issues include whether the United Nations should have had a wider and more direct role, and questions about the international legality of the proposed action. In my view, many of those wider issues militated against the Government going to war when they did, but other wider issues motivated people to take a different view—in particular, the flouting by Iraq over many years of United Nations resolutions, and its appalling treatment of its own citizens. One of the issues that made me hesitate at the time of the vote was the powerful testimony from my hon. Friend the Member for Cynon Valley (Ann Clwyd), and the testimonies that she ensured were heard of the families of Saddam Hussein's victims.

To say that the decision to go to war was completely intelligence-driven is inaccurate, and I regret the fact that Ministers sometimes give that impression. To blame intelligence for the decision to go to war is entirely unwarranted.

Let me turn to the report of Lord Hutton and its aftermath. When Lord Hutton was appointed, the press were full of praise for his integrity and the respect in which he was held by colleagues throughout the judiciary and more widely. I do not believe that he has undergone a personality or character change in the past few months, so I find it depressing that he is now being portrayed in some sections of the press as a biased and even dishonourable Government stooge. After the initial stunned reaction by the press to the report, we have seen a media fightback over the weekend, seemingly fuelled by disappointed rage that the report did not lambast the Government, as had been so fervently hoped.

Some of the media coverage has been, frankly, vicious and shocking. I could give many examples, but to give just one, *The Sunday Times* ran the screaming headline "Campbell crows", continuing on the next page, "as widow grieves". That seems to me to be a completely unacceptable way of reporting anything. It is offensive both to Alastair Campbell, who was exonerated in the Hutton report, and to Dr. Kelly's widow and family, on whom it piles further distress and intrusion.

Mr. Roger Gale (North Thanet) (Con): Does the right hon. Lady think that, even for charit , it was appropriate, the day after the publication of what was effectively Dr. Kelly's obituary, for Mr. Campbell to sell signed copies of the report?

Joyce Quin: I am not commenting on any of the reactions of people who were mentioned in the report. I am referring only to some of the disgraceful headlines in the press, which do not do their writers any credit.

A number of surveys have concluded that people do not believe the findings of the Hutton report, but I believe that it is dishonest and unacceptable to conduct instant surveys, when the respondents are unlikely even to have seen a copy of the report, and would not have had time to read it. Indeed, how many of us can claim to have read and fully digested every word? Conducting surveys in such circumstances is another vivid example of how superficial and wild the response to the report has been.

Like other hon. Members, I strongly defend a free press and believe in fearless investigative journalism, but such journalism should be accurate, and not based on unchecked and unsubstantiated information. On the BBC, I regret the fact that Gavyn Davies and Greg Dyke resigned, and I am far less interested in resignations than in efforts to improve the accuracy of reporting. Improved journalistic standards, rather than finding scapegoats, would be the ideal consequence of the Hutton report.

On the new inquiry that the Government announced yesterday, I was pleased that my right hon. Friends the Foreign Secretary and the Prime Minister said that their preference would have been for the all-party Intelligence and Security Committee to undertake further work. I regret strongly the fact that neither the Conservative party nor the Liberal Democrats have sufficient faith in their own parliamentary colleagues, and that the Conservatives in particular pressed for a committee that is already being perceived in the press as more pro-establishment in its composition than a cross-party Committee of parliamentarians.

I am also not convinced that we needed to follow the example of the inquiry announced by President Bush. The situation in the United States is different, and in particular, unlike the ISC, the US congressional intelligence committees have failed to achieve a common view and have split on party lines. Indeed, electoral considerations have played a huge and unhelpful part in the deliberations in the United States.

The committee that we have set up will have some real issues to consider, arising both from earlier reports and from the findings of the Iraq survey group. I wish it well, but, whatever its findings, it cannot change the reality that the decision to go to war was based on a political judgment—openly debated, and about which there will always be controversy—just as the decision to take military action on numerous other occasions has been.

3.2 pm

Mr. Bernard Jenkin (North Essex) (Con): I shall not reopen the issue of whether the House was right to decide to take this country to war—a decision that I completely support, for the reasons that the Prime Minister outlined earlier today—nor question the conclusions of Lord Hutton's inquiry, as far as they go, within its limited remit, but that does not preclude any

Member of Parliament questioning the veracity of the intelligence presented to the Government and the way in which that intelligence was used.

I welcome the inquiry that has been set up. It needs to get to the truth about what intelligence we had and whether it was accurate. It needs to restore public confidence both in the intelligence services, which I personally have great faith in and to which I pay tribute, and in the way in which politicians use that intelligence in order to make a case for a particular course of action.

This is where I differ from the Government, because I do not believe that the Hutton inquiry has exonerated or acquitted them on some of the issues that arise concerning the interface between the intelligence service and the politicians. Paragraph 467(1)(viii) of the inquiry conclusions says:

"'sexed-up' is a slang expression . . . It is capable of two different meanings."

I fully accept that the Government have been acquitted of the charge of using intelligence dishonestly, but on the alternative definition of "sexed up" Lord Hutton states that

"it could be said that the Government 'sexed-up' the dossier".

David Cairns (Greenock and Inverclyde) (Lab): Read on.

Mr. Jenkin: The hon. Gentleman wants me to say that Mr. Gilligan's allegations were not proved, which I accept, but it is incumbent on the hon. Gentleman to accept that there is an issue. A new situation arose with the publication of the dossier. Never before has a decision of such importance been based on published evidence from the security services. The relationship between politicians and the intelligence services will form an important part of the inquiry that has just been established and must fall within its remit.

I attended some of the evidence sessions of the Hutton inquiry. I watched John Scarlett give his presentation and suffer cross-examination by Mr. Dingemans and Lord Hutton. I have no reason to question John Scarlett's integrity or ability, but it was clear to me from the evidence that he presented and the evidence with which he was confronted that at the time when the dossier was produced he was under intense pressure and subject to many competing claims on his attention and judgment, and I shall give two examples of that.

First, there were competing memorandums—some from Alastair Campbell and some from the defence intelligence services. Some of them said "take out 'maybe' and put 'certainly'"; others said "take out 'certainly' and put 'maybe'". The idea that the defence intelligence services were giving substantive advice about the content of the document but Alastair Campbell was simply helping to present the information is a distinction that became blurred. It cannot possibly be said that under those circumstances it was easy for John Scarlett to make the judgment that he had to make. That is why the matter must be studied by the inquiry.

Secondly, I shall go further and give the House completely new information. Two weeks before the dossier was published, the International Institute for Strategic Studies produced a dossier about Saddam Hussein's weapons of mass destruction. As shadow Secretary of State for Defence, I attended a private briefing with the IISS at which I learned that it had been summoned to No. 10 to give a presentation about its document. It had been told that there was concern that its document had stolen the thunder from the forthcoming publication of the Government document.

The evidence presented to the Hutton inquiry included information on the frantic search for any new information. The Joint Intelligence Committee was being put under pressure to come up with something new and sensational—my hon. Friend the Member for Reigate (Mr. Blunt) referred to the headline that Alastair Campbell wanted so badly to make the case for war. The relationship and procedures between the intelligence services and politicians must be reviewed by the inquiry. I am pleased to say that the inquiry undoubtedly covers that relationship because my right hon. and learned Friend the Leader of the Opposition has amended its terms of reference to include discrepancies between the intelligence gathered, evaluated and used by the Government before the conflict.

I pay tribute to the Secretary of State for Defence, who has been through a difficult time and must have had some sleepless nights questioning whether he did everything right under the circumstances. I am pleased that he has been acquitted by the Hutton inquiry of any wrongdoing. That is a good thing for politics and a good thing for politicians in general. In turn, I hope that he will have the generosity to acknowledge that public confidence in the relationship between politicians and the intelligence services is a real issue. If we want the public to believe that published intelligence information is intelligence and not propaganda, we must be able to answer the question, "At what stage does intelligence become propaganda when it is in the hands of the spin doctors and politicians?"

3.10 pm

Andrew Mackinlay (Thurrock) (Lab): I issued a statement when Dr. Kelly died, and I shall repeat it to the House:

"I deeply regret Dr. Kelly's death. I'm sorry for any of the stress that, albeit unintentionally, I may have caused him during his questioning before the Foreign Affairs Select Committee. I wish to express my sincere condolences to his wife and family."

Immediately after Dr. Kelly's death, a Sunday paper reprinted that statement and added, "And then Mackinlay went into hiding". I did not go into hiding, but I did not want to talk to the Sunday papers because I took the view, which was manifestly obvious out of courtesy and common sense, "The less said the better, let Lord Hutton fulfil and discharge his duties, and let us have regard to a grieving family." On the Saturday when we learned about Dr. Kelly's death, my wife and I were appalled that a Sunday paper approached us to offer me money to comment. We have kept our counsel about that, but it was the case. I want to place on record how disgusted I was by that approach.

What was the Foreign Affairs Committee doing last summer? We were trying to discharge our duty to Parliament to examine whether the Government exaggerated the case that they presented to Parliament and the people for going to war. We tried to discharge that duty as best we could, but our report to House states that we felt that we were frustrated in fulfilling that duty—that is not only my view, but that of the Committee.

[Andrew Mackinlay]

I hope that the Prime Minister will reflect on the point that Lord Hutton cross-examined John Scarlett in public, but the Foreign Affairs Committee was refused access to him. When we requested the drafts of the September dossier, we were refused them; Lord Hutton has put them on the worldwide web. If the Prime Minister had said, "You can have John Scarlett in secret," we would have compromised. If he had said, "The documents will be written on rice paper and you must eat them afterwards," we would have compromised, too. There is a lesson about the capacity of the Government to respond to reasonable requests from parliamentary Committees, and I hope that that will be picked up as a serious point, despite the levity with which I introduced it.

There is an obsession with secrecy in this country. One thing that irritates me—the Committee chaired by my right hon. Friend the Member for Dewsbury (Ann Taylor) touched on this—is the interface between journalists and the security and intelligence services. In submission to Lord Hutton, I said that the security and intelligence services speak to journalists all the time. The people they will not speak to are politicians. That situation is surely unacceptable. I do not mind the security and intelligence services speaking to journalists, but I expect them to have a public interface with politicians, and particularly with Committees of this House.

I shall illustrate the point about the obsession with secrecy. On 17 July, I asked the Foreign Secretary this question:

"when the head of MI6 met Mr. John Humphrys of the BBC since 1 May . . . and for what purpose each meeting was held".—[*Official Report*, 17 July 2003; Vol. 409, c. 586W.]

The answer was the equivalent of saying, "I'm not going to tell you; it's a secret." That is not sustainable and we cannot tolerate it. Is it really a matter of national security whether any such meeting took place? In any event, we are entitled to know.

When my right hon. Friend the Secretary of State for Defence winds up, perhaps he can tell us the latest position of the investigation into the fact that Andrew Gilligan told the Foreign Affairs Committee that he had had access to a top-secret document. I told Lord Hutton that the source would not be discovered, because it was obviously from someone in a high echelon, so the Government dare not find out who it was. I repeat the point that people in the security and intelligence community talk to journalists all the time. If it was someone at the level of Sarah Tisdall, he or she would be found out in five minutes, but people at the top are not discovered, and I really do not like that.

With the greatest respect to my good colleagues on the Intelligence and Security Committee, including my right hon. Friends the Members for Dewsbury and for Gateshead, East and Washington, West (Joyce Quin) and the hon. Member for East Hampshire (Mr. Mates)—who will shortly become a Privy Councillor, although some of us are nature's Privy Councillors and do not need recognition from the Queen—there is no parliamentary oversight of the security and intelligence services in this country. I do not accept that it is a distinction without a difference that the ISC is appointed by the Prime Minister, meets in secret and reports to him. The evidence given by Dr. David Kay last week to the US Congress would have been given in secret in this country. We cannot tolerate that.

I agree with my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) that the ISC's status must be reviewed. However, that review must be genuine, and not just a matter of passing a resolution that says that it is now a parliamentary Committee. As inadequate as our selection processes are, it should be for this Parliament to choose the Chairman and membership of the Committee that provides parliamentary oversight.

The Leader of the Opposition made an interesting speech. As he said, we must all reflect on what lessons are to be learned, and I shall do so. I know that the Liaison Committee and others are considering this issue, but witnesses who appear before our Committees need to be cautioned about our expectations. It is reasonable for us to expect candour and full disclosure. Witnesses should not be leaned on by other parties outside the hearings. We pass a motion to that effect in the Sessional Orders after every Queen's Speech. I appeal to Members who will review those orders not to do away with them, but to reinforce them and to see that they are brought to the attention of witnesses before they appear before Committees. That is in the interests of the witnesses and of fairness, because there appears to be a prevailing culture that it is legitimate to give away as little information to parliamentary Committees as one can get away with. I have seen that attitude in several Committees, from private and public sector witnesses, as well as Ministers. That has to be stopped; otherwise we will diminish our capacity to scrutinise, rather than expand it.

Every Select Committee has the chance to decide the subject of its inquiries. The danger is that Committees will be tempted to take the soft options, instead of adopting the issues that challenge the Government, and to which Governments find it difficult to respond. It is our duty not to buckle under pressure. We want Members of Parliament who are prepared to ignore signs that say "No Trespassers" or "Do Not Enter". We should enter doors marked with such signs, and I give my commitment to the House that I shall do so—regardless of what has happened in the past, which I deeply regret. Otherwise, failing that, Parliament will be diminished.

3.17 pm

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): With regard to the inquiry on which I shall not serve and my party's decision about its terms of reference, the phrase used by the hon. Member for Thurrock (Andrew Mackinlay)—"No Trespassers"—is relevant. The Government have fenced off a no man's land in the terms of reference, which lies between the charge of improper conduct, which was rejected by the Intelligence and Security Committee and the Hutton report, and the quality of intelligence. The first was covered by Hutton and the second will be covered by the new inquiry, but the no man's land involves Government decision making and the interaction of Ministers with officials from the intelligence services. It involves the extent to which intelligence was selected,

perhaps unconsciously, to find support for a policy that had already been decided. That is a legitimate area for consideration.

Mr. Dominic Grieve (Beaconsfield) (Con): Will the right hon. Gentleman give way?

Mr. Beith: I hope that the hon. Gentleman will forgive me if I do not give way at the moment. I shall keep in mind his wish to intervene, but I want to ensure that I cover two points about the ISC report and one about the BBC.

Paragraph 116 of the ISC report refers to the Defence Intelligence Staff, and I mentioned it in exchanges with the Prime Minister, today and yesterday. The Committee recommended that if individuals in the intelligence community wrote formally to their line managers with concerns about JIC assessments, the concerns should be brought to the attention of the JIC chairman. That recommendation has not been accepted by the Government, who have taken the view that the importance of the authority of line managers might be undermined if it were possible for someone such as Dr. Brian Jones to insist that the chairman of the JIC knew of his reservations about the way in which information was expressed in an assessment or—even worse—in a public dossier. That is why I posed my question to the Prime Minister. There is a tension between the remit of line management and the need to ensure that expert opinion is brought to the fore on matters on which it is necessary. The JIC itself did not have the technical competence to judge on those issues—which the ISC implied in what it said—and did not have before it some of the reservations that had been made.

Mr. Grieve: I have listened carefully to the right hon. Gentleman's anxieties over matters that the committee that has been set up might not be able to examine. But once the phrase "use of the intelligence" has been introduced to the committee's remit, which we have insisted on, is that not precisely what it will be able to comment on? In those circumstances, I am bound to say how much I regret that the committee will be deprived of the right hon. Gentleman's services, as the wording meets the very point that is causing him anxiety.

Mr. Beith: I am not satisfied with that wording, partly because I have heard the Prime Minister, both yesterday and today, assert how strongly he wishes to protect the field of political judgment. Political judgment is intertwined with decisions being made about intelligence, which is why I believe there is still a no man's land. I hope that the inquiry will trespass into that no man's land, and I am not happy with terms of reference that exclude it.

I turn to the report's points on terrorism. In paragraph 126, the ISC refers to the JIC assessment that

"al-Qaida and associated groups . . . represent by far the greatest terrorist threat to Western interests, and that threat would be heightened by military action against Iraq."

That was one of a number of factors to be considered, but it was not one to which Ministers alluded. The impression that they sought to give was often very different, as they suggested that the greatest threat from terrorism would be from the continuance of the Saddam Hussein regime—evil though it was. The Prime Minister currently takes refuge in a phrase that refers to the "nexus between terrorism and weapons of mass destruction"—a vague and imprecise concept that I do not remember ever seeing in any intelligence assessment, and which does not address the question of that particular threat—that holder of weapons of mass destruction, that terrorist group, and the possibility of a link between the two. If Members had known more about the available intelligence on the dangers that would arise with regime collapse, they would have wanted to take that into account. I am not saying that it would necessarily have changed their judgment, but that intelligence factor was omitted.

Mr. Michael Mates (East Hampshire) (Con): I want to add to the point that the right hon. Gentleman made some moments ago. In turning down our recommendation, the Government gave the impression that the concerns to which he referred should be left to line management, rather than being brought to the attention of the chairman of the JIC. That belies that fact—I hope that the right hon. Gentleman will confirm that this is right—that only about twice in the past seven to 10 years has an official felt strongly enough to put his reservations about intelligence in writing. That reinforces the point that the JIC chairman should at least be aware of such concerns.

Mr. Beith: The hon. Gentleman is entirely correct, and I am grateful to him for adding to my argument.

I want to refer to the BBC and, like others today, emphasise that the mistakes that its management made, which have been paid for in resignations, should not lead to any undermining of its independence or to the exercise of any leverage in negotiations over the charter or the licence fee. An independent BBC is very important to us.

I shall take the greatest of all possible political risks and comment on the "Today" programme, which plays a significant part in many of our lives. The resignations and top management changes—of heads rather than deputy heads—have perhaps led us to miss a point about the pressures that programmes are currently under in reporting such matters. The "Today" programme has come under pressure, from past editors, I suspect, to concentrate on getting the story first, rather than getting the story right. The frequent use of expressions such as, "This programme has learned," and "The BBC has been told," suggest that the programme is engaged in a ratings war with the newspapers. We look to a programme like that, for which we all have great affection, to get a story right, and we frankly do not care if its story appears later than a story in some newspaper that is speculative and wrong. I am sure that many of those who make the programme are trying to abide by that principle, but they should have it reinforced in the processes that follow the Hutton report.

Another feature that I want to mention is not peculiar to the "Today" programme but applies to news bulletins as well—I believe that that is a factor in some of these problems. It is the interview format adopted when correspondents explain a matter. This used to be done by a correspondent appearing in front of camera and

[Mr. Beith]

saying some rather carefully prepared words. Having a journalist interviewed at 7 minutes past 6 in the morning from his home is likely to lead to words not being carefully chosen at all. I do not believe that that was the only factor in the Gilligan error—indeed, the Gilligan falsehood, as Hutton rightly rules it—but presentational pressure to make the statement of a well informed correspondent appear like an interview or a casual conversation between him and the presenter does not contribute to ensuring that the story is right. Those of us who value the BBC highly look to it to get the story right—we do not care whether it gets it first—and presentation is not the most important issue.

Having concluded with those comments, I think I have made sure that I shall not appear on the "Today" programme for quite some time. That will make my mornings more comfortable.

3.26 pm

Donald Anderson (Swansea, East) (Lab): I adopt everything that the right hon. Member for Berwick-upon-Tweed (Mr. Beith) has said.

Seven days is a long time in politics. A week ago, I criticised the Leader of the Opposition for what I deemed an unworthy response to the Prime Minister. Today, I commend him for his highly constructive contribution to the debate.

Lord Hutton published his report last week. He is a distinguished judge, whose appointment was greeted with acclamation. He is a man of undoubted integrity and independence. The conduct of his inquiry was also praised. I appeared before him for almost two hours, and therefore have some idea of the care that he took. He agonised long over the conclusions that he reached. That was also the general impression conveyed by the press at the time. Lord Hutton was hailed as

"a Judge not afraid to stand up to the Establishment".

He was commended for his "fearless independence", for being

"very much his own man",

and for being "shrewd and astute". One journalist identified in him

"a sharpness of mind and efficiency that stunned witnesses and journalists".

Suddenly, however, when the report was published, Lord Hutton was blamed for his "naïveté", and for his "unbalanced document". The charge of "whitewash" was common currency, even on the front pages of the newspapers. There was widespread disappointment and frustration that Lord Hutton did not take the scalps of any senior politicians, including that of my right hon. Friend the Secretary of State for Defence, who I am delighted to say was wholly absolved by the report.

This tells us much about the state of British democracy. Of course the press is the bulwark of our freedom. Its ability to question, using investigative journalism, is absolutely vital, but this should be coupled with responsibility. There is a danger of the press subverting our democracy by creating a climate of mistrust and malice towards those in public life, cynically hunting in packs for its next victim. There must surely be a middle way between deference and malicious point scoring, and between questioning scepticism and corroding cynicism.

Lord Hutton clearly interpreted his remit as requiring something broader than an inquest but narrower than an inquiry into the causes of war. In that, he was right. The quality of the intelligence involved must now be investigated. David Kay told the Senate committee last week that we were all wrong. Of course, we learn of intelligence failures—indeed, Libya was another failure in terms of its nuclear capacity—but not of the successes. Some failures might have been due to Saddam Hussein having been deceived by his generals, or having sought to be duplicitous to others. Human intelligence might have been weak, or have relied too much on exiles. There could have been a "group think" among the experts because of the serial liar who was in charge of Iraq. There was of course a failure to record dissent within the security establishment. All these are important questions which the committee needs to address. But I agree with the broad conclusion of Lord Hutton, which of course the leader of the Opposition accepted, too. The BBC was at fault. Ultimately it made a full apology. There was sloppy journalism, and there was no, or insufficient, rigorous questioning along the route.

Is it just old-fashioned of me, and perhaps the right hon. Member for Berwick-upon-Tweed, to say that the BBC's reputation was based on its practice in the past of reporting the news objectively, rather than seeking to make the news—a point made excellently by the editor of the *Financial Times* in last Saturday's edition?

I should also like to say that Mark Byford is well known to the Foreign Affairs Committee. I believe that he is a good choice in the interim, and hopefully beyond, to manage the BBC.

I hope also that the inquiry will not divert attention from the real challenges of peace in Iraq and of reconstructing that country.

I turn to the role of Select Committees, which my hon. Friend the Member for Thurrock (Andrew Mackinlay) mentioned. He addressed the question of access to information, individuals and documents. The Committees of the House have powers to send for persons, papers and records—PPR, in the jargon. In practice, however, the power is unenforceable against Ministers, because of the Government's parliamentary majority.

In the course of our inquiry, the Foreign Affairs Committee reached conclusions that, save in one particular, were accepted by the Intelligence and Security Committee, which had access to all the intelligence that we asked for. We asked for Alastair Campbell to appear before us; we also asked for Scarlett, Omand, Dearlove and others. All this was refused to us, except, at the second time of trying, Alastair Campbell. Yet all gave evidence to an inquiry that lacked any power to compel their attendance.

Similarly, the Foreign Affairs Committee asked for drafts of the weapons of mass destruction dossier and other papers, so that we could look at the route it took step by step. Again, all those papers were denied to a Committee of Parliament, even in confidence, but are now all published for people to read on the Hutton inquiry website. Surely that is wrong. If the House is to

do its job, and its expert Committees are to do their job on behalf of the House and the public, we must be given the tools.

I made the point to my right hon. Friend the Prime Minister yesterday in the Liaison Committee, and I made it to him this morning. I hope that this issue will not go away, and that the House will learn that as one of the key lessons of Hutton. Of course, as parliamentarians we are envious of the access of Hutton's inquiry to witnesses and information. The Government must take Parliament and its Committees more seriously.

As I have said, that is one of the key lessons to be learnt. The other is the light that the human tragedy of a good and distinguished public servant, Dr. Kelly, throws on the current climate of mistrust and cynicism fostered by the press with regard to those in public life, and the presumption that those in public life are at best to be mistrusted and at worst dishonest.

I trust that as a House we shall learn the lessons from this tragic episode and try to move forward in a spirit of greater humility, respect and indeed trust.

3.33 pm

Mr. Boris Johnson (Henley) (Con): I suppose I should begin by declaring an interest of sorts, in that I edit a magazine which received Andrew Gilligan's reports throughout the Gulf war—and very proud we were of those reports, none of which was remotely anti-war.

I shall now do a very unfashionable thing, which is to stick up for Andrew Gilligan. We heard from the Labour benches about how people have been pilloried and vilified. No one has been more pilloried and vilified than that journalist. I propose to try to vindicate what he said.

This debate takes place after the Prime Minister has announced an inquiry into the Government's extraordinary failure to give an accurate picture of Saddam's weapons of mass destruction before the war. I hope that Lord Butler will somehow in his findings pay tribute to the work of Andrew Gilligan in exposing the way in which Downing Street revised raw intelligence material in the hope of making it sound more alarming and making the threat sound more imminent.

To understand what I think happened—and I am paid to say what I think—one must remember the origins of Alastair Campbell as a tabloid journalist. He was political editor of the *Daily Mirror*, and went to Downing street as editor-in-chief of the propaganda campaign, in particular the propaganda campaign to convince the public—and especially Labour Members, whose votes were very important—that Saddam was a clear and present threat to this country. In his office in Downing street, Alastair Campbell chaired a series of very important meetings. Very senior civil servants were there, among them John Scarlett, chairman of the JIC. Alastair Campbell told John Scarlett

"I will chair a team that will go through the document from a presentational point of view, and make recommendations to you."

Everyone who has worked on a newspaper, tabloid or broadsheet—as I have—will know that newspapers are basically monarchical in structure. If the editor is known to be partial to a certain story or a certain subject—pheasants, say—loyal underlings will provide the editor with pheasants. Or a story about topless models, or whatever it happens to be. That is how it works. He is the Sun King, and they are sunflowers who turn their faces towards him.

Andrew Mackinlay: Their faces?

Mr. Johnson: The hon. Gentleman clearly has a keen understanding of these matters.

As Lord Hutton himself observed, this may be subconsciously—he said "subconsciously"—corrupting. But I think that in the case of the influence of Downing street on the intelligence services it was clearly more than subconsciously corrupting, for there was a whole series of overt and explicit memos. In the spring and summer of 2002, the intelligence services had produced a fairly cautious document about the state of Iraqi weapons of mass destruction. It may be remembered that the original document, which was not published because it was too feeble, said that there was a chemical and biological weapons capability, but made no mention of actual weapons. It said that Iraq was at least five years away from producing a nuclear weapon. That, of course, was not exactly what the editorial staff in Downing street wanted to hear.

Phil Bassett, himself a former journalist and a member of the Downing street press office, sent a memo saying,

"We're in a lot of trouble as it stands now."

Another memo went out from Downing street saying,

"No 10 through the Chairman wants the document to be as strong as possible within the bounds of the available"

evidence.

"Therefore this is a last (!) call for elements that agencies think can and should be included."

In due course, naturally, Scarlett obliged. He produced a dossier in which some of the language had been strengthened. But Campbell, the editor-in-chief, still was not happy. There was a sentence that read

"The Iraq military may be able to deploy chemical or biological weapons within 45 minutes of an order to do so".

Mr. Campbell pointed out that that was weaker than the wording of the summary, and requested that it be changed. That request was granted, along with requests for a dozen other material changes designed to beef up the language.

Some analysts on the Defence Intelligence Staff were uneasy about the 45-minute claim. Dr. Brian Jones—whose intimate involvement with the whole business was discussed earlier by the Prime Minister—said:

"The way the intelligence was reported did not give us any confidence that the primary source knew very much about the subject."

He went to see Dr. Kelly, who himself expressed some doubts about, for instance, the biological weapons claim, but when they passed their concerns up to their superiors those concerns were ignored. Jones said he felt that

"the shutters were coming down".

An unnamed official was so alarmed by the draft that he wrote a highly unusual memo of protest:

The 20th September draft still includes a number of statements which are not supported by the evidence available to me . . . What I wish to record is that based on the intelligence available to me, it has NOT been established beyond doubt that Saddam has continued to produce chemical and biological weapons."

[Mr. Johnson]

As for the notorious 45-minute claim, he said

"This is based on a single source. It is not clear what is meant by 'weapons are deployable within 45 minutes'. The judgment is too strong considering the evidence on which it is based".

Yet four days later the Prime Minister was at the Dispatch Box waving a dossier and making that claim no fewer than four times. He made it in his own foreword. He said:

"The threat of Saddam and weapons of mass destruction is not American or British propaganda. The history and present threat are real".

A couple of hours beforehand Jonathan Powell had sent a memo to Alastair Campbell—someone mentioned this earlier—saying:

"Alastair, what will the headline be in the Standard"

after they had published this thing?

"What do we want it to be?"

We do not have Campbell's answer, but I think we can guess, because the *Evening Standard* duly obliged the Government's propaganda machine and said "45 minutes from attack".

The Sun said, "He's got 'em . . . Let's get him." It was nonsense, of course. It was an inverted pyramid of piffle. To make matters worse, the Government allowed the tabloids to misconstrue the 45-minute reference to mean ground or air-launched missiles rather than battlefield weapons. In other words, a claim that was rubbish had been embellished at the Government's behest and at the specific request of Alastair Campbell.

Let us go back to the fateful change and the psychology of the parties involved. The intelligence services are already straining to oblige their political masters and they have beefed up the language as far as they dare, but Campbell comes back to Scarlett and wants him to ratchet it up one notch higher. He wants to move the claim from the conditional to the indicative mood, as the grammarians would say. Why does Scarlett accede to that? Because he is in the position of a foreign correspondent who has before him a campaigning editor, but the story is not quite hot or strong enough, so he agrees to hype it up. He takes a risk because he thinks he can get away with it because the facts may well turn out to support his editor's desire and he wants a quiet life and to be obliging.

That is, in essence, what Andrew Gilligan reported. He said that the Government probably knew that the figure was wrong. They and Campbell certainly did not know that the figure was right, yet they put it before the public and before Parliament as an incontrovertible fact. Gilligan said that his source was involved in the production of the dossier, which was certainly true. He said that there was anxiety in the intelligence services about the dossier, which has been amply confirmed.

I ask Labour Members who deride Gilligan whether they are happy that those facts were brought into the public domain. I also ask them in their triumphalism to reflect on whether it is possible that the Government made mistakes in the production of the dossier—

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Gentleman's time is up. I call Dr. Gavin Strang.

3.41 pm

Dr. Gavin Strang (Edinburgh, East and Musselburgh) (Lab): The time limit makes it difficult for me to respond to the interesting remarks of the hon. Member for Henley (Mr. Johnson). I will focus my brief remarks on three areas: the publication of intelligence, the future of the BBC and the intelligence on Iraqi weapons of mass destruction.

First, on the publication of intelligence, the Intelligence and Security Committee's report on Iraqi WMD says that we intended to examine the agencies' relationship with the media and the use of intelligence-derived material by the Government to brief the public. The dossier published in September 2002 was the first of its kind, and we can learn much from the experiment. Lord Hutton has shown us that the rules were not broken in the drafting of the dossier, and I am pleased that the Government have been cleared in that way.

The rules were not broken, but the question we must ask ourselves now is whether we have the right rules. My view is that we do not—not yet. I believe that the Government should operate with a presumption of openness. Intelligence, however, is obviously inherently different. For good reason, the intelligence agencies work in secret and much of their findings is kept secret. If, however, intelligence on issues of great national importance can be made public without jeopardising the work of the agencies, a case can be made for publishing it. In theory, that should enable the public to have a more informed debate on the subject in question. The question is: who should publish that work and on what terms?

Let me be clear: I do not condemn the decision of my right hon. Friends to publish the dossier in September 2002. The House may recall that the Intelligence and Security Committee supported that decision in our annual report last year. But we have to learn the lessons of this whole affair, and my conclusion is that Governments should not, in future, be involved in the publication of intelligence-based documents.

Intelligence does not readily lend itself to publication. It is rarely cut and dried. The intelligence received is a stream of often conflicting or inconclusive data, from which people have to make judgments. It is for the Government to take decisions based on those judgments.

My view is that, by their very nature, Governments will be selective in their use of intelligence. A Government will tend to cite intelligence publicly only when trying to persuade the public on a difficult point. Sometimes a Government may take a decision that is in conflict with the balance of the available intelligence, but it is difficult to imagine such a Government choosing to publish a dossier full of that intelligence.

An alternative approach could be for the intelligence agencies alone to draft any intelligence-related documents to be published. Ministers would not be answerable for them, but the documents could be debated. One advantage of such an approach would be that there could then be no suspicion—however unfounded—of Government pressure or interference; and no possibility that any members of the Joint Intelligence Committee might be "sub-consciously influenced", as Lord Hutton put it, to use wording stronger than would otherwise be used. The hon. Member for Henley made a lot of that.

A further advantage of that approach is that authorship of such reports would be clear. That is an important point for members of the public looking at the statements made at the time of the dossier's publication. Its authorship is not clear. Was it written by the intelligence services, or the Government?

In that context, one option would be for the intelligence agencies to publish annually a report of their assessment of security issues. My view, based on what has happened in the past couple of years, is that, as a general rule, intelligence material should not be published. Instead, the Government should set out their judgments in the normal way, in a statement to the House or in an official Government document. In the case of Iraq, the Government would have published their own document, setting out their considered view of the nature of the threat.

I turn now to the future of the BBC. It is important that we do not overreact. Clearly, Andrew Gilligan made a mistake in his broadcast, which was compounded by the way that it was dealt with in the BBC chains of command. However, we must not respond in a way that would damage the BBC, which is a truly great British institution.

I was pleased that my right hon. Friend the Prime Minister assured my right hon. Friend the Member for Newport, East (Alan Howarth), my colleague on the Intelligence and Security Committee, that Lord Hutton's strictures against the BBC will not bias the Government in their consideration of the future of the charter and the licence fee.

Much of what the BBC currently does is policed by Ofcom, but I believe that regulation of the BBC should not be transferred entirely to that body. The BBC is different from other broadcasters: it is a public service, paid for and owned by everyone. The BBC exists to set standards for others and to play a vital role in our democracy. One only has to look at what is served up in news bulletins in other countries to begin to recognise what an asset we have in the BBC.

Finally, important though the questions surrounding Andrew Gilligan's broadcasts were, and tragic though the death of Dr Kelly was, at some point we must leave these discussions behind us. The real question is, why did we go to war?

For the UK, the central case was Iraq's weapons of mass destruction. There is the separate question of regime change, but the stated basis of the British Government's decision to go to war was Iraq's WMD.

The past is the past. Whether or not there actually were WMD in Iraq, I believed that the UN weapons inspectors should have been given more time to do their job. The Government disagreed. I do not doubt that they acted in good faith, on the basis of the intelligence that they had. However, statements were made—about 45 minutes, the thousands of tonnes of WMD agent, and so on—that I do not believe that anyone here would make now.

As I have said, I do not doubt that the Government acted in good faith. We therefore have to ask ourselves whether the intelligence was wrong. We have all heard the statements by David Kay, the outgoing leader of the Iraq survey group. He put the matter starkly when he told the Senate Armed Services Committee last Wednesday,

"We were all wrong, probably, in my judgment, and that is most disturbing."

I am not saying that there is nothing there. David Kay himself spoke of a programme to develop a weapon using ricin that was active until the war, and the Iraq survey group has not finished its work. However, it is looking less and less likely that Iraq possessed great stockpiles of chemical and biological weapons, or that there was large-scale production of chemical or biological weapons in Iraq.

Lord Hutton did not address that matter, and it is wrong to criticise him for not doing so, as that was not in his remit. Instead, he was judging whether the intelligence was properly presented, but the time has come to take stock of the intelligence itself. The fundamental questions now have to do with whether it was right to go to war in the first place and, given the present situation in Iraq, with the proper role of Britain and its armed forces.

As my right hon. Friend the Member for Gateshead, East and Washington, West (Joyce Quin) noted, intelligence material is only one of a number of factors that the Government had to weigh in the balance in taking the momentous decision to go to war. There is a feeling among the public that the intelligence may have been flawed. If the further inquiry that the Foreign Secretary announced yesterday is able to cast some light on that, then it will be doing the country a service.

3.48 pm

Mr. David Trimble (Upper Bann) (UUP): I rather suspect that Lord Hutton, if he pays any attention to such matters, will have been amused at the way in which the press lionised him at first and then turned against him when he did not produce the desired results. He may even share my amusement at the especially fatuous comment that his report lacked balance. The sentiment seems to have been that his criticism of the BBC meant that he should have criticised the Government as well.

That comment betrays a complete misconception of Lord Hutton's function. He is a judge who was asked to examine certain issues. He took evidence, saw and evaluated witnesses, and made what he considered to be findings of fact. Having looked at his report, I find it difficult to see any basis for differing from his findings on the facts, but of course whether those facts fit into someone's notion of balance is entirely another matter.

Some of the comments—especially some of the commentary—were silly. The right hon. Member for Gateshead, East and Washington, West (Joyce Quin) referred to a particular newspaper; I want to refer to a particular commentary, although I shall reveal neither the organ nor the author. Two thirds of the way through my example—a splendid denunciation of Lord Hutton—was a little sentence saying that the author had not had time to study the report in detail, which being translated meant that he had not read it.

I turn from that commentary in an outlet that has a high opinion of itself to the refreshingly different point of view of a former editor of *The Sun*—Mr. Yelland, writing in *The Times* on Friday. He said:

"I can truly say that when I was Editor of *The Sun* that story would not have passed muster. I would have asked so many questions it would not have seen the light of day.

[Mr. David Trimble]

> And if it did get in the paper and Campbell had called me, I would have gone through the reporter's notes and, in this case, I would have fired him."

The claim further on in the paper that the tabloid press still retains some of the values of reporters of fact, whereas so much of the quality press is now dominated by commentators who wish to make an impact and a political point is a good one. Although, as a balance to those comments, Andreas Whittam Smith, in *The Independent*, made the good point that the BBC needs a strong editorial function.

I do not have time to go into details, but the e-mails sent by Kevin Marsh of the "Today" programme are reproduced on page 195 of the Hutton report. He listed eight points that should be introduced to ensure a proper editorial regime over the matters that Mr. Gilligan would deal with in future on the programme. Mention of those points concedes that such editorial control did not exist before that.

I was struck by the comments on the Marsh memorandum included elsewhere in the report. Mr. Dyke said that it had not been brought to his attention and when that was queried, he replied:

> "This is further down the chain, quite a long way down the chain".

Similar comments made by Mr. Sambrook and Mr. Davies indicate that persons in the upper echelons of the BBC did not regard the comments of the editor of their flagship current affairs radio programme as something worthy of their attention, or that should even have been brought to their attention. A decent editorial structure in the BBC would be quite different from that, and I hope that the BBC will address that problem, as well as looking into the culture that has developed of making news rather than providing decent analysis of it.

Reference has been made to maintaining the independence of the BBC. That is important, but we need integrity at the BBC, too. I am sorry to have to tell the House that, where I come from, that integrity has sometimes not existed. A journalist who now writes for a left-wing newspaper but who, at the time, was the security correspondent for BBC Northern Ireland gave me one such example. When Garda Gerry McCabe was murdered in the Irish Republic, that BBC security correspondent received, from three separate sources, confirmation that the murder was committed by the IRA and the names of the four persons who are currently serving prison terms, but was told, "Oh no, you can't report that, because it's based on supposition". BBC Northern Ireland then broadcast an interview with a Sinn Fein luvvie, who said, "Oh no, it was the Irish National Liberation Army". I connect that misrepresentation with the circumstance that someone at a senior level in BBC Northern Ireland was arrested in the early 1960s trying to set fire to an Army recruitment office. The case was hushed up because that youngster was then, as now, very well connected. These are questions of integrity. We need to return to a proper sense of public service broadcasting.

A new, fresh inquiry has been announced, and I welcome that. Although I realise that it is in no way connected with the comments that I made in the House a week ago about the need for such an inquiry, I am glad, for other reasons, that it has been set up. It is good that the inquiry will be able to look into the gathering, evaluation and use of intelligence, but it is important that that be done in as cool a way as possible. It is curious, too, to read the comments of Dr. Jones today, in which he is clearly concerned about the overstatement of intelligence. As has been said, intelligence is a matter of judgment; it is uncertain. Dr. Jones is concerned that his superiors in the intelligence world were overstating things that he thought should still be qualified. Again, where I come from, there is a strong belief among people who deal with intelligence matters on the ground in Northern Ireland that the chief function of the JIC over the years has been to tone down and take out of the intelligence presented to the Government any awkward or inconvenient fact. There is good reason to believe that that is, in fact, what the JIC has tended to do over the past few years, and I wish that the Government would probe a little bit more deeply into those matters as well.

I wish the fresh inquiry well. It is important that we look back to see what mistakes have been made if only to ensure that performance is better in the future, but I do not think that those inquiries—whether those conducted by Lord Hutton or by the fresh inquiry—change the basic political decision that the House took in March last year. Indeed, what we have heard today from Mr. Kay reinforces that. However, independently of that, I am quite satisfied that the decision that we took then was right and, as the Prime Minister said towards the end of his contribution, the middle east—indeed, perhaps the world—is a better place as a result.

3.56 pm

Mr. Tam Dalyell (Linlithgow) (Lab): Following what the right hon. Member for Upper Bann (Mr. Trimble) said, part of the difficulty is that the JIC has often geared itself to what it thinks its masters want to hear, so should there not be a distinction between analysis and advocacy? I raised that issue in some detail in the debate in the House on 3 July, at column 601. I have a letter dated 16 July from the Prime Minister asserting:

> "I have also made it clear that the Chairman of the JIC was responsible for the executive summary and the body of the text. At no time during the process did anyone attempt to override the intelligence judgements of the Chairman of the JIC and his Committee.
>
> The foreword was put to the Chairman of the JIC who confirmed at the time that there was nothing which conflicted with the contents of the dossier."

I have a constructive suggestion to make: there should be a directive to the JIC and, through it, to the entire intelligence community that there should always be a distinction between analysis and advocacy. That might be helpful to the intelligence community because, like many others, I am very uneasy about those in the intelligence community having to shoulder a blame that they do not deserve.

As time is short, I shall be as brief as possible, but I have one other matter that I should like to raise with those on the Front Bench. Towards the end of his speech, the Prime Minister chose to raise the question of the present situation in Iraq. May I repeat that there is increasing need for the west to show an example in at least bringing to trial people who may have done dreadful things, just as people who did dreadful things

between 1939 and 1945—indeed, before that—were brought to trial at Nuremburg? If we are to going to dampen an increasingly dangerous situation, in which our forces are seen, rightly or wrongly, as an occupying army, it is a matter of absolute urgency that those trials be set in motion.

I have a final question. Is it true, as is coming from certain sources in Washington, that Saddam Hussein is being held at the biggest base outside the continental United States, at Diego Garcia, which is, after all, a British Indian ocean territory? I put that question because of the information coming from Washington.

Mr. Jenkin: Is the hon. Gentleman satisfied that the Butler inquiry's terms of reference will allow it to study the difference to which he alludes between analysis and advocacy?

Mr. Dalyell: The answer to that is that I hope so. What I am uneasy about, as are some of my hon. Friends, is whether the Butler terms of reference will carry over into questions about which many of our fellow citizens want to know: the justification for the war in the first place.

Mr. Grieve: The hon. Gentleman may agree that one slight anxiety, given that I am confident that the wording is sufficient to allow such examination of the use of the material in terms of the persuasion of the public, is that when the Foreign Secretary was asked about that yesterday, he shied away from giving the assurance that that was his interpretation. Would it not be extremely desirable for the Government to acknowledge publicly that the plain use of the language in the terms of reference must allow that to happen?

Mr. Dalyell: The answer to that is that it must have been heard by my right hon. Friend the Minister for the Armed Forces. If I may have his attention, I ask him to bring that serious question to the attention of the Foreign Secretary, who will wind up the debate, because it deserves an answer that I am in no position to give.

4.1 pm

Sir John Stanley (Tonbridge and Malling) (Con): I am glad to follow the hon. Member for Linlithgow (Mr. Dalyell). I want to start on the point with which he opened his speech.

One of the unique features of the present Government's operation of the machinery of government has been to produce a wholly unprecedented interleaving of the machinery of intelligence with the machinery of presentation. Until the Foreign Affairs Committee made its report, "The Decision to go to War in Iraq", the extent to which that had taken place was unknown, both inside the House and among the wider public. It certainly came as a significant surprise to members of the Committee. The Committee, to quote just one of our recommendations, recommendation 12, was in absolutely no doubt that it was dangerous and unacceptable:

> "We conclude that it was wrong for Alistair Campbell or any Special Adviser to have chaired a meeting on an intelligence matter, and we recommend that this practice cease."

As we know, what the Foreign Affairs Committee uncovered was just the tip of the iceberg. When the Hutton inquiry got under way, and we saw the flood of e-mails that were being exchanged within the Government, to some of which my hon. Friend the Member for Henley (Mr. Johnson) has referred, it became clear that there was an absolutely unprecedented interleaving of those responsible for the Government's presentation, particularly in No. 10, with the intelligence agencies. That is a very serious issue for Government to address. As long as in this House, and just as importantly among the wider public, there is a general perception that intelligence material is subject to a degree of presentational input before it comes into the public domain, doubt will be cast on the independence, and indeed the integrity and professionalism, of the intelligence services.

A more significant matter for the longer term, which should worry the Secretary of State for Defence, if he is paying attention, is that if at a later date the Prime Minister, the Foreign Secretary or he comes to the House and says, "We have found new intelligence of evidence of weapons of mass destruction, and we now need to take some form of military action to deal with that", the Government will be seriously at risk of running into a gale of scepticism and doubt, which perhaps should not be there. This is a very serious issue for the Government; I ask them seriously to consider reverting to the practice of all previous Governments by clearly separating the intelligence machinery from the presentational machinery.

The second issue that I want to raise is that of weapons of mass destruction. Another unique feature of the situation that arose in connection with the decision to go to war in Iraq is that, unlike the decision on any previous conflict, it was taken on the basis not of indisputable factual evidence of an invasion, a terrible terrorist attack or an impending massive humanitarian disaster, but of an assessed intelligence threat to British interests and those elsewhere. I acknowledge that that presented Ministers with a very significant difficulty, but it also presented them with a very serious obligation—namely, to scrutinise, question and evaluate the intelligence assessment most closely.

At the moment, we lack any evidence—certainly, the Hutton inquiry is wholly silent on this—that senior Ministers, especially the Prime Minister, the Defence Secretary and the Foreign Secretary, subjected the intelligence assessments to the degree of scrutiny and evaluation that should have taken place before they took the key decision to take this country to war. What questions were asked? The House and the wider public would wish to know the answer to that. For example, did the Prime Minister ever ask why, if the 45-minute claim was seen to be reliable as far as British intelligence was concerned, it was so clearly seen to be unreliable by the US Administration that they never used it?

Another question, which my hon. Friend the Member for Croydon, South (Richard Ottaway) asked today, is: did the Prime Minister ask to which weapons of mass destruction supposedly possessed by Saddam Hussein the 45-minute claim related? The Prime Minister's answer was absolutely extraordinary. He said that when he came to this House on 18 March last year to ask for

[Sir John Stanley]

its approval to go to war, he did not know to which weapons of mass destruction the 45-minute claim related. That is an extraordinary admission.

My next question relates to chemical and biological weapons. Did the Prime Minister and his fellow Ministers ever ask, before repeating in the September dossier and at the Dispatch Box figures indicating very large tonnages of chemical weapons and chemical precursors, to what extent they had degraded, possibly beyond use? That information was widely available in the International Institute for Strategic Studies and in the working document produced by UNMOVIC—the United Nations Monitoring, Verification and Inspection Commission.

Mrs. Alice Mahon (Halifax) (Lab): One of the weapons inspectors—an American, Scott Ritter—referred to the degradation of some of the weapons widely, publicly and on many occasions, but was completely written off as somebody who had gone anti-war.

Sir John Stanley: I am grateful to the hon. Lady. I have not got time to go into detail now, but I could make comparisons between what the Prime Minister said about certain chemicals on 18 March and parts of the UNMOVIC report stating that it was almost certain, or most unlikely, that they were militarily usable.

The last question that I suggest that the Prime Minister should have asked—we asked it in the Foreign Affairs Committee—is: how great was the degree of unanimity in the top echelons of the British intelligence community about the September dossier, weapons of mass destruction and the 45-minute claim? We now know about that, not least from appendix 18 to the Hutton report, which quotes the letter from the person who describes himself as

"probably the most senior and experienced intelligence community official working on 'WMD'"—

[Interruption.] I shall continue if I may. He said:

"I was so concerned about the manner in which intelligence assessments for which I had some responsibility were being presented in the dossier of 24 September 2002, that I was moved to write formally to your predecessor, Tony Cragg, recording and explaining my reservations."

I say to the House, and most particularly to those on the Government Front Bench, that if the House and the wider public are to be satisfied that there was proper scrutiny and evaluation of the intelligence assessments, it is crucial that this area—the degree of questioning and evaluation by Ministers, including the Prime Minister—be addressed by Lord Butler's committee.

4.10 pm

Mr. Robin Cook (Livingston) (Lab): In nothing that I have said in the House or outside it about Iraq have I ever questioned the good faith with which the Prime Minister believed in his case. I therefore welcome unreservedly the clear conclusion of Lord Hutton that the Prime Minister did not lie. Indeed, if I may say so to my colleagues, my frustration in those last few months before the war was not any suspicion that my right hon. Friend was acting duplicitously, but the sheer impossibility of shaking his open and passionate conviction that he was correct in his view that military confrontation was the right course.

We should of course remember that, at that time, those on the Opposition Front Bench fully shared the same passionate conviction. I sat beside my right hon. Friend the Prime Minister on the Front Bench during a number of the exchanges, and frankly, the only challenge that he got from the then Conservative leader was a competition to see who could be more enthusiastic about a war. It does not compensate for the failure of the Opposition to scrutinise these matters at the time to have demanded over the past couple of months an inquiry into how the country ended up in a war that they fully supported. Personally, I gave up demanding an inquiry at about the same time as they started calling for one, partly because I was convinced that enough evidence was now in the public domain to make it plain that Saddam Hussein had not been a threat. Having sat through yesterday's exchange on the announcement of the inquiry, I feel that I was wise in not calling for it.

All that I would suggest to my hon. Friends about that inquiry is a piece of helpful advice. I suggest that they should stop trying to pretend that our decision to call an inquiry has nothing to do with the decision to call an inquiry over in Washington. Until Saturday, the Government were resisting the call for an inquiry. By Monday, they were organising one. Plainly, the only thing that had changed in between was that President Bush had announced that he wanted the facts. It speaks volumes about the extent of our culture of dependency on the Bush Administration that as soon as they decide to have an inquiry, we too decide that it is a good thing.

That goes to the heart of the origins of the war. The truth is that the Bush Administration were convinced of the case for war long before they ever looked at any intelligence. We have Paul O'Neill's observation that, at the very first meeting of the National Security Council, the invasion of Iraq was topic A, and President Bush's approach was to say, "Get me a way of doing it." The reality is that intelligence was not the origin of the war; intelligence was used as the justification for a decision that had been taken for other reasons.

I welcome what the Prime Minister said today in praise of the intelligence agencies. For four years I was the Cabinet Minister with responsibility for the Secret Intelligence Service. I was always impressed by the service's detachment, and its meticulous qualification of what it offered. I say to my hon. Friend the Member for Linlithgow (Mr. Dalyell) that I never once knew the intelligence services to advocate a particular course of action. Indeed, the intelligence assessments were always so carefully balanced and full of alternative interpretations that I frequently rose from them more confused than when I had sat down in the first place. What went wrong in this case is that intelligence was used as propaganda to lobby for a war that had been decided on for reasons other than intelligence.

I read with great unease the article in today's edition of *The Independent* by Dr. Brian Jones. I do not wish to spend time discussing whether his comments were properly handled by his line manager. For me, the bottom line is that I find it extraordinary that neither the Cabinet nor Parliament were told that all the experts in the Defence Intelligence Staff had reservations about the September dossier.

There is one question that I have for the Butler inquiry to consider. I think that it falls within its remit, however narrow that may be. I have never doubted that Ministers believed all the information in the September dossier when that dossier was presented to Parliament, but I would be surprised if they believed all of it by the time the House was asked in March to vote for war. I say that because in between those two points we had two months of inspections by Hans Blix and the UN weapons inspectors in Iraq. We had given those inspectors, perfectly properly and correctly, our intelligence to guide them where to look, and they found nothing. Hans Blix has observed, "My God, if this was their best intelligence, what was the rest like?"

Those blank results were fed back to our intelligence agencies by the weapons inspectors. I would like the Butler inquiry to consider whether that knowledge that our intelligence had proved faulty changed any of the evaluation by the intelligence agencies of the threat from Saddam. If so, why did Ministers not tell the House before we went to war?

I shall pick up on the exchange between the hon. Member for Croydon, South (Richard Ottaway) and my right hon. Friend the Prime Minister earlier this afternoon. If I heard it correctly—I may have misheard it—the hon. Gentleman asked my right hon. Friend whether he was aware by March that we were considering battlefield weapons rather than wider long-range weapons of mass destruction.

If I heard him correctly, my right hon. Friend the Prime Minister said no. I am bound to say that I was surprised by that answer. The House will recall that in my resignation speech I made the very point that we were considering battlefield weapons and that Saddam probably had no real weapons of mass destruction. I invite my right hon. Friend the Secretary of State for Defence, who will reply to the debate, to consider with his advisers whether it might not be wise to qualify the Prime Minister's answer when he replies. I find it difficult to reconcile with what I knew, and what I am sure my right hon. Friend the Prime Minister knew when we had the vote in March.

Mr. Jonathan Sayeed (Mid-Bedfordshire) (Con): Perhaps the right hon. Gentleman could go further in his questioning. Just after the September dossier was published, the *Evening Standard* and *The Sun* took up the 45-minute claim, and interpreted it as referring to long-range weapons. That coming out in a newspaper article was clearly wrong. Should not the right hon. Gentleman's question also encompass whether the Government, having known that that was wrong, were not bound to correct it?

Mr. Cook: I am obviously more relaxed about whether the Government corrects the record in *The Sun*, but I am very anxious that they should correct the record in the House before it is invited to make a decision.

The hon. Gentleman tempts me to quote from the interesting response that was published yesterday by the Government to the Intelligence and Security Committee, in the course of which the Government say:

"In March 2003"—

It is obvious from the context that this was before the vote in the House—

"the Joint Intelligence Committee stated that intelligence on the timing of when Iraq might use the CBW was inconsistent and that the intelligence on deployment was sparse. Intelligence indicating that chemical weapons remained disassembled and that Saddam had not yet ordered their assembly, and that was highlighted."

That is light years away from what the House was told in September. If the Government had had such an assessment in March, they should have shared it with the House before we voted.

My right hon. Friend the Prime Minister properly took credit for the fact that the Government allowed the House to vote before British troops were committed to action. I offer personal credit to my right hon. Friend the Foreign Secretary, who was always a robust advocate of the right of the House to vote on action before it took place. But if we are to take credit for the House having the right to decide, it becomes very important that the House had accurate information on which to make the decision. At the very least, the majority in the House would have been much reduced if we had known that there were no weapons of mass destruction.

It may well be, as the right hon. Member for Bracknell (Mr. Mackay) said, that there are Members who would have chosen to continue with invasion even if they had known that there were no weapons of mass destruction, and they are entitled to that view. But the situation then becomes a choice, not a necessity. We now know that we did have the time to let Hans Blix finish the inspections, and had we done so we would have found out that there were no weapons of mass destruction, and there was no threat from Saddam.

It has become fashionable to talk about the judgment of history. I do not know what history will say about our decision to choose to go to war, but we already know enough to conclude that history will judge that we did not need to go to war.

4.20 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): We have just heard two distinguished contributions from the right hon. Member for Livingston (Mr. Cook) and my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley), but I hope that they will forgive me if I refer back to an earlier contribution by the hon. Member for Thurrock (Andrew Mackinlay) who was much maligned and vilified for his questioning on the Foreign Affairs Committee at the time. I am poles apart from him politically, but I want to place on record the fact that I greatly respect what he did then, and does every day, as a parliamentarian. He deserves our respect, and he should know that he has support across the House.

I want to focus on key questions that were left unanswered by Hutton and which I hope will be answered by the next inquiry—and if not, by the Government. First, however, I shall put on record the fact that I voted for war on 18 March despite the fact that after carefully reading the dossier and the Blix report, I had come to the conclusion that there almost certainly were no weapons of mass destruction in the hands of Saddam Hussein, and certainly none that constituted a current and serious threat to this country.

[Mr. Peter Lilley]

Close reading of those documents also made it clear to me that Saddam had in the past possessed and used those weapons, he had the current intention to possess them, and if we withdrew and sanctions collapsed, he would in future, in all likelihood, get them and become a danger. So I voted, knowing that there were no weapons but believing that it was possible to justify war to change the regime and pre-empt a future threat. I think that the Prime Minister was doing the right thing but giving the wrong reason, and it is important that we hold him to account for the reasons that he gave, lest a Government in future feel free to do whatever they like for the wrong reason.

The first question that we ought to ask is why the Government placed such enormous reliance on the alleged existence of weapons of mass destruction. It is clear that the decision to go to war did not follow from a study of the evidence of the existence of those weapons. The right hon. Member for Livingston said that it was the other way round: the decision came first and then the evidence was assembled to justify it. We know that because the key piece of evidence on which the Government relied so much that they put it in the dossier four times—the 45-minute claim—was not available to them when the decision was made but only at the last minute after they decided to produce the dossier.

The reason why the Government based the case for war on Saddam's supposed possession of weapons of mass destruction was, as so often with this Government, presentational. They chose the argument that they believed would maximise support, particularly among their Back Benchers and in the United Nations. They chose it not because they believed it to be true but because it would maximise support. They thought that war to disarm Saddam of weapons of mass destruction would play well with the many Labour Members who have belonged to the Campaign for Nuclear Disarmament and could be expected to support disarmament of all kinds. We know that that did not work: so many of those Members opposed their Government's decision that if this party had not joined the Government in the Lobby they would have been defeated and would have fallen.

The second question that we have to ask is whether, if the Government had known or been willing to accept at the time that there were no weapons of mass destruction available to Saddam, the war would have been legal. I made it clear that I voted for it as a war of regime change and pre-emptive action—a contentious position. Some argue that any war to change a regime is forbidden by international law. That seems a rather odd argument, given that we had already changed the regime of one third of the country. When we did that in Kurdistan and the Marsh Arab areas by military action and overflying, no one seemed to challenge it. If it was right to do that in a third of the country, I cannot see why it should be wrong in the other two thirds.

Others argued that one could not take military action to pre-empt a future threat, as if we should sit here and wait until Tel Aviv had been nuked or Portsmouth poisoned. If we have the power and can take pre-emptive action, there may be occasions when it is justified. The issues need to be established clearly, because the same arguments may be deployed again with respect to other rogue states in apparent possession of, or threatening to possess, weapons of mass destruction.

Mr. Calum MacDonald (Western Isles) (Lab): When we discussed authorising the war in March, I cannot recollect anything being said about regime change or pre-emptive action. The motion simply said that Iraq was in repeated breach of UN resolutions, notably 1441, and Dr. Kay's assessment of the work of the survey group was:

"In my judgement, based on the work that has been done to this point of the Iraq Survey Group . . . Iraq was in clear violation of the terms of resolution 1441."

That was the whole legal and moral basis of the war.

Mr. Lilley: The hon. Gentleman raises an important issue, which concerns the role of the Law Officers, who I suspect played an important part. We have seen their truncated conclusion, but we have never seen the full opinion or the submission on which it was based, and we do not know the extent to which they relied on that submission. That information should be available to the new inquiry, to establish whether the existence of weapons of mass destruction was relied on in their analysis.

We have to question the accountability of the Law Officers. They are very powerful, and once they have opined, a Cabinet is bound by that opinion. No Cabinet could afford to go against such an opinion for fear that it would be found to have done something that its own Law Officers said was illegal. In many cases that is all right, but international law is highly fluid, uncertain and subjective. In asking for an opinion, one is effectively making the Law Officers' subjective assessment binding on Government. We have to ask whether that is the right way to reach conclusions in such uncertain areas.

We need to ask whether Ministers or the intelligence services were to blame if intelligence was wrong. Ministers are responsible even for the advice that they take, so they have a duty to probe, question and evaluate that advice and get it right, as the right hon. Member for Livingston did—and even I, in my humble way, outside, could reach the same correct conclusion. In my experience, the worst decisions in Government are made when Ministers fail to question things because they are as enthusiastic as the officials, and officials fail to draw their attention to the problems, because they perhaps have an interest in heightening the appreciation of a certain risk or threat.

The Secretary of State for Defence (Mr. Geoffrey Hoon): Will the right hon. Gentleman inform the House of his view of the proper limits of ministerial responsibility? Does he judge, in fact, that Ministers are responsible for operational decisions?

Mr. Lilley: That is probably a trick question, and does not strike me as terribly worthy. It depends on the Ministry—I took decisions that affected the operations of my Department, which would not have been appropriate in other Departments.

We need to ask whether the intelligence was as much at fault as everyone has assumed. I believe that it was far less at fault than most people suppose. It was presented

in a very sexed-up fashion, not so much in the preparation of the document as in its presentation to the House and the public. The document said:

"The JIC concluded that Iraq had sufficient expertise, equipment and materials to produce biological warfare agents within weeks using its legitimate biotechnology facilities."

In the case of chemicals, the document said that Iraq could

"produce significant quantities of mustard gas within weeks, and of nerve agents within months"

and that the JIC concluded that

"these chemical and biological capabilities represented the most immediate threat from Iraqi weapons of mass destruction."

In other words, it was not that Iraq possessed such weapons but that it had the ability to produce them within weeks or months.

The 45-minute claim was used so frequently not because it could be linked to the threat of missiles reaching here but because it was the only information in the document that implied that Iraq must already have the weapons, because it could get them to an unstated location 45 minutes later. That was the only evidence, and it contradicted the actual conclusions of the JIC, which is why so much was made of that claim.

The new inquiry should not start from the presumption that its task is to attach blame to the intelligence services. It should question how Ministers assessed the intelligence and presented it to the country. It should also ask whether the actual justification—a pre-emptive regime change—was justified in law, and whether we should be bound by the subjective opinion of the Law Officers.

4.31 pm

Mr. Gerald Kaufman (Manchester, Gorton) (Lab): Lord Hutton judged the BBC to be culpable. As a consequence, Gavyn Davies has gone, rightly and with dignity, and Greg Dyke has gone, unwillingly and behaving like a buffoon. However, it is clear that those directly implicated in the Gilligan story, which Lord Hutton judged to be unfounded, remain active in the BBC.

On 6 July last year, the BBC governors issued a statement endorsing the Gilligan story. The statement said that the story was in the public interest and that BBC journalists had good contacts in the security services. Four weeks after the Gilligan report, Richard Sambrook, the director of news, said in an interview on the "Today" programme:

"we have nothing to apologise for . . . we had one senior and credible source in the intelligence services".

He continued deceptively to imply that the Gilligan story was based on a security or intelligence source. What is more, having learned that the source was not an intelligence official, he deliberately withheld that information from the board of governors, leading it to claim that there was an intelligence source. On that basis, the governors negligently and culpably endorsed the story and did not do their job.

Richard Sambrook was involved not only in that but, along with Kevin Marsh, in Gilligan's suborning of members of the Foreign Affairs Committee. That is demonstrated by an e-mail—oh that mine enemy should send an e-mail—that Gilligan sent to Mark Damazer, Richard Sambrook and Kevin Marsh in which, among other things, he said:

"Spoke to Ottaway again and he's happy".

He also discussed briefing members of the Foreign Affairs Committee and suggested more briefing and suborning of members of that Committee—that is all in the Hutton evidence.

The situation is worse than that. Downing street concentrated on *The Mail on Sunday* article of 1 June written by Gilligan, but he wrote two articles for the paper, the second one of which was published on 8 June. It said, among other things, that the Prime Minister

"is charged with exaggeration, distortion, over-emphasis."

Kevin Marsh cleared that article. He read it, endorsed it and said, "It seems fine." That was the editor of the "Today" programme endorsing a contentious political article in a newspaper, and not seeing anything wrong in doing so. Indeed, far from it; the day after the Gilligan report on the "Today" programme that started this whole train of events, Marsh e-mailed Gilligan to say:

"Great week; great stories, well handled and well told."

Those two, Sambrook and Marsh, are clinging to their jobs when it is clear that any sort of BBC journalistic probity demands that they go. A leading article in *The Economist* at the weekend said that the Gilligan report

"was typical of much of modern British journalism: twisting or falsifying the supposed news to fit a journalist's opinion".

It went on to say that this action had been committed by

"a public-service broadcaster, whose reputation for reliability and authority gave the report its very credibility."

Yet those people are still there. We do not simply have those executives; we also have a situation in which a publicly funded, public service broadcasting organisation has revealed its governance to be unacceptable. That was said in relation to this issue by Lord Hutton.

I had a long correspondence with Gavyn Davies, which began long before the Gilligan affair, in which he insisted that the BBC's

"system of governance is a critical protection for the BBC's editorial independence from politicians".

As a member of the National Union of Journalists for 49 years, I am strongly in favour of the BBC and, indeed, the printed press, being totally independent of any interference by politicians. However, if that is to happen, there has to be a converse. The converse is that the BBC, above all, has a duty to behave with responsibility and with a great respect for truth.

Mr. Edward Garnier (Harborough) (Con): Will the right hon. Gentleman give way?

Mr. Kaufman: Perhaps the hon. and learned Gentleman will allow me to continue for a moment.

I champion the right of the printed press to be irresponsible, inaccurate, biased and politically motivated. It finances itself; it does not ask every household in the country to finance it. That is the burden of a free press. The BBC is different. It needs to be totally independent of all Governments.

[Mr. Kaufman]

Governments must not interfere with the BBC's content, but if that is to be so, the BBC's governance must be changed. As many hon. Members know, I said this long before the Gilligan affair or the Iraq war.

The BBC is governed and run as it was 77 years ago. It is time that we had a public sector, public service broadcasting organisation that was independent of the Government but, nevertheless, run like a business in this cut-throat world of the media. In my view, that involves an executive chairman, a board of directors and a chief executive. In this episode, the members of the BBC's board of governors did not simply allow a wrong to continue; they let themselves down. They betrayed themselves and the BBC. I do not believe that that system of governance can be allowed to continue when the charter review takes place.

4.39 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Given the time available, I shall obviously have to choose carefully what I talk about.

Who took the decision to name Dr. Kelly, and why? Alastair Campbell's diaries reveal that he and the Defence Secretary were keen to reveal the source, in order to strike back at Gilligan—to "****" him, to use the communication chief's own word. Dr. Kelly remained anonymous after the Prime Minister expressed concern about the plan. However, Sir Kevin Tebbit, the MOD's most senior civil servant, told the inquiry that the Prime Minister agreed with the strategy that led to the eventual outing of Dr. Kelly, in order, I think, to put him before parliamentary Committees.

We know of the discussion on the plane from Shanghai to Hong Kong, where the Prime Minister emphatically denied that he had had anything to do with it. On the other hand, on 13 October Sir Kevin Tebbit said:

"A policy decision on the handling of this matter had not been taken until the Prime Minister's meeting on Tuesday [8 July]. And it was only after that that any of the press people had an authoritative basis on which to proceed."

So obviously there is a doubt there.

On the question whether the dossier was embellished, sexed up or whatever, it seems plain to anyone who has read the evidence that that must be the case. Lord Hutton may have concluded in another manner. That is fine. I am not impugning his impartiality, but I am calling into question the way in which he arrived at the decision. I am supported in that by several prominent lawyers, many of them Labour-supporting, such as Geoffrey Bindman. It is extraordinary that Lord Hutton should ignore the inconsistencies in coming to his conclusions.

What I am concerned about is that in the run-up to the debate and the vote we were not given evidence that could be relied upon. I am not all that upset about it, because I did not vote for the war, but I take issue over the Prime Minister's having said, in the foreword to the dossier,

"I am in no doubt that the threat is serious and current"

and so on, and then in September that the threat of the weapons of mass destruction programme was

"active, detailed and growing . . . It is up and running".

John Scarlett, on the other hand, said when the document was launched:

"We will need to make it clear in launching the document that we do not claim that we have evidence that he is an imminent threat."

That was the week before the Prime Minister said that the programme was up and running and that it was active, detailed and growing. There are evident inconsistencies here as well.

In today's edition of *The Independent* Dr. Brian Jones wrote:

"the expert intelligence analysts of the DIS were overruled in the preparation of the dossier in September 2002 resulting in a presentation that was misleading about Iraq's capabilities."

I will not dwell on the 45 minutes claim. Suffice it to say that enough has been said about that today. I am far from clear as to what the truth is in that part of the report as well.

A letter from Martin Howard, deputy chief of defence intelligence, to the Secretary of State for Defence attempted to brief the right hon. Gentleman about DIS dissent before he gave evidence to the Intelligence and Security Committee. I do not think that that took us anywhere. It is astonishing that the Government chose not to take the advice of these people, who were very concerned about embellishments and very concerned about the way in which the evidence was presented.

At page 133 of the report we have Alastair Campbell's minute to Scarlett of 17 September:

"Please find below a number of drafting points. As I was writing this, the Prime Minister had a read of the draft you gave me this morning, and he too made a number of points."

So it goes on.

Earlier today I referred to the appointment of the right hon. Member for Dewsbury (Ann Taylor) to the forthcoming inquiry. I think that it is inappropriate that she should serve on it. I shall read out verbatim an e-mail from Matthew Rycroft, dated 19 September 2002:

"Ann Taylor read the draft dossier this morning and passed on some detailed comments to John Scarlett. She has just rung me to underline the following points. The dossier should more explicitly refer back to the end of the Gulf war, the cessation of hostilities agreement and the demands of Iraq arising from the UNCR then. This is a baseline that people will understand. The dossier itself needs to come across as an impartial professional assessment of the threat. The political policy questions of the response to the threat need to be separate. The PM's statement to the House should make this distinction. The hardest questions in the debate, not fully answered by the dossier, remain why now and why Saddam. The PM should take these on in his statement to undercut critics."

The strongest defence of what I said about the right hon. Member for Dewsbury came from the hon. Member for East Hampshire (Mr. Mates), who has been appointed to the committee. I do not hold out much hope for the committee. As I have said, many lawyers who have looked at the conclusions of the first inquiry believe it is flawed.

Adam Price (East Carmarthen and Dinefwr) (PC): My hon. Friend mentioned an e-mail from Matthew Rycroft, a Foreign Office adviser. Another e-mail from

him, produced in evidence to the Hutton inquiry, reveals that the right hon. Lady was the only person outside Government to be shown a draft of the document and asked to comment on it. That was at the specific request of the Prime Minister. Two further drafts were produced, no doubt using some of the "helpful comments"—in the words of John Scarlett—of the right hon. Lady.

Mr. Llwyd: I note what my hon. Friend says. At the heart of the process, however, is the fact that one person was given a draft to add to or amend. That is part of the remit of the forthcoming inquiry. The right hon. Lady must, in all conscience, feel that she is compromised in this matter.

Ms Stuart: On a point of order, Madam Deputy Speaker. Would it be appropriate to check whether the hon. Gentleman gave notice of the criticisms he was going to make of a fellow Member, to ensure that she would be in the Chamber?

Madam Deputy Speaker: I think that is a valid question. I do not know whether the hon. Gentleman can answer it.

Mr. Llwyd: I did not write to the right hon. Lady, but she was well aware of my feelings about this. *[Interruption.]*

Madam Deputy Speaker: Order. May I hear the hon. Gentleman's reply?

Mr. Llwyd: The right hon. Lady was well aware of my feelings when I intervened on the Prime Minister earlier.

Mr. Salmond: On a point of order, Madam Deputy Speaker. May I have a ruling? The right hon. Lady was in the Chamber when the matter was discussed.

Madam Deputy Speaker: I was not present at that point, but I accept that the right hon. Lady has been in the Chamber for some considerable time this afternoon. That was not the question that was asked of the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd).

Mr. Kaufman: On a point of order, Madam Deputy Speaker. It is a strict convention of the House that when a Member plans in advance—as the hon. Gentleman clearly did on this occasion—to refer to another, the former informs the latter, also in advance. That has been a convention of the House throughout the 34 years for which I have been an MP, and I do not believe it can be relaxed for the misbehaviour of that hon. Member. In fact, may I withdraw the word "honourable"?

Several hon. Members *rose—*

Madam Deputy Speaker: Order. I will take a point of order from the hon. Member for Ogmore (Huw Irranca-Davies) first. I presume that it is on the same topic.

Huw Irranca-Davies: I do not have a point of order, Madam Deputy Speaker. I merely wanted to intervene on the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd).

Peter Bottomley (Worthing, West) (Con): On a point of order, Madam Deputy Speaker. The right hon. Member for Manchester, Gorton (Mr. Kaufman) will confirm that the convention is to allow a Member to be present in the Chamber in these circumstances. That is the purpose, and that is the convention.

Richard Ottaway: On a point of order, Madam Deputy Speaker. If the right hon. Member for Manchester, Gorton is correct, should he not have given me notice when he referred to me in his speech?

Mr. Kaufman: I did, several weeks ago.

Mr. Garnier: On a point of order, Madam Deputy Speaker. The right hon. Member for Dewsbury was in the Chamber when the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) intervened on the Prime Minister. She did not seek to intervene on the Prime Minister to correct any misapprehension that we might have gained. I rather suspect that the complaint is entirely bogus and I suggest that the hon. Gentleman should be allowed to continue his speech.

Madam Deputy Speaker: I call Mr. Llwyd.

Mr. Llwyd: I am obliged, Madam Deputy Speaker.

At the heart of the process is a mysterious lack of logic. Lord Hutton spent weeks listening to evidence about the preparation of the Government's case against Saddam in the September dossier, but when it came to writing his report he rejected the need to address the issue of the dossier's truth, saying

> "A question of such wide import . . . . is not one which falls within my terms of reference."

Two points therefore need to be made. First, if Lord Hutton was not going to rule on that matter, why go into the facts at such length? Secondly, the truth of the dossier's contents is the essence of the circumstances of Dr. Kelly's death, because that was what propelled the BBC and Alastair Campbell to escalate their running battle into open war.

Huw Irranca-Davies *rose—*

Mr. Llwyd: I have referred to several lawyers—Michael Mansfield, Richard Parkes QC, and Anthony Scrivener—but I also mention the Labour supporter, Geoffrey Bindman, who said that he found Lord Hutton's version incredible. He believed that the argument for saying that the dossier was not sexed up runs contrary to the evidence—and so he goes on.

Several references have been made to the importance of restoring confidence in the Government. The imminent inquiry has the wrong remit and the wrong personnel. It has been described as being on the Franks model, but the Franks inquiry into the Falklands conflict exonerated the Government and severely criticised the intelligence service. Am I the only one to have a sense of déjà vu? For "dodgy dossier", read "dodgy inquiry".

4.50 pm

Mr. Nigel Beard (Bexleyheath and Crayford) (Lab): I doubt whether my constituents, along with most people in this country, begin to understand the press and media reaction to Lord Hutton's report in the last week. For

[Mr. Nigel Beard]

weeks they had been told that Lord Hutton's findings would be the nemesis of the Prime Minister and the Secretary of State for Defence. They were told Andrew Gilligan's story—that the September 2002 dossier had been changed not by intelligence experts, but by the Government, to include a claim that Iraq's chemical and biological weapons could be deployed within 45 minutes. Furthermore, they were told that the Government knew that claim to be false, but included it to persuade people to support an invasion of Iraq.

Except for a charge of war crimes, it is difficult to imagine a more serious charge against a Government. The charge had added weight by being broadcast by the BBC with its worldwide reputation for accuracy and independence. Now we have Lord Hutton's report, based on evidence presented in public and closely argued, which says that the whole of that allegation was false and that the Government did not falsify the September 2002 dossier.

Collective media judgment on the issue was woefully wrong. Rather than admit that, however, there has been a week of unsupported denunciation of the Hutton report in a press tantrum of petulance, malice, and self-indulgent irrationality. One aspect of the smokescreen is to pretend that Lord Hutton is a creature of the establishment who was bound to come down in favour of the Government—a sneering assertion, again unsupported by any evidence.

Lord Hutton has a record of judicial independence of which he and this country can be justly proud. In 1992, a republican prisoner, Patrick Nash, was accused of attempting to murder four of Lord Hutton's fellow judges in Northern Ireland. Lord Hutton acquitted him, making it clear he did not believe the police evidence against the prisoner. That is the man who has explicitly and by innuendo been dubbed an establishment stooge during the past week. No doubt the detractors would have discovered a man of entirely different character if he had come to the conclusion that they wanted.

Another distraction, attempted by Jeremy Paxman on "Newsnight", has been to say, "But we haven't discovered weapons of mass destruction in Iraq and Lord Hutton has said nothing about the reason for our going to war". Neither issue lay within the terms of the inquiry; neither related to the charge of falsification by the Government, nor to Dr. Kelly's death.

Both the chairman and the director-general of the BBC have justified themselves by saying that they were defending the independence of BBC reporting. I do not know what pressure was put on them during the Iraq war, but that was never the issue. The case was that a reporter walked in with a story from a single source, which defamed and was capable of wrecking the British Government and nobody bothered to check it before or after it was broadcast.

Knowing the significance of the controversy, the BBC governors did not examine any primary evidence. They reproduced the bunker mentality of the chairman and director-general in deciding that their prime responsibility was to defend the independence of the BBC, even at the risk of rallying round an odious lie. It is the BBC's corporate judgment that is at issue, not its right of independence from the Government.

Sadly, I believe that the reaction to Lord Hutton's inquiry, both before and after publication of his report, reflects a malaise in British journalism, and in the media generally. That malaise is the origin of the BBC's performance in this affair. It says that facts and evidence should not get in the way of a good story, and that it is perfectly all right to impugn the integrity of anyone—the Prime Minister, Lord Hutton, or people dragged into the tabloid limelight—if that promotes a good story.

The same malaise is also evident in the attitude of many journalists with ambitions to be the next Woodward or Bernstein. They are ready to expose the corruption and dishonesty that is assumed to prevail among politicians and officials in both national Government and local government. If lying and corruption are assumed to be endemic, there is no need to be too meticulous about evidence or fairness. The end exposure justifies the means.

Mr. Robert Jackson: The hon. Gentleman referred to Woodward and Bernstein. Does he recall that the *Washington Post* had—and still has—a strict rule that no story should be based on a single source?

Mr. Beard: Indeed.

As has already been mentioned, the problem prevails in many serious newspapers, where all attempt at objectivity is abandoned and the opinion of the reporter is allowed to slant the news presented. In addition, every television report now seems obliged to end with a knowing quip that implies a judgment superior to anything said by the soldier, business man, policeman or politician who has just been interviewed.

A good illustration of that is the interview given by Mr. Rod Liddle immediately after publication of the Hutton report. The interview was held so soon after publication that Mr. Liddle could not have read and reflected on it, but he felt able to denounce it as

> "a whitewash, like all reports by Law Lords, which are bound to come down on the side of the Government."

There was no concern for evidence, or the reasoning that arose from it. Like a drunk in a bar at closing time, he was ready to denounce all that he disapproved of as an establishment conspiracy.

Ms Stuart: My hon. Friend mentions the time for reflection that Rod Liddle allows before he comments on a matter. After the private session in which the Foreign Affairs Committee took evidence from Andrew Gilligan—for which the minutes were not published—he saw fit to write an article in which he described me as a Teutonic harridan for the way in which I asked my questions. He had no facts to base that on.

Mr. Foulkes: Certainly not.

Mr. Beard: Opinion was the main emphasis of that remark. However, Mr. Liddle is not a drunk in a bar at midnight. He is the former editor of the "Today" programme who hired Andrew Gilligan as part of a policy of actively making the news rather than reporting it. He has certainly done that now.

Last week brought no distinction to British journalism generally, but mention has been made already of the article by Andrew Gowers, the editor of

the *Financial Times*. It appeared in Saturday's edition of the newspaper, and is a noble exception for its objectivity and concern. I echo his cry:

"Let this dreadful misadventure then serve as a wake-up call for all journalists."

The lifeblood of our democracy is accurate and objective information, from which people can draw their own conclusions. Yes, opinions should be presented in the media to aid debate, but it should be clear that that is what they are. To have false information posing as truth, and opinion masquerading as fact, ultimately corrodes confidence in democracy itself.

The Hutton report is not just a warning to the BBC; it also warns of a culture and style that permeate most of journalism, and the media. To protect democracy, there must be a better code of ethics, and a framework of principles within which journalism and the media operate. If we can learn that lesson from this affair, good will come of it, and the BBC can return to being the standard bearer of truth and independence, quickly and unassailably.

4.59 pm

Mr. John Gummer (Suffolk, Coastal) (Con): I shall have to revise entirely my view of the meaning of the word "harridan".

These matters are more serious than merely thinking about the past; we need to learn the lessons of the past. The first of those lessons comes from the information given to the House and which decided it that we were willing to go to war. I voted against that, but I did so on the important evidence that I was given. I hope that in the investigation we shall discover answers to three questions that are important for the way that this Government, or any Government, work.

First, why did no one ask about the nature of the weapons of mass destruction? Why did no one ask whether they were battlefield weapons? From my ministerial experience, I cannot understand why that interlocution did not apparently take place until so much later on.

Secondly, why did the Prime Minister not ask about the nature of the chemical weapons that had been talked about? How far had they already degenerated?

The third question is perhaps the most important. In a Government who are known constantly to urge the press and the BBC to correct their mistakes, why did no one press the newspapers to correct what they knew to be untrue—the headlines that suggested that the 45 minute claim referred to the sort of weapons that most of us thought threatened immediately and directly the great capitals of, at least, the middle east and, many thought, even of Europe?

For many of us from a particular tradition, the WMD issue is so important because, whatever the legalities, we believe that only it could have made the war a just one. It was because I did not believe in the existence of WMD that I could not support the war; I do not believe that the definition of a just war allows a pre-emptive strike unless there is an immediate and direct threat. I ask the Government to be clear about that, because the House needs that information if it is to make a judgment on an issue that is, in this case, also a moral one, on which the Prime Minister's moral judgment is opposed by every major leader of moral thought. That is a matter of importance and the Prime Minister failed to give the House the information we needed.

Sir Patrick Cormack: Does my right hon. Friend accept that the logic of his position is that, had his view prevailed on 18 March last year, Saddam would still be in power, with all that that implies?

Mr. Gummer: That is the logic of my view. We would not be threatened and there would not have been an unjust war.

The Government must take seriously the real question that needs to be asked: why did that entirely untruthful allegation about them—the hateful lie to which the Prime Minister referred—immediately take legs? Why did people believe it so widely? There are two points for the Government to answer.

First, they must recognise that there was, by then, a widespread view that they were not always as careful with truth as they ought to be. They were warned about that much earlier on, in an article of considerable depth written by Matthew Parris—a columnist normally known for his humour. In *The Spectator* of 30 October 1999, he said:

"There will come a point in any prime minister's career when he needs to be able to say 'trust me' in circumstances where he can offer no better reason to do so than our own confidence in his trustworthiness. It is that belief in the minds of the press . . . which is being quietly shot to pieces as Mr. Blair's apparently untroubled progress continues."

I submit that Bernie Ecclestone, Mr. Mittal, the Walmart meeting, the Sudanese aspirin factory, the Hindujas, the Berlusconi phone call, the Queen Mother's funeral and that first dodgy dossier gave credence to that untruthful allegation.

The second thing of which the Government have to remind themselves is that they have adopted towards all the broadcast media, as well as the written media, a harassing attitude, whereby every day, very often every hour, someone from No. 10 Downing street is pressing for a change in what the broadcast media are saying. I believe that it is true to say that a senior member of the BBC staff spent almost 50 per cent. of his time dealing with the Government's regular complaints about this or that portrayal. It is not therefore surprising that a proper judgment was not made about the importance of the attack in relation to Gilligan. It was one in a series of regular, daily attacks, but that does not justify the BBC.

I have been more critical of the BBC than most, but I will not take it from the right hon. Member for Manchester, Gorton (Mr. Kaufman). When I was able to show that the BBC had produced a film in which it had spliced in other material on more than a dozen occasions to make a wholly wrong, wholly fallacious attack, which it had to withdraw in the end, but only at the gates of the court, one of the people who refused to support that battle, who was most offensive and in whom the milk of human kindness was least to be found was the right hon. Member for Manchester, Gorton. His attacks on the BBC almost always occur when it is at variance with his own views, rather than with those of others. If the right hon. Gentleman is not here now, it is not my fault. He was here earlier and might have expected that comment because he asked for it.

[Mr. Gummer]

I want to turn very quickly to the right hon. Member for Hartlepool (Mr. Mandelson), who is here. He became extremely angry when anyone suggested that there might have been some change in press officers because of their political inability to take their masters' orders. Well, I cannot prove any such change, but I believe that 18 took place in a very short period. There is no doubt that there is not a press officer in the world who does not believe that those changes were not entirely unconnected with a desire by an incoming Government to use the government mechanism to propagandise rather than inform. That does not excuse anything that the BBC did; it does not excuse anyone who now upholds an assertion that the Prime Minister lied, but it reminds us that people believed that lie because the Government have been dodgy about the truth for far too long and so people thought it likely.

The reason why the BBC failed to investigate properly is not acceptable or excusable—no one should excuse it—but the reason lies more in the way that the Government have treated the BBC, harassed its journalists and tried to ensure that the news that is put over to the people is the news as they would like it, with the headlines that they desire. It is that which made the difference, and it is that which the Prime Minister should think about.

5.8 pm

Mr. Gordon Prentice (Pendle) (Lab): I do not want to take my full time because so many colleagues want to speak in the debate. I voted against the war in Iraq because I did not believe, as the Prime Minister invited us all to believe, that there was a serious and current threat. I wanted Hans Blix to get back in there and finish the inspections. Let us remember that he said that the inspections would take months, not years.

Going to war is the most serious decision that a Government can take, and it must be taken in full knowledge of all the facts. It is as plain as a pikestaff that we did not have all the relevant facts before us when we voted on 18 March. The key thing for those Labour Members who reluctantly voted with the Government was not resolution 1441, but the supposed existence of weapons of mass destruction that could be fired within 45 minutes. My right hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) told me earlier that he did not know those colleagues. I can tell him and others that there were colleagues who voted with the Government reluctantly, because they believed that those weapons of mass destruction were primed and ready to be fired in 45 minutes.

Peter Bradley: Will my hon. Friend give way?

Mr. Prentice: I would rather not.

The September document showed concentric circles taking in not just the middle east but Europe, including the British base in Akrotiri in Cyprus. Any reasonable person reading it would say that there was a threat, if not to us in Britain but to our troops in Cyprus.

I believe that the policy of containment worked. What has been the result of military action? Yes, we are in Iraq, but 10,000 Iraqis have been killed, 500 American servicemen have been killed, and British soldiers have been killed. I do not believe that Saddam was a threat. We heard today, as several Members have noted, that the Prime Minister did not know on 18 March whether the weapons of mass destruction were strategic or battlefield. That is an astonishing admission. I hope that the Butler inquiry will shed light on that.

A number of positive things came out of Hutton. It showed for the first time the internal wiring of the Government—who was in the loop, and who was not. I find it astonishing that when so many of the key decisions were taken, the Secretary of State for Defence was not copied in to critical correspondence. It is astonishing that the head of the civil service, the Cabinet Secretary, Sir Andrew Turnbull, became involved only on the day after Dr. Kelly's body was found. The top civil servant, who is supposed to advise the Prime Minister, did not know about it—he was out playing golf or something—until after Dr. Kelly died.

It is unprecedented that all this information is posted on the internet, and yet we heard from my right hon. Friend the Chairman of the Foreign Affairs Committee and my hon. Friend the Member for Thurrock (Andrew Mackinlay) that the Committee was denied access to information and told that it could not see John Scarlett even in camera. Lord Hutton comes along, however, gets that information and posts it on the world wide web. What conclusion do we draw from that? A fundamental review of the Osmotherly rules is needed to give Select Committees access to information that inquiries can ask for and get as a matter of routine.

The other thing that needs to be looked at is No. 10 and how it works. It is the classic paperless office—no notes of meetings were taken. It is astonishing that, over a two-week period, three written records were taken for up to 17 meetings a day. Phone calls and key decisions made over the phone were not recorded. Permanent secretaries, the top civil servants—belatedly doing now what they should have done then—are apparently insisting that key meetings, at which key decisions are taken, are properly minuted. Lord Hutton could follow the paper trail as far as the BBC was concerned, but there was no paper trail to follow in respect of what happened in No. 10—it all emerged from the evidence that was given during the Hutton inquiry.

Hutton also brought out other facts that would have been buried. I refer my colleagues to an article by Lord Alexander, the chairman of Justice—the British section of the International Commission of Jurists—that appeared in Monday's *Financial Times*, which chronologises and charts dossier changes, including key phrases that were taken out of the dossier in order to influence public opinion.

I am pleased that the Prime Minister, I think, told the House today that the new committee of inquiry will have sight of the whole, unexpurgated version of the legal advice that gave the legal basis for the Government to go to war. That is marvellous.

There are less satisfactory aspects of Hutton, of course, although I do not have time to go into them. Primarily, the focus was too narrow. When people give evidence to an inquiry that takes the judge outside his terms of reference, surely, in the interests of truth and justice, he should add a little footnote saying, "This is

something that should be followed up." Yet Lord Hutton said that it was unnecessary for him to resolve the differences between the evidence that was given by my right hon. Friend the Secretary of State for Defence and Alastair Campbell, without inviting anyone else to pursue such matters.

I want to finish on the question of the BBC. I sit, sometimes biting my lip, behind my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman), who is always dripping venom about the BBC, and cannot consider it objectively. He did so again today. The BBC has a programme complaints unit, and it is a great mystery to me why Alastair Campbell did not take that route. His complaint would have gone to Greg Dyke and the BBC governors. *[Interruption.]* I invite my right hon. Friend the Member for Carrick, Cumnock and Doon Valley not to heckle me, because this is an important issue that goes to the heart of what we do—it is about truth and how people outside this place perceive us. If we take on the BBC, we will be the losers, because those people believe the BBC much more than they would ever believe the Government or Parliament.

5.16 pm

Mr. Paul Marsden (Shrewsbury and Atcham) (LD): It is an honour to follow such a colourful speech by the hon. Member for Pendle (Mr. Prentice).

I want to place on record my belief that Lord Hutton is an independent, noble Lord of great experience who showed fine courage during his time in Northern Ireland, when he was under daily threat of death from paramilitaries. He should also take great credit for the innovative way in which he conducted the inquiry, including making evidence available on the internet within a few hours, or certainly within a day or so, of its being given.

As he formed his views from looking at that evidence, I formed mine from looking at the same evidence. I believe that the September 2002 dossier was sexed up, and that Lord Hutton got that wrong. Dr. Kelly's death took place in the context of his involvement in Andrew Gilligan's allegation that the Government selectively used intelligence to present a better case for war in Iraq, especially in terms of weapons of mass destruction. The evidence illustrates that the basis of those allegations, for which Andrew Gilligan used Dr. Kelly, was correct. After 10 months of searching, no weapons of mass destruction have been found. As I said four months ago, it is still possible that silo doors may finally slide open, or a cave may be opened up, and shiny missiles will be rolled out to prove what we were told, and pleaded with to believe, last March, which was patently incorrect.

I want to echo what the hon. Member for Pendle said about innocent deaths in Iraq. It is too rarely mentioned in this House that to date more than 500 coalition troops have died, more than 8,500 innocent civilians have died, and more than 23,000 have been horribly maimed in a needless war. When I say that about 8,000 innocent civilians have died, that is the equivalent of killing 160 coachloads of men, women and children. To illustrate the point further, during the war I read the story of Mrs. Awaid, who lost most of her family as a result of allied bombing. I remember the photograph of her daughter, Sarah Awaid, a little girl of six; she was about the same age as my son at the time. She was dressed in a little tee-shirt on which there were 101 Dalmatians, but those black and white dogs were stained deep red because her body had been cut to ribbons by shrapnel. That is what war is about. I know that this House obtained through the great alliance of the Government and the Conservatives the vote that was needed to endorse the action, but it is clear that the decision was originally taken in Washington, in the White House, and that the Prime Minister slavishly followed the President at the very time when he should have stood up to him.

That is what war is about. When we stack that up against what happened and what Lord Hutton found, we see that there is no comparison. We are talking about one broadcast at 6.7 in the morning on 29 May in which Andrew Gilligan clearly made mistakes, embellished his comments and said over and above what he should have said on two counts—his suggestions that the Government probably knew that the 45-minute figure was wrong and that the reason the original draft had been changed in respect of weapons of mass destruction was that it came from one source. Yes, he was wrong, but he says that he was quoting what he believed his source was telling him. Do not get me wrong: I still think in the light of what followed that he deserved to be sacked. The way in which he influenced the Select Committee on Foreign Affairs and kept two records on his personal organiser meant that his position was untenable.

Mr. Eric Joyce (Falkirk, West) (Lab): The hon. Gentleman said at the beginning of his speech—and I am pretty much quoting—that Andrew Gilligan was quite right to use Dr. Kelly as he did. He has now said that he thinks that Andrew Gilligan should have been sacked. Which view does he take, or is it both?

Mr. Marsden: The fact is that a journalist is fully entitled to investigate and quote sources to substantiate a very important point—in this case, the suggestion that this country had been misled and that Parliament had arguably been misled by a dossier that had been sexed up, as Andrew Gilligan called it, and embellished, embroidered and so on.

In reading the evidence, I have looked at what else Andrew Gilligan said on the fateful broadcast of 29 May:

> "The draft prepared for Mr. Blair by the intelligence agencies, actually didn't say very much more than was public knowledge already and Downing Street our source says, ordered a week before publication, it to be sexed up to be made more exciting and ordered more facts to be discovered."

He went on to say:

> "Our source says that the dossier as it was finally published made the intelligence services unhappy."

He was fundamentally right. When we look at the evidence on those two claims, we see that there is no disputing it. For example, let us consider the argument that the Joint Intelligence Committee approved everything that the Government did. Let us accept that the JIC came up with a draft on 11 September 2002 and approved it, and it does have the experts who would have gathered all the evidence together. Surely it defies logic to suggest that when that document was challenged and Downing street officials requested that the wording be amended and subtly changed to help the

[Mr. Marsden]

case for war, it should then be changed into a second draft for 16 September, and changed again on 19 September.

If the JIC was in total control of the document, why was it amending it at the behest of politicians and officials in No. 10 Downing street? Let me give an example. The executive summary was changed so that, instead of saying that weapons of mass destruction could be deployed within 45 minutes of the order for their use being given, it said that they were deployable within 45 minutes. That is clearly a substantial change. Alastair Campbell had to admit in his evidence that he had suggested 16 changes. Dr. Brian Jones, who should know about these matters as the head of the nuclear, chemical and biological weapons section in the MOD's defence intelligence and analysis staff, today simply reconfirmed what he has said previously. I quote from *The Independent*:

"In my view, the expert intelligence analyses of the DIS were overruled in the preparation of the dossier back in September 2002, resulting in a presentation that was misleading about Iraq's capabilities."

So Andrew Gilligan was right. The intelligence services were unhappy. The Prime Minister has claimed that that information was not passed on to his desk, although we will never know, as I doubt whether the Butler inquiry will be able to get to the bottom of the matter. That is why I fully endorse what has been said about the reasons why the Liberal Democrats would not support the Butler inquiry. I have a quote. It reads:

"The Liberal Democrats are absolutely right to have nothing to do with this charade. The pity is that the Tories haven't taken the same robust view."

Those are not my words. They appear in today's editorial in the *Daily Mail*. That demonstrates the simple fact that most people have doubts about what will come out of such a private inquiry. Tony Cragg, the former deputy chief of defence intelligence, has undermined the Government's case that there was nothing that made the intelligence services unhappy. Of course they were desperately unhappy, as the right hon. Member for Livingston (Mr. Cook) said.

I find all the Beeb bashing this afternoon despicable. We have the finest public service broadcaster in the world. We need it more than ever to hold to account a Government who have utterly failed the British people.

5.26 pm

Mrs. Alice Mahon (Halifax) (Lab): Weapons of mass destruction are haunting the Government. I do not believe that the issue will be brought to rest until the big political questions are answered. There is little to suggest that Lord Butler will succeed in exorcising the phantom where three other inquiries have failed. Whatever is said in the House, the majority of the public believe that Lord Hutton forfeited his credibility by trying to lay all the blame on the BBC and none on the Government.

I do not know how the Butler inquiry can command greater confidence when the Prime Minister has already told us that the Government decision to go to war is out of bounds. He has put a man in charge of the inquiry whose background will equally incline him to exonerate the Government. Even the Intelligence and Security Committee, which backed the Government when it reported on September, was critical of the Government's assessment of weapons of mass destruction. I will remind the House of what the Committee said in its report. Referring to the September dossier, it said:

"The use of the phrase 'continued to produce chemical and biological weapons' in the foreword and the absence of detail . . . could give the impression that Saddam was actively producing both chemical and biological weapons and significant amounts of agents. However, the JIC did not know what had been produced and in what quantities".

Secondly, the first draft of the Prime Minister's foreword shows that the Government recognised that the nature of the threat that Saddam posed was not directly to mainland UK. It was unfortunate that this point was removed from the published version and not highlighted elsewhere.

The Committee went on to say that the dossier was for public consumption and not for experienced readers of intelligence material. The 45-minute claim, which was included four times, was assessed to refer to battlefield chemical and biological munitions, which should have been highlighted. The omission was unhelpful to an understanding of this issue.

The Committee concluded:

"We regard the initial failure by the MoD to disclose that some staff had put their concerns in writing to their line managers as unhelpful and potentially misleading."

One of these was Brian Jones, who made a formal complaint about it. Writing in today's edition of *The Independent* he traces in what I believe is convincing detail how he and his colleagues were overruled.

The public still want to know, and the House should demand that they be told, why the Government took this country into an illegal and unjustified war. Why was the Prime Minister so sure that Iraq had weapons of mass destruction when the weight of evidence did not merit such certainty? How can we be sure that the same pretext will not be used in future to take us to war again against Iraq, Korea or Syria?

The public think—rightly, in my view—that the Government are ducking and diving. That is hardly unreasonable in the circumstances. For months, and against all comers, the Prime Minister has been insisting that Iraq had weapons of mass destruction. Then, the day after George Bush decides that there will be an American inquiry, the Prime Minister calls for one in Britain. I have to say that it sent shivers down my spine when I heard the Prime Minister tell the Liaison Committee yesterday that whatever the outcome of the debate about weapons of mass destruction, he did not accept that it was wrong to remove Saddam Hussein. That is the beginning of an admission that weapons of mass destruction were a pretext, and the window-dressing for regime change. I believe that the new committee has already been judged in the court of public opinion, and only a full-scale inquiry, like the Scott inquiry into a previous Government's role in breaking the arms embargo, will satisfy public opinion. With that new committee, the Government are storing up problems for the future.

The decision to go to war was taken at a very high cost. Thousands of Iraqis lost their lives and many more were injured—and many continue to die and to be injured today. The Anglo-American occupation is almost universally unpopular, and now we see the Iraqis protesting at not being allowed to vote for their own Government. That is a far cry from what the Prime Minister said today, when he assured us that the face of post-war Iraq looked much better. I wish that we, as an occupying force, would start counting the number of dead Iraqis, including civilians, and the number of children who are injured or killed by cluster bombs. The Prime Minister may have decided that he has given up on those of us who opposed the war, but every time I close my eyes I am determined to carry on opposing this illegal war, because I get a picture of little Ali, without any arms and without any family, and of thousands more children who have suffered. I certainly will not give up arguing that this was a bad war; we might stop the same happening somewhere else.

The Carnegie Endowment report "WMD in Iraq: Evidence and Implications", which was published a few weeks ago and may have contributed to President Bush's decision to set up an inquiry, concluded that the war on Iraq was not the best or the only option. It made wide-ranging recommendations about American policy and practice. For example, it revised the US's national security strategy to eliminate unilateral preventive war—that is, the Bush doctrine of going to war in the absence of an imminent threat.

The report proposed international action and said that the UN Secretary-General should commission a high-level analysis of the strengths and weaknesses of the weapons of mass destruction inspection process. I mentioned earlier a former UN weapons inspector, Scott Ritter, who is coming to a conference that I am organising in March. He was quoted today in the *Daily Mirror* and gave many examples of how false information was systematically spread in Britain.

If we are to learn anything from the WMD debacle, it should be, first, that a full-scale independent inquiry is the proper and only way to redeem the reputation of my Government and the Labour party, and we should have one before it is too late. Secondly, the task of overseeing weapons inspections should be returned to the UN, with Kofi Annan in charge of overhauling those procedures, so that in future we do not go to war on false pretences. Unlike the Prime Minister, I believe that the world is a far less safe place because we took this country into an illegal war.

5.33 pm

Sir Patrick Cormack (South Staffordshire) (Con): Nobody could question the sincerity of the hon. Member for Halifax (Mrs. Mahon). She has held to her view throughout, she believes it with passionate sincerity, and she speaks with personal conviction. I happen to believe that she is wrong.

I voted on 18 March that this country should go to war. I did not do so joyfully, and I do not suppose that any Member of this House did, but I believed that it was the lesser of two evils and that it was the right decision. My view was swayed not by any dossier but rather by the certain knowledge of a repressive and bestial regime that had for decades subjugated its own people with torture, murder and rapine of Hitlerian proportions. That is why I voted without any qualms to support the Prime Minister. He made on that day a speech of surpassing elegance and conviction, which will go down as one of the great speeches of the last 10 or 20 years in this House. I believed then, and I believe now, that he spoke in good faith, and because he believed that what he was saying was right.

I can pick many quarrels with the Prime Minister. On many things, he is profoundly wrong. His treatment of our constitution has been cavalier in the extreme, but that is not what we are debating today and it is not the point. I was very glad that both he and my right hon. and learned Friend the Leader of the Opposition made such very good and persuasive speeches this afternoon, and I thought it right that the official Opposition supported the Government in their decision last year.

I am saddened by the fact that there has been a little flaking off. Of course, I am not referring to those such as my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) or my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), who have always been against the war, as has the hon. Member for Halifax. But the point is that whatever inquiry we have, whatever committee we set up and however we approach this issue, they are not going to be satisfied. We had a democratic vote in the most democratic assembly in the world, and we voted by a large majority to take such action and to support the Government.

Of course, intelligence is an inexact science, as has been said many times in recent weeks. But it was appalling that the BBC should have allowed such stories to be peddled without checking their veracity. I am delighted that Lord Hutton reported as he did. I came to, and aspired to come to, this place—many Members on both sides of the House doubtless felt the same—because I believed in the essential integrity of British public life, and in the central place of the House of Commons within it. To me, the Hutton report is a vindication of both those beliefs. There are many things about the culture of spin that I do not like, and to some degree the Government are the architects of their own misfortunes, as my right hon. Friend the Member for Suffolk, Coastal said. But the essential point is whether the Prime Minister acted in good faith last year, and the unequivocal answer in Hutton is yes.

People say that this report is a whitewash merely because it has not come out with what they call a balanced judgment. But as my right hon. Friend the Member for Upper Bann (Mr. Trimble) said, Lord Hutton is a judge of great eminence. Indeed, he was spoken of as being perhaps the best judge of all, and certainly the best person to conduct this inquiry. He reached an emphatic verdict: he said that certain people were guilty of certain things, and that others were innocent of the charges made against them. Reference was not made to degrees of guilt or degrees of innocence. On the essential issues, the Government—I am delighted that the Secretary of State was exonerated, too—were not guilty.

Mr. Garnier: I hope that my hon. Friend does not think this an impertinent intervention, but is he suggesting that Lord Hutton is infallible?

Sir Patrick Cormack: I am not suggesting that anybody is infallible—even my hon. and learned

[Sir Patrick Cormack]

Friend—but I am saying that Lord Hutton's being lauded as perhaps the best person to conduct this inquiry, until he reported, and his then being castigated in certain quarters because the prejudices of certain people had not been fulfilled, was really rather strange. Of course Lord Hutton is not infallible. No man or woman alive is infallible—except to those Roman Catholics who subscribe absolutely to the doctrine of papal infallibility.

Huw Irranca-Davies: I did some research into the number of Members who, before Hutton had reported, had objected on the Floor of the House to his style and his professional integrity. To my surprise, I found that none had, yet today many seem to be questioning if not his personal integrity, then certainly the way in which he conducted the report's final stages.

Sir Patrick Cormack: Yes, and they were the very people who, until 12 noon on Wednesday last, were saying, "This man has done it thoroughly and brilliantly; it is going to be a marvellous report." But once they realised that he was taking a certain line, they took a different one themselves. *[Interruption.]* As one of my colleagues mutters from a sedentary position, "They would, wouldn't they?"

We have a great deal to be thankful for in this country. We can be thankful that we have this Parliament, where we can have debates with honest differences of opinion and can refer to our own Committees. I believe that the Prime Minister was right. I have argued against special inquiries before. My colleagues on the Foreign Affairs Committee know that I had real misgivings about the inquiry, and made my position plain both in the Committee and on the Floor of the House. I thought that the Intelligence and Security Committee was the right body to deal with this, and I wish it had done, but because that was clearly not acceptable to my right hon. and learned Friend the Leader of the Opposition, for perfectly honourable reasons, the Prime Minister has gone down a different road. One person who was unrelievedly pleased about this was of course my newly right hon. Friend the Member for East Hampshire (Mr. Mates), whom we all congratulate and wish success.

Although I have faith in those five people, I am sorry that there is not a Liberal Democrat representative, and the party has not covered itself in glory in this respect. When the Butler committee reports, let us read its findings extremely carefully. Let us not prejudge. We must accept that it would be wrong for it to express a view on whether it was right or wrong to go to war. That is not within its terms of reference, nor should it be.

This morning I was talking to a Russian-speaking friend, who told me about a programme on Iraq that was apparently screened on Russian television last night. The verdict was that if "we"—that is, the Russians—had said that there were weapons of mass destruction in Iraq, there would have been. We have a great deal to be thankful for: the openness, honesty and transparency of both the British and American Governments, who have not sought to hide the facts from us. The Prime Minister believed genuinely, as many of us believed, that the weapons would be there. We all know that they were there in the past and we saw the destruction that was wrought with them, but even if they are not there now, that does not in my view undermine the essential validity of the case against Iraq. I believe that both that and the Hutton report should allow us to draw a line under the fractiousness that has rather spoiled the cross-party accord, and now move on and look forward to the Butler committee's report.

5.42 pm

Mr. Peter Mandelson (Hartlepool) (Lab): The hon. Member for South Staffordshire (Sir Patrick Cormack) spoke with great thoughtfulness and wisdom, and I suspect that his views command considerable support across the House.

I want to speak chiefly about the BBC, not because I am a Beeb-basher, but because I am a long-standing supporter of the BBC who once worked for it. I stress at the outset that we can all celebrate the fact that the Hutton report did not reveal rotten politics or wicked politicians, and did not produce any political scalps. Thank goodness we still live in a country where these matters are determined on the basis of facts, evidence and judgments reached by learned people such as Lord Hutton, rather than on the basis of media show trials and kangaroo courts. If it were otherwise, it would be like living in a reverse police state, presided over by a clutch of newspaper editors.

I am very pleased indeed that my right hon. Friend the Secretary of State for Defence survived the scalp hunting. It was entirely right that he should do so. However, just because the Government were not criticised by Lord Hutton, it does not mean that they are above criticism or above at least some reflection about certain aspects of what happened. I thought that the right hon. Member for Tonbridge and Malling (Sir John Stanley) made an important point in the early part of his speech about the presentational tensions and issues that arise when intelligence is put into the public domain. As the phenomenon of terrorism grows, the pressure will grow from the public and the media to put more, not less, classified information and intelligence into the public domain. The Government must carefully consider their relationship with the Joint Intelligence Committee.

Dr. Kelly's unauthorised media contact led to his unwelcome exposure, but it is worth bearing in mind that he had previously been employed routinely to brief journalists when it suited his line managers for him to do so. He probably mistook the type and quality of journalist with whom he was dealing when he met Andrew Gilligan, and he subsequently over-spoke, but the far worse crime was not what Dr. Kelly said but what Andrew Gilligan misrepresented him as saying—what some have described since as the "detail of the story". Rod Liddle, not only the last man left in the bar at midnight but the editor of the "Today" programme who employed Andrew Gilligan, said:

"Andrew gets great stories and some of them are even true".

That brings me to the BBC. I want to take up the points made by the right hon. Members for Berwick-upon-Tweed (Mr. Beith) and for Upper Bann (Mr. Trimble) about the "Today" programme. Andrew Gilligan may well have been at fault and may even have been dishonest, but his words were not the only ones, or

even the main ones, to mislead listeners on that day. At 7.32 am, John Humphrys introduced another two-way by saying,

"our defence correspondent Andrew Gilligan has found evidence that the Government's dossier on Iraq that was produced last September was cobbled together at the last minute with some unconfirmed material that had not been approved by the security services".

I do not know whether John Humphrys's remarks were scripted and what editorial controls he is subject to, but his statement contains five errors of fact. Either the editorial system in that programme is faulty or the judgment of the people operating it is faulty. Either way, something or somebody should be put right.

Peter Bottomley *rose—*

Jeremy Corbyn *rose—*

Mr. Mandelson: I shall continue, if I may. For me, the greater culpability than the original story—by the way, the subject was legitimate—was the failure to correct it. It is true that by that time the BBC had found itself in a power struggle, and no doubt that helped to scramble its collective mind. However, the BBC management defended what they knew to be absolutely indefensible.

Greg Dyke has rightly left the BBC because he was at the centre of its mishandling the matter. Mr. Dyke was clearly an inspiring and popular leader who got some big decisions right during his time at the corporation. He was popular because he adopted an "I believe in you" empowering style of leadership. The downside of "I believe in you" was a reluctance to investigate complaints. He devolved power in a way we would like to see matched in many other public sector organisations; the trouble is that he devolved his judgment as well, with the sorry consequences spelled out by Lord Hutton.

The big question is: where does the BBC go from here? I suggest, first, that the distinction be made between independence from the Government, which is of course sacred, and mindless oppositionism to the Government, which is best left to the press. I do not only mean this Government: I mean all Governments. I would like to see the BBC showing greater self-confidence in separating itself from the herd of the press.

Secondly, the BBC can comfort itself with the knowledge that it remains the world's premier public service broadcasting organisation, and that can and should be strengthened by charter review.

Thirdly, I would like to see the BBC set a different standard in the reporting of politics, rather than getting into the sandpit with the rest. We are witnessing not only a souring but a poisoning of the relationship between the media and politics, which did not start in this Government's time. It behoves us all—BBC, other media and politicians—to do what we can to put that right.

5.50 pm

Richard Ottaway (Croydon, South) (Con): There is a conspiracy in British public life. Politics needs the media as much as the media needs politics. They feed each other in an alliance that shapes the governance of this country, and has done so for decades. Occasionally, the innocent, such as Dr. Kelly, get caught in the crossfire. Nothing prepared us for the drama that stole the summer of 2003. Stories that Britain had gone to war on a false prospectus had been circulating for months. None had produced any response from the Government, until the Gilligan piece of 29 May.

I agree with my hon. Friend the Member for Henley (Mr. Johnson) that the main thrust of Gilligan's story has to a large extent been found to be true. It was a scoop in true journalistic style, marred by a single sentence that could not be corroborated. But the suggestion that lit the fuse was the assertion that Campbell had sexed up the September dossier. It produced a nuclear reaction. As the Prime Minister's press officer bulldozed his way through the Committee Corridors and television studios, Dr. David Kelly watched and owned up. Three weeks later, he was dead. Seven months later, the chairman and director general of the BBC have resigned. Messrs. Campbell, Powell, Hoon and Blair are found to be humble servants of the people, just doing their every day job. The scale of the Government's triumph was compounded by the smugness of Mr. Campbell giving a press conference of vindication. His aim to have a

"win, not a messy draw"

was fulfilled.

I have read the same evidence as Lord Hutton, and how he reached the conclusions he did, only he knows. To remove phrases from the September dossier that suggested that Saddam would only use WMD if attacked looks like sexing it up to me, whichever of Lord Hutton's definitions is used. The unanswered questions remain, but they are all outside the new inquiry's brief. The premise on which this Parliament voted for war was flawed, exaggerated and deceptive.

We went to war because the Government argued that Saddam posed a "current and serious" threat to the middle east and the stability of the world. The Government said that uranium had been sought from Africa, implying development of nuclear weapons. Not even the CIA thinks that that is true. The Prime Minister said that weapons of mass destruction would be ready within 45 minutes of an order to use them. We now find that that referred to

"battlefield mortar shells or small calibre weaponry".

Those are not weapons that threatened the region or the stability of the world.

The four 45 minute assertions were downright inaccurate and rash statements that misled everyone who read the September 2002 dossier. In his diaries, the right hon. Member for Livingston (Mr. Cook), who was a member of the Cabinet at the time, said that not even the Prime Minister believed the assertion by the time of the debate and vote on 18 March. After my intervention in the Prime Minister's speech today, we know that he did not even know what weapons that

[Richard Ottaway]

claim referred to. Interestingly, the right hon. Member for Livingston suggested that the Prime Minister should check his records.

Mr. Joyce: Does the hon. Gentleman agree that battlefield weapons with chemical, nuclear or biological capability would represent some scope for instability in the region?

Richard Ottaway: I do not accept that. I do not accept that mortar shells or small calibre weaponry would pose a threat to the region, the middle east or the stability of the world.

So why did the Government push their false prospectus? The reason is manifest. Had they come to this House and said that the United States had every intention of invading Iraq and finishing off the business of the 1991 Gulf war, the real question to consider would have been whether we were with or against them. The issue would have been clear, with the lessons of Suez learned and Britain's interests being seen to lie with the United States. The Government would not, or could not, deploy that argument for the simple reason that they knew that they could not carry their own Back Benchers with them. That is why they had to exaggerate and spin to get their arguments through the House. They would have got away with that, had it not been for a conversation between Dr. Kelly and Mr. Gilligan of the BBC.

The damage has been immense. Never before has this country gone to war on the strength of intelligence reports alone, and I suspect that it never will again. It was critical that the intelligence services got it right. The subconscious pressures on them were immense, but the chairman of the Joint Intelligence Committee accepted responsibility for the September dossier, and he must explain what went wrong and justify it to the Butler committee. What on earth was Mr. Scarlett doing drafting the famous press release at No. 10 on the day that Dr. Kelly was named? The intelligence services were subverted for political purposes.

Then there is the dodgy dossier, the cut-and-paste job. It was presented to Parliament as further intelligence underpinned by the integrity of our intelligence services. What breathtaking hypocrisy. It turned out to be nothing more than Government propaganda. Why is it that the Prime Minister gets away with that story with a casual "sorry" from his press office, when the carnage caused to the BBC by one sentence from a reporter—which, ironically, may yet prove to have more than a grain of truth—brings Britain's most popular public institution to its knees? But what else would one expect from a Government who act as if they were in an episode of "The West Wing", making instant decisions in corridors without any minutes being taken?

Whatever side of the political spectrum we are on, we know that the public must have trust in the Government as an institution. The alternative is cynicism and anarchy. This affair boils down to integrity and honesty. In the dark days of the second world war, when Britain faced a genuine "current and serious threat", the country turned to Churchill. He knew that if the people of Britain were to trust him, he had to be nothing but honest with them. He stood at that Dispatch Box and said:

> "I have nothing to offer but blood, toil, tears and sweat."—[*Official Report*, 13 May 1940; Vol. 360, c. 1502.]

All we have had from this Government during the past six months has been nervous perspiration, crocodile tears and someone else's blood. Yet when the Leader of the Opposition rose to speak here in the mother of Parliaments—famed for its defence of freedom and free speech—they booed, hissed and shouted him down. I do not think they realised what an ugly sight that was, with their laughing, braying faces flushed with seven years of an overwhelming majority. They might think that this affair does not matter, but it is the people of Britain who will pass judgment, not Lord Hutton.

5.58 pm

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): In the past week, the Government, quite understandably, must have felt as though all their Christmases had come at once. They had a report from Lord Hutton that seemed to exceed their wildest dreams, but the cautionary note is that that does not seem to resonate with the British people, at least not yet. All the polls suggest that more people still, rightly or wrongly, believe the BBC than believe the Government.

We should remember that the whole business surrounding the Hutton inquiry was a diversion born of a diversion. When Alastair Campbell went into the Select Committee on Foreign Affairs, it was considering the events that led up to the declaration of war on Iraq. In my view, he quite deliberately and successfully set out to divert that Committee, which ended up with the sad loss of Dr. Kelly and all the events that have stemmed from that. Campbell succeeded in avoiding, at least up to a point, the central issue of why we went to war in the first place.

Something came to my mind earlier when I was listening to the right hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy). I once came across a little town in the south-west of the United States called Truth or Consequences. That sounds like a board game, and I have often wondered what the town did to deserve that name, but the phrase "truth or consequences" is very pregnant. Out of the truth, consequences are born for the Government.

I would like to contextualise, in accord with what the Prime Minister said this afternoon, a debate that is ostensibly on Lord Hutton's report. When we have truth, we build up a trust. The corollary of that is that, when we have less than the full truth, it can lead to disbelief and cynicism, and often to total distrust. A great problem faces the Government on this issue. This reminds me of the lament of the psalmist who wrote:

> "O put not your trust in princes, nor in any child of man: for there is no help in them."

There is no help to be had in satisfying the misgivings of people in this country by reading or listening to the debate on the Hutton report.

I mentioned contextualising. I would just like to flag up a few of the confusions that arose before Lord Hutton's deliberations, and which I assume will go on into the next round, the Butler committee. People do not have to mislead consciously or deliberately to create a totally false impression of reality. We were told in recent days, for example, that everyone believed that Saddam

Hussein had weapons of mass destruction. There is a point to be made here about the definition of "weapons of mass destruction". My recollection of the definition—I think that this is true—is that the term related mainly to nuclear weaponry and not, initially, to biological or chemical weaponry. That is certainly the case. There was a transposition over time to suit political objectives, both in the United States and here, in terms of the usage of that phrase.

The idea that all the intelligence services have hitherto miraculously believed in the existence of weapons of mass destruction is simply not the case. An example involves the much maligned French. The director of the DST, one of the French security services, Pierre de Bousquet de Florian, wrote openly in *Le Monde* on 26 July. He was asked certain questions and they were quite open. The Americans are also very open; George Tenet is open, for example. I do not think that we get such chances to ask such open questions. As we heard today, the committee could not ask John Scarlett such questions. In France, those questions get into the newspapers.

Pierre de Bousquet de Florian was asked whether the DST shared the analysis of the American and British services on the links between Saddam Hussein's Iraq and al-Qaeda. He said no, and gave his reasons. He was then asked whether the same disagreement applied to the question of weapons of mass destruction, and was given the example of the affair involving uranium in Niger. His answer was no, and again he gave his reasons. When asked whether such weapons could be deployed within 45 minutes, as the British assessment claimed, he gave what we might think was a typically French response:

"Well! Saddam Hussein being engaged in carrying out chemical, biological and nuclear programmes, that's a different matter. Here and there you will no doubt find initial attempts at carrying them out. But we have never had any indications of completed programmes that are ready to be used."

Uranium from Niger is an example.

Mr. Robert Walter (North Dorset) (Con): Will the hon. Gentleman give way?

Mr. Kilfoyle: No, I do not have much time.

We can go through issue after issue. We have already disposed of weapons of mass destruction. I think that everybody, perhaps with the notable exception of the Prime Minister, is now convinced that they do not exist. Did Kamal Hussein tell the truth when he came across? Hon. Members might recall that he was Saddam Hussein's nephew. He did tell the truth to the intelligence services of this country and others. Presumably that is partly why Saddam Hussein had him murdered when he returned to Iraq. We did not get a full account of what he said, however. Apart from talking about the existence of the programmes in the 1980s and through to the beginning of the 1990s, he also said that he had been personally instrumental in instructing the Iraqi forces to destroy whatever stockpiles they had left after the 1991 war. Hon. Members might say, "Well, he would say that, and he died for it." But the reality is that he said it, yet we have heard only a partial account.

Another claim that is often made is that the UN inspectors were forced out. I have no better source to refer to on this than my right hon. Friend the Member for Livingston (Mr. Cook), who told the Foreign Affairs Committee that the coalition bombing forced them out, not the Iraqis. That was a deliberate policy move. We could go on to examine the September dossier, the links with al-Qaeda, or the allegations that President Chirac was about to veto whatever came forward when we were battling over the second resolution. All of that is demonstrably untrue.

My contention is that we had a partial context, in which people formed opinions often on the basis of half-truth and omission, as much as anything that was positively said which people would take exception to.

We end up now with yet another committee coming up. It will be chaired by Lord Butler. How he views responding in such an inquiry is quoted in early day motion No. 540, as follows:

"You have to be selective about the facts",

he told the Scott inquiry. He went on:

"The purpose ... was to give an answer which itself was true. It did not give the full picture. It was half an answer".

I am mindful of past exercises by senior civil servants and the sophistry that they employ on behalf of their political masters. I do not know whether it is something that is imbued in them from birth or that is transplanted once they reach the heady heights of the First Division. All I know is that it does not lead the British public to feel more confident about arriving at the ultimate truth to the ultimate question.

But truth is where we came in, and truth, like every other object in this world, has its season and its time. The time for truth is now. The Government should not constrain the truth. They will rue the day that they have done so. I believe that a case is still maintained by Government that the truth cannot come out fully.

6.6 pm

Mr. Robert Jackson (Wantage) (Con): As Mrs. Janice Kelly's Member of Parliament, I have naturally been in touch with her several times since the tragic event of last July. I have had no specific requests from her, but on her behalf and in the light of Lord Hutton's findings, I should like to press the Secretary of State for some answers.

Specifically, I should like the right hon. Gentleman to spell out, as fully as he can, what action the Government—and especially the Ministry of Defence—will take to ensure that, in Mrs Kelly's words, no other public servants will in future be unjustifiably be exposed to the ordeal through which her husband passed. There may need to be, for example, further codification of the confidentiality rights of officials. I hope that the Minister will say something about that.

Lord Hutton's findings raised questions for all of us. We have had a wide-ranging debate, and I think that there has been an admirable spirit of self-criticism, particularly on the part of the governing party. But Lord Hutton's findings are really about the BBC and the media. That is what I want to say a few words about, following in the footsteps of the right hon. Member for Gateshead, East and Washington, West (Joyce Quin) and the hon. Member for Bexleyheath and Crayford (Mr. Beard), who spoke very well on this point.

Two camps have emerged in the media since Hutton reported. On the one hand, there are the BBC, its allies and its clients, who have been seeking to portray the

[Mr. Robert Jackson]

Hutton report as an attack on not only the BBC, but also the freedom of the press in general. On the other, there are what I would describe as the honest journalists, who recognise that something serious has gone wrong, not only with the BBC, but also with British journalism in general.

With regard to the BBC camp, I will pass over the commentary of such luminaries as Sir Simon Jenkins, who thinks that it is no big deal to say that the Prime Minister is a liar, and Lord Rees-Mogg, who does not think that the BBC has any obligation to provide balanced reporting. I refer only to the thoroughly discredited figure of Mr. Greg Dyke, who has still not realised that if the editorial processes for which he was responsible had been working properly, my distinguished constituent, Dr. David Kelly, would still be alive.

It is typical of the mendacity with which the BBC conducted its defence after the death of Dr. Kelly that Mr Dyke should now be claiming that Lord Hutton's conclusions will prevent whistleblowers from being reported, unless it can be demonstrated that what they are saying is true. Lord Hutton's report in fact says no such thing, as was pointed out by the distinguished former provincial editor, Sir Richard Storey, in a letter in Monday's edition of *The Times*, in which he said:

"some dubiety is being cast"—

here he is referring to the egregious Mr. Dyke—

"on Lord Hutton's opinion that, in cases where there is serious contention over the accuracy of a journalist's report, there is a duty on the senior manager personally to check the alleged transgressor's interview notes."

On this, he says,

"Lord Hutton is correct in both theory and practice."

No one, says Sir Richard, is

"too superior, grand or aloof to be personally involved in assessing the accuracy of journalistic copy and the validity of its subsequent publication."

So much for Mr. Dyke, who notoriously did not even look at the transcript for a month.

Sir Richard Storey is a representative figure in what I have described as the camp of the honest journalists who are worried about what Lord Hutton has revealed about the state of British journalism. Another such is Sir Harold Evans, who in Tuesday's edition of *The Times* called for a royal commission to consider

"the practices, assumptions, and ethical standards prevailing in journalism/ broadcasting and government-press relations alike".

But the doyen of the honest journalists—he has been quoted several times, but I am going to quote him again—must surely be the editor of the *Financial Times*, in my view our most distinguished newspaper. Andrew Gowers wrote under his own name, in his newspaper, on Saturday. His article was headed "The BBC's failings are a warning to all journalists". If this were the legislature of ancient Athens, I might move a decree that his words be cast in tablets of bronze and compulsorily erected in every media office in the land.

Let me summarise his main points. He observes, correctly, that this episode

"exposed poor editing, deteriorating journalistic values and sloppy management at all levels of Britain's public service broadcaster".

At the same time, he says, it

"holds up a mirror to British journalism as a whole, exposing its foibles and faults".

Mr Gowers goes on to say that what has happened must serve

"as a wake-up call for journalists"

against

"reflexive distrust of every government action or pronouncement",

against

"the easy, superficial certainties of *party pris* opinion",

and must remind them of

"the virtues of accuracy, context, and verification".

I say amen to that.

Let me finally turn to the man whose report has precipitated this long overdue crisis of self-criticism in British journalism, Lord Hutton. Here I emphatically disagree with what was said by my hon. Friend the Member for Croydon, South (Richard Ottaway). In the life of a great nation there are many contrasts, and one of the most interesting is always that between the occasional glimpse of bedrock and the froth and foam that usually prevent us from seeing it. We all know that experience from times when the country is at war and our television screens are briefly filled with unfamiliar figures in uniform, whose courage, objectivity and professionalism make us all feel somewhat tawdry and a bit beside the point. Well, watching Lord Hutton reading the findings on television last week, without even looking at the cameras, I had rather the same sensation. Here is a man rooted in his Province, rooted in his profession, rooted in such old-fashioned ideas as the idea of truth corresponding to fact. I salute him.

6.12 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): Like other Members on both sides of the House who have spoken today, I certainly believe that throughout this episode the Prime Minister has always acted and spoken in good faith; but I also believe that in the aftermath of war Parliament has a right and, indeed, a duty to examine the Government's case for military action. In this case, it clearly rests on four main counts, each of which I believe needs to be examined not so much in terms of what we may know now as in terms of what information was available to the Government on each point before the war. I want to ask what I hope are some pertinent questions on that score.

First, there is the 45-minute claim, which we know from Alastair Campbell's evidence to the Hutton inquiry was included as a result of a request to the Prime Minister. Several Members have asked a question to which we need an answer. Why did the dossier not make it clear that the claim applied to battlefield weapons with a short range of only 20 to 40 km, and not to missiles that could strike Cyprus, let alone Britain?

There has been some discussion in the debate about whether the Prime Minister was aware of that. My right hon. Friend the Member for Livingston (Mr. Cook), in a diary entry on 5 March last year, recorded a conversation to that effect that he had had with the Prime Minister that day. It would seem to suggest that perhaps the Prime Minister did know. I think that we are entitled to ask: when the September dossier was

published and the 45-minute claim was widely reported as applying to weapons of mass destruction—thus greatly exaggerating the threat from Saddam—why did the Government not make more effort to correct the misreporting, despite believing it to be wrong?

Secondly, the dossier claimed that Iraq was seeking to buy 500 tonnes of uranium yellow cake from Niger for nuclear weapons programmes. Britain allegedly received that intelligence from the Italians and passed it on immediately to Washington at the beginning of 2002. The CIA immediately dispatched a former US ambassador, Joseph Wilson, who went to Niger and rapidly confirmed in March 2002 that the claims were wholly bogus. We also know that the CIA later advised Britain for that reason to omit the Niger allegations from the September dossier, so we are entitled to ask why they were still included, even though it had been shown that they were false.

Thirdly, on the detailed lists in the dossier of the chemical and biological weapons that Saddam was alleged to have, all the UN inspectors had found was that such weapons were "unaccounted for". That was the relevant phrase, but the dossier clearly implies that the weapons actually existed. The point has been made, particularly by the right hon. Member for Tonbridge and Malling (Sir John Stanley), that many of Iraq's chemical and biological agents produced before the Gulf war would, if they had not already been destroyed, be so degraded more than a decade later as to be ineffective as warfare agents.

More particularly, Dr. Brian Jones said in his evidence to the Hutton inquiry that his leading chemical weapons expert was concerned that he could not point to any solid evidence of the production of such weapons by Iraq, yet the Prime Minister's foreword to the September dossier said:

"What I believe the assessed intelligence has established beyond doubt is that Saddam has continued to produce chemical and biological weapons."

Given that the defence intelligence so strongly and widely took the opposite view, how is such a breakdown—it may have been said in good faith—in political access to the relevant intelligence to be explained?

Fourthly, on the claim that Iraq had produced 4 tonnes of VX nerve agents—a claim made and supported by Colin Powell—the Prime Minister told the House on 25 February last year, a month before the war:

"It was only four years later"—

in 1995—

"after the defection of Saddam's son-in-law to Jordan, that the offensive biological weapons and the full extent of the nuclear programme were discovered."—[*Official Report*, 25 February 2003; Vol. 400, c. 123.]

It so happened that, a week later, *Newsweek* obtained details of Hussein Kamal's actual International Atomic Energy Agency and UNSCOM debriefing interview. It revealed that he apparently said the reverse, as my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle) has already mentioned. After setting out the evidence in great detail—embarrassingly so, as one official said—Kamal concluded that

"all weapons—biological, chemical, missile, nuclear were destroyed."

I believe that that deserves some explanation, and I hope that my right hon. Friend the Secretary of State for Defence can throw some light on that and other discrepancies when he winds up the debate.

We look to the Butler committee to explain why, in particular, we were told in the September dossier that Saddam's WMD programme was "active, detailed and growing" and that the intelligence that that judgment was based on was "extensive, detailed and authoritative", when, in fact, Saddam had no WMD at all. That must be central to the new inquiry.

There are two other key issues for the new Privy Councillor committee to throw some light on. The Intelligence and Security Committee report revealed that on 10 February, five weeks before the war, the Prime Minister received an intelligence assessment of the impact on international terrorism of taking military action against Iraq. It judged that al-Qaeda represented—and no one would dispute it—by far the greatest terrorist threat to western interests and that the threat was heightened, not reduced, by military action against Iraq. Why was that rather crucial assessment not given to Parliament before the 18 March vote on military action? It could have had a significant effect on opinion in this House.

My second point returns to the central question. How is it that we were taken to war in Iraq on the grounds that Saddam had WMD, when in fact he did not? Hutton says that the politicians did not manipulate the data, and I accept that. Did the intelligence services get the matter drastically wrong, or did they simply cherry-pick the data to provide the conclusions that they believed their political masters wanted?

The latter was clearly implied by Dr. Brian Jones. He has pointed out forcefully how widespread was the disgruntlement among defence intelligence staff at the way officials at the top of the intelligence hierarchy were consorting too closely—

Mr. Deputy Speaker (Sir Michael Lord): Order. The right hon. Gentleman has had his time. I call Mr. Jonathan Sayeed.

6.20 pm

Mr. Jonathan Sayeed (Mid-Bedfordshire) (Con): One of the strengths of English criminal law is the jury system. That is true not just for the reasons that are normally presented but because—just occasionally—a jury ignores the judge's careful explanation of the law and delivers a legally quixotic verdict. In such instances, a jury seems to be saying, "You want us to deliver a verdict on the basis of the law, but we are going to deliver one on the basis of justice."

I accept that Lord Hutton is an honourable and very able man, but, unsurprisingly, he thinks like a lawyer. He sat without the benefit of a jury or even lay assessors. He determined the terms of reference and the scope of his inquiry. In each of the judgments that he arrived at, he decided that the benefit of the doubt should be given to the Government. He may well have been right in law to find that, if a matter could not be proven, then the Government—as the defendant—had to be judged innocent. I am less sure that his judgment was balanced or just.

[Mr. Jonathan Sayeed]

We know that Alastair Campbell is celebrated for his forceful personality and his ability to persuade reluctant officials to bend to his masters' will, and also that the language in the September dossier implied greater certainty than the intelligence services had originally proposed. We have seen—too often—that the Prime Minister, although not departing from the truth, sometimes leaves an impression that is erroneous. The reference to 45 minutes in the September dossier was taken by many to refer to long-range weapons. Other respected commentators expressed doubts that were similar to those voiced, over-trenchantly, by Mr. Gilligan.

As far back as 19 September 2002, the dossier's impact was being stiffened up. The Prime Minister's chief of staff, Jonathan Powell, e-mailed John Scarlett to say that the statement on page 19 of the draft dossier regarding Saddam's possible use of biological and chemical weapons was

"a bit of a problem. It backs up the . . . argument that there is no chemical and biological weapons threat and will only create one if we attack him. I think you should redraft the para."

John Scarlett stated in his evidence to the Hutton inquiry that he responded to this e-mail, altering the wording and, I suggest, embellishing the imminence of the risk that Saddam Hussein posed. So the substance of Gilligan's reporting did not lack foundation.

Mr. Richard Bacon (South Norfolk) (Con): On a point of order, Mr. Deputy Speaker. I am trying to listen to my hon. Friend, but should not those on the Government Front Bench show respect to the House and listen to him too?

Mr. Deputy Speaker: The hon. Gentleman has made his point. We are now wasting time.

Mr. Sayeed: I believe in public service broadcasting, and that a public service broadcaster has a duty to inform and explain. I do not believe that such broadcasting should be a forum for arrogant commentators to parade their egos, vent their prejudices or ignore normal reporting safeguards or balance.

In its wish to embarrass the Government over the war, the BBC disregarded proper journalistic propriety. Although the essence of what Andrew Gilligan said was correct, he was guilty of "sexing up" his dossier.

The Prime Minister told us first that the need for war was because Saddam Hussein supported al-Qaeda. He then told us that it was because we were threatened by weapons of mass destruction and, finally, on 12 February he justified his stance by introducing the concept of a moral war.

Lord Hutton's self-denying ordinance stopped him investigating the twists and turns of the Prime Minister's reasoning. I regret to say that Lord Hutton's exoneration of the Government was always possible, given the lack of absolute evidence to the contrary and his self-imposed terms of inquiry.

I end on that point, Mr. Deputy Speaker, as I have run out of time.

Peter Bradley: On a point of order, Mr. Deputy Speaker. This is the second sitting day of the last six during which I have spent a total of 13 hours in the Chamber in the vain hope that I might be called to speak. My grievance is not that I have not been called—I do not suggest that I should have been preferred to any other Member—but I ask you, Mr. Deputy Speaker, the Speaker and the other Deputy Speakers to review the ordinance that Members may not approach the Chair to ascertain whether they are likely to be called in debate. Surely we are grown-up adults and we should be entitled—

Mr. Deputy Speaker: Order. I understand the hon. Gentleman's concern and I take on board the point that he is making. We are now wasting even more time.

6.25 pm

Mr. Dominic Grieve (Beaconsfield) (Con): This has without doubt been a very good debate. I do not know whether that was, in part, due to the short interruption of our proceedings or whether it would have happened of itself, but there seems to be no doubt that this afternoon we have highlighted the absolute necessity of conducting debate in a rational and courteous manner. As a result, the contributions of every Member seem to have matched the seriousness of the matters that we have to consider. Indeed, listening to what was said has made me happy and proud to be a Member of the House.

The debate has concentrated principally on the issue of weapons of mass destruction. I shall deal with those contributions first, and I then hope to be able to deal further with some of the points that, curiously, have not been touched on, even though they are important in the context of the report, especially to the Kelly family.

The most startling piece of information about weapons of mass destruction to emerge during the debate was that the Prime Minister indicated, in response to a question, that he was not aware that WMD referred to battlefield weapons before the debate on 18 March last year. That is an extremely important comment. By removing the taint of mendacity from Ministers, Lord Hutton has done the House the great service of enabling us to concentrate on issues of competence—a central area that the House may want to consider this evening, and one that will doubtless be the subject of the inquiry's scrutiny.

At this stage, however, I have a question for the Secretary of State for Defence. If that was indeed the Prime Minister's position on 18 March, it is obviously in conflict with position enunciated by the right hon. Member for Livingston (Mr. Cook), who made his opinions crystal clear. He said:

"Iraq probably has no weapons of mass destruction in the commonly understood sense of the term—namely a credible device capable of being delivered against a strategic city target."—[*Official Report*, 17 March 2003; Vol. 401, c. 727.]

In addition, the Prime Minister's position is contrary to what the Secretary of State for Defence said to the Hutton inquiry. When the right hon. Gentleman was being questioned by Mr. Gompertz, counsel for the Kelly family, he was asked on two occasions:

"Was there any other suggestion that they were not battlefield munitions but strategic munitions?"

He answered:

"I recall asking what kind of weapons would be deployable within 45 minutes; and the answer is the answer that I have just given to you."

Mr. Gompertz said:

"Which was shells, battlefield mortars, tactical weapons of that kind?"

Mr. Hoon replied: "Yes".

When the Secretary of State winds up, will he explain the discrepancy between his position and that of the Prime Minister? Could it be that in fact the Secretary of State knew on 18 March that the reference was only to battlefield weapons, but that he had not told the Prime Minister? If that is the case, it seems to me that the House is entitled to know how that divergence of view came about. I hope that that will be the first thing that the Secretary of State for Defence addresses when he rises at the Dispatch Box to reply to the debate.

In addition, we heard many contributions relating to the wider WMD issues. I apologise for the fact that I cannot do justice to all of them in the time available. My right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) asked about the Law Officers' advice. I am perfectly aware of the convention that Law Officers' advice is not normally made public, but I ask whether that could be reviewed in this case. Frankly, if it comes out in dribs and drabs during the committee's inquiry, it would be much better if the Government were up front about it, even if they have to carry out some redaction of any part of it that might raise intelligence issues. In the Hutton report, the redacted pages are so poorly done that people can read what is said underneath anyway, which does not suggest that the material was of the highest confidentiality.

In addition, we heard all the doubts expressed about the dossier, and there is no doubt that that will be an important area to consider. My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) made an extremely powerful contribution on that point, as did my hon. Friends the Members for North Essex (Mr. Jenkin) and for Henley (Mr. Johnson). The absolutely central issue remains that the Government have got to provide reassurance that the terms of reference that they have set out for the committee's inquiry are fully understood and accepted across the House.

My right hon. Friend the Leader of the Opposition insisted on changes to the text specifically to include reference to the use made by the Government of intelligence before the conflict and the difference between that intelligence and what has been discovered by the Iraq survey group. I have to tell the Secretary of State for Defence that I was alarmed yesterday that the Foreign Secretary appeared to try to slip away from the clear implications of that text, which must be that the use made by the Government of the intelligence in persuading the British people that it was right to go to war must be a subject of examination. I very much hope that he, or the Prime Minister, will provide that reassurance before this afternoon's debate is out; otherwise it will be suggested that those of us who wish to co-operate to uphold the integrity of the Government are signing up to a false prospectus. We are entitled to a reply to that during the debate.

Alan Howarth (Newport, East) (Lab): The hon. Gentleman speaks of signing up to a false prospectus, but he just expressed satisfaction that, through the Hutton report, the taint of mendacity, as he put it, had been removed from the Government. Will he acknowledge that ever since the last general election, the leadership of the Conservative party has systematically sought to taint my right hon. Friend the Prime Minister with mendacity? Does he recall the mantra of the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) that people cannot believe a word that my right hon. Friend says? Will he accept that unless we have better standards from the Conservative party, it is not much use to ask for better standards from the media?

Mr. Grieve: I tell the right hon. Gentleman, whom I would call a friend in any context outside the House, that I will come to that point before I finish my comments and give the Secretary of State for Defence the opportunity to reply.

For those purposes, the text that sets up the committee is fine, but it would be nice to know that the Government's interpretation of that text, which is crystal clear in itself, accepts the fact that the committee can consider the use made by the Government of that intelligence material. We are entitled to an answer.

In the time available, I wish to turn away from the subject of WMD, which has been the main issue in the debate, to another matter that causes me considerable problems. Lord Hutton's report dealt with the BBC's role, and I have absolutely no difficulty with his findings on the lack of editorial control. I was particularly struck by the Prime Minister's comment in defining what he thought proper journalism was, when he told the House that it is a question of proper scrutiny of what is said, and the willingness to retract if something wrong has been said. I agree with him entirely on that.

I am bound to say, however, that it seems to me that the BBC has a point when it raises its anxieties about paragraph 282 of the report, in which a rather bald statement is made that the difference between reporting a source or reporting directly is

"not a distinction recognised by the law in relation to actions for defamation."

Higher up the page, reference is made to the case of Reynolds *v.* Times Newspapers—which, I must say to the Foreign Secretary, in his sedentary position, says exactly the opposite. Not much turns on that, because Lord Hutton makes it clear in his conclusions that his criticism is about what the BBC did, and in the context of this case I have no difficulty at all in accepting that that distinction is valueless in view of the surrounding circumstances, particularly in view of Mr. Gilligan's misquotation of what Dr. Kelly told him.

I hope for some reassurance, however, that that quote will not be used to go behind the clear judgment in the Reynolds case, because the judgment is clear that under the Human Rights Act 1998, and the principle of freedom of expression, a latitude is given to journalists to enable them to report sources if they believe them to be credible. That is an important protection, and some of the powerful contributions to this afternoon's debate on the subject of the BBC seem to me to go straight to that issue.

Mr. Garnier: Surely the discussion that we need to have is not about the interesting points of qualified

[Mr. Garnier]

privilege under common law, but whether this Government have a general bad reputation for twisting. That is why the public do not accept the findings of the Hutton inquiry—they find that the Government's behaviour in the past has rendered them incredible.

Mr. Grieve: My hon. and learned Friend is right, and I shall move on to that swiftly. On the employment law issues—

Ms Stuart: Will the hon. Gentleman give way?

Mr. Grieve: I am sorry, I cannot. I must allow enough time for the Defence Secretary.

I now turn to the issue that was raised by the leader of the Liberal Democrats. He said that Dr. Kennedy—[HON. MEMBERS: "Kelly."] He said that Dr. Kelly should have been better treated because of his senior position. Surely, that entirely misses the point. Dr. Kelly was entitled to the ordinary protection given to employees. I must say to the Secretary of State that what shines through the Hutton report is not that the decision at the end of the day to disclose Dr. Kelly's name was wrong—I fully understand that when the checks and balances had been worked out, that had to happen. In fact, however, the report discloses that there was zero system whatever for evaluating his rights as an employee. Strictly, under the Data Protection Act 1998, his name should not even have been given by the Ministry of Defence to the Cabinet Office and the Prime Minister's office without an evaluation of his data protection rights. The Government pass laws to apply to everybody else, but my complaint is not about the law itself but about the fact that they do not adhere to it themselves.

If I may say so to the Defence Secretary, I do not accuse him of perfidy in this matter. In the early 1990s, I spent my time representing Government Departments, and I can assure him that on every employment matter in which I was involved, it was clear that they were unable to adhere to their own procedures and systems. It is all very well saying that Dr. Kelly was properly treated, but the evidence at the end of the day is that there was no such evaluation. When it came to the crunch, the people who took the decisions that related to his status as an employee were not MOD officials at all but members of the Prime Minister's communications department. I hope very much that the Defence Secretary will deal with those points when he comes to wind up. Plainly, one of the grievances of the Kelly family is the sense that Dr. Kelly was ill used. Had the procedures been properly followed, the Defence Secretary would have been in a much better position to say that Dr. Kelly had not been ill used than he is now.

The point raised by my hon. and learned Friend the Member for Harborough (Mr. Garnier) and others relates to the Government's reputation for truthfulness or otherwise. It is a pertinent issue, because the one thing that shines through this afternoon's debate is that although there have been some attacks and some discussions about whether Mr. Gilligan might be a scoundrel, it is certainly not suggested that Mr. Dyke or Mr. Davies is. Indeed, the evidence relating to Dr. Kelly does not suggest that he was acting maliciously either. Yet, as my right hon. Friend the Member for Bracknell (Mr. Mackay) said, every one of those individuals got themselves into a situation whereby they came to distrust the Government so much that they were drawn into conflict with them or adopted positions from which they could not back down.

Three weeks after I was elected in 1997, my hon. Friend the Member for Bromsgrove (Miss Kirkbride) and I, among others, were taken out by representatives of the BBC, who, we were told, had concluded that their style of reporting was too confrontational and that they would endeavour in future to be more understanding of politicians' difficulties. What happened in the intervening period to create a situation whereby the director-general and the chairman—both of whom have been donors to the Labour party and must therefore, one assumes, be favourable towards it—felt that their relations with the Government had so broken down?

My hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) praised the Prime Minister for his eloquence—indeed, we heard plenty of that in the debate on the war with Iraq. However, the problem is that while eloquence, sincerity and powers of communication may do much good for our country—I say that, although I disagree with Government policies—an entirely different attitude is taken by the weasels in the background, from Jo Moore trying to bury bad news on 11 September to Mr. Campbell deciding, as is recorded in his diary, that the key issue in relation to Dr. Kelly was a plea bargain. I am extremely pleased that Mr. Campbell has left the service of the Government and is no longer being funded by the taxpayer.

I say this to the Defence Secretary: unless the Government can learn the lesson that their spin, developed over seven years, has led to such a monumental growth of distrust that they are no longer believed even when they are telling the truth, we will continue to have a problem. Indicative of that problem is the fact that when the Prime Minister was first asked on the plane whether he had been involved in the naming of Dr. Kelly, he felt so frightened and constrained—because at that stage nobody had pointed out that he was entitled to name him—that he had to give an obfuscatory reply. As long as that continues, this country is in serious difficulty, and the Government will be judged on their record in putting that right in future.

6.42 pm

The Secretary of State for Defence (Mr. Geoffrey Hoon): This has been an excellent and lively debate, with 32 speeches from Members of most parties reflecting most points of view. My only observation is that many of those speeches anticipated the report of the next inquiry instead of dealing with the report of the inquiry that has just taken place. That is exemplified by the hon. Member for Beaconsfield (Mr. Grieve)—although, as the excellent lawyer that I know him to be, he will not want to waste a good speech, so he will be able to use large parts of it on the next occasion.

I join right hon. and hon. Members in thanking the noble and learned Lord Hutton for producing such a detailed and comprehensive report. I am sure that I speak for all those involved in stating that we are grateful for the efficiency and dispatch with which he completed what was always likely to be a difficult task.

I also join right hon. and hon. Members in deprecating the attacks on the noble and learned Lord Hutton. My hon. Friend the Member for Bexleyheath and Crayford (Mr. Beard) made that point with his usual eloquence. I was surprised that the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) criticised Lord Hutton's report, because I recall him saying last year:

"However, I, like others, am impressed by the way that the Hutton inquiry was set up and is proceeding. That could well be a model."—[*Official Report*, 22 October 2003; Vol. 411, c. 704.]

Lord Hutton's task was difficult, not least because it began with a personal tragedy and involved a detailed assessment of the reactions and judgments of a series of individuals, each of whom was subjected to a far greater degree of scrutiny than would otherwise ever have been the case. For some, it may well have been their first experience of the particular kind of public scrutiny that the British media bring to bear. That necessarily affected their families and their friends.

But it is important to start with David Kelly. In his report, Lord Hutton quoted the citation recommending Dr. Kelly for the award of the CMG. It commended Dr. Kelly's pioneering work as an arms inspector in the former Soviet Union and in Iraq and stated:

"he has pursued this work tirelessly and with good humour, despite the significant hardship, hostility and personal risk encountered during extended periods of service in both countries."

That says much about the man. At the heart of this debate is the tragedy that such a dedicated man took his own life. It is a particular tragedy for Mrs. Kelly and her family. When I met them last summer, I was touched by their courage, kindness and dignity. The publication of Lord Hutton's findings has once again made the cause of their private grief the subject of public debate. That is a heavy burden for any family to bear, and our thoughts are certainly with them.

On the detail of the report itself in so far as it affects the Ministry of Defence, and in terms of learning lessons, as suggested by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), Lord Hutton decided that the major charges levelled against the Ministry of Defence were unfounded. In particular, he found that there was no dishonourable, underhand or duplicitous Government strategy covertly to leak Dr. Kelly's name to the media.

Huw Irranca-Davies: Like many hon. Members, I have sat through virtually every minute of today's debate, which has been very constructive and rational. However—I say this in a genuine spirit of raising the perception of this House among the public outside—is not the one great service that the Leader of the Opposition could do to make a categorical statement that he does not doubt the honesty and integrity of this Government and the Prime Minister? That would be a great service to himself and to this House.

Mr. Hoon: I shall certainly give way to the Leader of the Opposition if he wants to make such a statement. Apparently, he does not wish to do so—for the moment, at any rate.

The Ministry of Defence was criticised, and I entirely accept that criticism. Lord Hutton concluded that the Ministry of Defence was at fault for not informing Dr. Kelly that the press office would confirm his name if a journalist suggested it. He also said that the Ministry of Defence was at fault in not having set up a procedure to inform Dr. Kelly immediately when his name had been confirmed to the press.

I acknowledge that it would have been better if we had told Dr. Kelly explicitly that his name would be confirmed if a journalist suggested it and if there had been a procedure to inform him immediately when he had been identified by the press. Lord Hutton was satisfied, however, that Dr. Kelly had been told by the Ministry of Defence that his name would probably come out and that he realised this himself. With the benefit of hindsight, I accept that we probably placed too much reliance on this fact.

Lord Hutton has recognised, however, that the circumstances leading to Dr. Kelly's death were, to use his words, "wholly exceptional". Moreover, he acknowledged that there were mitigating circumstances: first, Dr Kelly's exposure to press attention, which was inevitable in any event, was only one of the factors placing him under stress; secondly, MOD officials did give consideration to Dr. Kelly's welfare and did take steps to help him; and thirdly, Dr. Kelly was not an easy man to help. This is not a criticism. He seems to have reacted in the way in which many essentially private people would react to public exposure—he wanted to keep himself to himself.

Adam Price: On the issue of accuracy, would the Secretary of State care to comment on the assertion made in the question and answer briefing approved by the permanent secretary on 8 July in response to the specific question as to what No. 10's involvement in the announcement had been? The assertion made in that briefing, which was approved by the permanent secretary, is that the decision to issue the statement was made by the MOD. Was that assertion correct?

Mr. Hoon: Lord Hutton's report deals with the issue in detail. I know that the hon. Gentleman has written to me, and I will provide him with a reply setting out clearly what is said in the report. I do not think that it helps the debate to make such points at this stage.

Mr. Grieve: Coming back to the employment points, it would be helpful and reassuring to learn that the Ministry of Defence has taken on board the apparent lack of a documented system for dealing with an employee who has a problem. It worries me that that point clearly arises in the Hutton report, and I hope that we can be given some reassurance on it.

Mr. Hoon: I shall come to that point in a moment, and I hope that I shall be able to satisfy the hon. Gentleman.

Dr. Julian Lewis *rose—*

Mr. Hoon: If the hon. Gentleman will forgive me, I need to make progress.

Dr. Kelly's subsequent exposure to press attention and intrusion was not in any way brought about by the delay in advising him that his name had been confirmed—and neither has it been suggested that this delay in any way contributed to his decision to take his

[Mr. Hoon]

own life. It is important that I note on behalf of the Ministry of Defence that there was no criticism of any individual in relation to the support provided to Dr. Kelly.

I am nevertheless determined that the Ministry of Defence should reflect on what has happened. Officials have been giving a great deal of thought to a range of personnel issues that were highlighted by, even if they were not strictly relevant to, the case of Dr. Kelly. Various procedures will be improved. Some of them will be in areas that were not addressed in the report. We shall look at terms of employment, where some aspects relating to secondments from the Ministry of Defence or between the Ministry of Defence and other public or private organisations will be clarified. Disciplinary and related procedures, including arrangements for raising issues of conscience or professional disquiet, will also be considered. I hope that that will meet the point raised by the right hon. Member for Berwick-upon-Tweed (Mr. Beith). This will cover the entire Ministry, including, of course, the Defence Intelligence Staff.

We shall examine also the assistance given to civil servants who are at risk of media attention. Nowadays there is a risk of intrusion that would not have occurred even a few years ago. As for guidance on dealing with the media, the principle will remain unchanged that no one should speak to the media on or off the record without express approval. I hope that that addresses at least some of the concerns raised by the hon. Member for Wantage (Mr. Jackson) in what I thought was an excellent speech.

Mr. Soley: There is an important point for anyone who is told by a journalist—this is what journalists need to take on board—that he or she will protect their sources. In this case, one of the tragedies was that the information was passed on to two Members, who then used it in the Foreign Affairs Committee. Clearly that had a pretty devastating effect on Dr. Kelly.

Mr. Hoon: My hon. Friend makes a relevant point.

The welfare service of the Ministry of Defence has been in close contact with Dr. Kelly's family at the relevant times. It has been available to provide whatever support the family requested. Mrs. Kelly's solicitor has been told that my right hon. Friend the Prime Minister and I are both available to talk to Mrs. Kelly if she would like us to do so. I was grateful to her for agreeing to see me last summer. I repeat that in the course of a long conversation I was profoundly impressed both by her compassion and by her understanding.

Such understanding must now be extended to others caught up in these events. Many were involved simply because they held particular posts at the relevant time. They were carrying out their professional responsibilities in a way that was required by virtue of their employment—responsibilities that had never previously thrown them into the media spotlight and which will almost certainly never again involve them in such attention.

Lord Hutton was asked by the Government to investigate the circumstances surrounding the death of Dr. Kelly. He was not asked to make a wider inquiry. I think that that is the answer to a number of criticisms of the scope of the inquiry, including those from my hon. Friend the Member for Pendle (Mr. Prentice). Normally an unexplained death is investigated by a coroner. In this case it would have been difficult for an inquest adequately to investigate the intense controversy that raged in this country and elsewhere following the broadcast by Andrew Gilligan on "Today" on 29 May 2003.

Mr. Grieve: Now that we are on the subject of controversy, will the Secretary of State take this opportunity—it is important—to clear up the apparent discrepancy between his state of knowledge on 18 March and that of the Prime Minister? Perhaps he can shed light on why he knew that the reference was to battlefield weapons only, whereas the Prime Minister did not.

Mr. Hoon: My right hon. Friend the Prime Minister will speak for himself. I make it clear that inevitably—*[Interruption.]* The Leader of the Opposition, who is speaking from a sedentary position, knows full well that in the details of Government activity the responsibilities that I carry out will inevitably provide me with a great deal more detailed information than is necessarily available at all times.

Mr. Howard: Is the Secretary of State seriously suggesting that he had this information but that he did not pass it on to the Prime Minister? Is that what he is telling the House this evening? The right hon. Member for Livingston (Mr. Cook) had it, the Secretary of State had it but apparently the Prime Minister did not.

Mr. Hoon: Rather than getting excited at this stage, the right hon. and learned Gentleman should reflect calmly and carefully that the issue of the delivery system was not an issue at the time. There was not a debate in September about the nature of the delivery process. I asked the question out of curiosity. I did not expect—*[Interruption.]* That is because it was not an issue. I would be very pleased if the right hon. and learned Gentleman, who is again getting excited about these matters, would indicate when this became a political issue as far as he was concerned. It was not in September 2003.

I and other witnesses indicated in evidence to Lord Hutton that the media reporting that followed the broadcast questioned the Government's integrity in just about the most fundamental way imaginable. Above all, it challenged the integrity of my right hon. Friend the Prime Minister. It suggested that he and I were prepared to commit Britain's armed forces, and to risk and lose their lives, on the basis of information that we apparently knew to be false. In such circumstances, nothing but a public inquiry could have established the facts and helped to restore public confidence.

A public inquiry is rightly a rigorous process for those who appear before it. I have no doubt that everyone who gave evidence would agree with me at least on that. Each individual's thoughts, actions and decisions were subjected to minute scrutiny by an array of legal minds. That is not a comfortable experience for anyone—nor, given the questions involved, should it be.

Richard Ottaway: Just a second ago the right hon. Gentleman said that in the September dossier the

delivery systems were not under review. Can he explain the page in the dossier that has concentric rings showing the range of missiles from Iraq? How could he possibly say that that is not a delivery system?

Mr. Hoon: The key issue that was considered by United Nations inspectors and subject to a UN resolution was the distance capable of being covered by the missiles being developed by Iraq. If we really want to have a proper inquiry into this matter, the hon. Gentleman will reflect on what Dr. Kay recently discussed. The fact is that Iraq was in clear breach of its obligations as regards the development of missiles with a longer range than it was entitled to, and that map is a perfectly proper explanation.

Mr. Sayeed: Will the right hon. Gentleman give way?

Mr. Hoon: No, I am sorry, but I have given way a number of times.

For some, the inquiry became all the more uncomfortable because of the way in which its proceedings were reported. Some parts of the media were so determined to attack the Government, whatever the evidence, that it was sometimes difficult to reconcile what had taken place inside the inquiry with the following day's reports. There were even stories that were no more than fabrication, apparently printed solely to discredit officials who appeared as witnesses.

No one can object to fair and balanced criticism, but people—and particularly civil servants who are not allowed to answer back—should not have to suffer deliberate denigration of that sort. Civil servants in this country are hard-working, dedicated public servants; they are not party political and they serve Governments of all parties. I am sure that all parties in the House would want to see their professional independence maintained and safeguarded. *[Interruption.]* I hear the comments from the right hon. Member for Bracknell (Mr. Mackay), who I thought made a disgraceful attack on a serving civil servant—a civil servant who had apologised and who had made a mistake which he accepted. I doubt whether when the right hon. Gentleman served as a Minister he would have tolerated that kind of public attack on a civil servant trying conscientiously to do his job.

I believe that the House should again consider in particular Lord Hutton's observations in paragraph 280 of his report. This is an important restatement of the basic principles governing the relationship between the media and individuals working in government. A number of Members dealt with those issues, including my right hon. Friend the Member for Gateshead, East and Washington, West (Joyce Quin), my hon. Friend the Member for Thurrock (Andrew Mackinlay), and my right hon. Friends the Members for Swansea, East (Donald Anderson), for Manchester, Gorton (Mr. Kaufman) and for Hartlepool (Mr. Mandelson), who all made revealing and important comments on that relationship.

Lord Hutton's report has itself been the subject of some strong criticism, as has the learned and noble Lord. The report has been described as "a curiously unbalanced document". It has been said that

"Lord Hutton leaves himself open to accusations of having cherry picked the evidence",

and that he

"blithely ignores or is ignorant of the context in which this sordid and unedifying saga unfolded".

That criticism has related both to the specific findings on the facts and, in more general terms, to the fact that Lord Hutton's conclusions could in some way limit the freedom of expression. There has been wide reporting of Greg Dyke's view that the implications for journalism are grave and that there will be a legal sea change that silences whistleblowers.

Given the gravity of such criticism, it is worth examining what Lord Hutton set out. I apologise for quoting him in full. He states in paragraph 280:

"Counsel for the BBC and for Mr Gilligan were right to state that the communication by the media of information (including information obtained by investigative reporters) on matters of public interest and importance is a vital part of life in a democratic society. However the right to communicate such information is subject to the qualification (which itself exists for the benefit of a democratic society) that false accusations of fact impugning the integrity of others, including politicians, should not be made by the media. Where a reporter is intending to broadcast or publish information impugning the integrity of others the management of his broadcasting company or newspaper should ensure that a system is in place whereby his editor or editors give careful consideration to the wording of the report and to whether it is right in all the circumstances to broadcast or publish it."

This reflects precisely the Press Complaints Commission's code of practice, which all our national newspapers are supposed to uphold. On accuracy, it states:

"Newspapers and periodicals must take care not to publish inaccurate, misleading or distorted material including pictures."

I emphasise the phrase:

"take care not to publish inaccurate . . . material".

In concluding this debate, let me repeat that the Government accept the report—

It being Seven o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Laser Eye Surgery

Motion made, and Question proposed, That this House do now adjourn.—*[Margaret Moran.]*

7 pm

Dr. Ashok Kumar (Middlesbrough, South and Cleveland, East): I thank you, Mr. Speaker, for granting me this debate. My own interest in the safety of laser eye surgery began about a year ago, when I read some reports in national newspapers on the matter. Since then, I have followed the subject with great interest; in fact, I even tabled some questions in the House on it. Recent advances in laser technology mean that both long-sightedness and short-sightedness can be treated, and in many cases corrected, through laser eye surgery. Seventy-seven corrective laser eye surgery establishments are currently registered with the National Care Standards Commission. According to a *Health Which?* report of February last year, some 100,000 people a year in the UK undergo laser eye surgery.

I want to comment on the history and popularity of laser eye surgery, and then to highlight my three main concerns about the safety and reliability of this service. First, on customer care, there is a need for development and extension of the consumer protection regime, and for the provision of detailed information about the potential risks and complications of surgery. Secondly, in terms of the qualifications of practitioners, there is a need for standardised training requirements for surgeons performing laser eye surgery procedures. My third concern relates to clinical audit and best practice, and the need for regulatory bodies to identify best practice, and to create standard regulations for the entire industry, including minimum standards of pre-care and post-care.

Laser eye surgery was developed by the ophthalmologist Dr. Steven Trokel in 1987, and first used on a patient in Germany in 1988. The first laser eye treatment clinic using Dr. Trokel's laser was founded by US-based investors in Toronto in 1989. Following the success of the US operation, the first UK clinic was opened at Clatterbridge hospital, in Wirral, in January 1991. It grew into a string of clinics now known as Ultralase, one of Britain's foremost laser eye treatment providers. Ultralase and other, smaller companies—along with Boots, Optimax and Maxivision—are believed to perform some 100,000 treatments a year in the UK.

The declining cost of laser eye surgery reflects increased demand and competition within the sector, and demonstrates its popularity. But that is matched by increasing concern among patients and clinicians alike about the resulting side effects and vision damage. Laser eye surgery, a relatively new form of elective surgery, is seen by many as a cosmetic procedure, but the changes made during it are irreversible and can lead to side effects ranging from dry eyes to worsened vision. Nevertheless, an increasing number of people, rather than wear glasses or contact lenses for the rest of their lives, are opting to spend money on a one-off surgical procedure that, in the majority of cases, eliminates the need for glasses or lenses.

There are those for whom refractive surgery is a godsend, freeing them from a lifetime's myopia with one quick, fairly pain-free and relatively cheap procedure, but my concern is that there is currently no adequate means of assessing the quality of the treatment available. If it is true that you get what you pay for, we may note that the range of fees payable for the surgery varies from £495 per eye for Lasek treatment at Optimax, through to £1,650 per eye for Wavefront LASIK at Laservision. In fact, the cost can be as much as £2,000 per eye, as reported by the Discovery Health channel last year when it investigated this topic. That is quite a range.

What exactly is it that people are paying for? What are the basic requirements, and what are the added extras? It is worth mentioning that there are vast differences in the regulations for cosmetic surgery and for laser eye surgery. Since April 2002, minimum standards for cosmetic surgery have been applied by the NCSC, which also vets cosmetic surgeons who generate regular complaints. In May 2002, the Department of Health provided additional reassurance by announcing proposals to require cosmetic surgeons to be medically qualified and to have attended a postgraduate course before being allowed to operate.

Where does that leave laser eye surgery? Surprisingly, the regulations covering the sector do not appear to be as stringent as those covering more traditional cosmetic procedures. I would be interested to hear the Minister's comments on why that is.

Negligence claims involving laser eye surgery against doctors belonging to the Medical Defence Union have more than doubled in the past six years. The Medical Defence Union is the largest insurer for UK doctors. It believes that, while some of the claims were for faulty surgery, many more centred on patients' unrealistic expectations about what could be achieved. Recent figures released by the union show that claims over laser eye surgery have increased by 166 per cent. in six years and now account for a third of all ophthalmology claims. The MDU has increased its subscription rates for laser eye surgeons and advised them on how to minimise the risk of a claim.

Dr. Christine Tompkins of the MDU is on the record as saying:

> "Patients need to understand what the risks are. And they need to think about whether or not the benefits they think they will get from the procedure actually outweigh the risks, in order to decide whether they want to go ahead with it."

In very rare cases, complications can lead to corneal ectasia, where fluid pressure builds up on the eye, and patients can need a corneal transplant to correct the condition. Other complications, although deemed "minor" by clinics, occur "relatively frequently", according to a recent review by the American Academy of Ophthalmology. Patients can experience dry eyes or night vision problems that can affect the ability to drive or work in the evening or in dim light.

My first concern is about customer care and access to information. The guidelines make it clear that there should be information available about the possible negative effects of laser eye surgery, but it is for the clinic to determine whether this means blinding the patient with science through a list of technical outcomes or, alternatively, reassuring them that mishaps are so rare that they do not need to worry.

The *Health Which?* Report last February catalogued a range of complaints from those who have experienced negative effects following laser eye surgery. Some were temporary, but in other cases long-term effects were cited. The report said:

"Patients shouldn't be taken in by the claims about the safety and success rates of laser eye surgery. Whilst most do benefit from laser eye surgery, nobody knows the real number who have disastrous or disappointing results although we do know that litigation is increasing. Complication and success rates vary from clinic to clinic and surgeon to surgeon".

He continued:

"Patients need more honesty about so-called minor complications and the fact that many who have surgery still need glasses or lenses."

He concluded:

"We'd also like all companies to publish their complication rates and results and have them independently audited so that patients can make an informed choice."

My second concern is the qualification of practitioners. Early last year, I tabled a written question about the qualifications required for laser eye surgery practitioners and the clinical assessment and audit of such procedures, and I received an answer on 28 April 2003. The then Minister, my hon. Friend the Member for Tottenham (Mr. Lammy), informed me that such establishments must register with the National Care Standards Commission and are required to comply with the private and voluntary health care regulations. He stated:

"Regulation 42(1) requires that the registered person has in place a professional protocol drawn up by a trained and experienced medical practitioner or dentist from the relevant discipline in which treatment is to be provided . . . The vast majority of laser eye surgery takes place in private practice. The Department of Health does not collect information about such procedures by individual surgeons." —[*Official Report*, 28 April 2003; Vol. 404, c. 275W.]

That answer is worrying on two counts. First, as the regulations stand at the moment, they require not the person conducting the procedure but the clinical director for the registered clinic to be qualified in, in this case, refractive eye surgery, which means that in practice the patient, who might naturally assume that the person responsible for changing the shape and size of their cornea using pulses of high-frequency light is qualified, may be operated on by a general practitioner or similar. Indeed, after speaking to the Royal College of Ophthalmology and the NCSC, it is unclear what standards of qualification exist for laser eye surgeons and what constitutes a competent and experienced surgeon.

Dr. Sherry Williams of the Medical Protection Society told me that because refractive surgery is not conducted in the NHS, no training is available through the NHS. It is therefore left to the industry to determine that each individual clinic sets its own standards, and that is not immediately apparent to patients seeking service in the industry.

There are no specific regulations in refractive surgery, and the only legal requirement for doctors performing laser surgery is that they are registered with the General Medical Council. Any doctor currently employed by a refractive surgery chain can operate after a laser surgery course of just a few days. I find the suggestion that surgeons operating in the private sector should not be bound by the same degree of clinical assessment and audit as those within the NHS worrying, and in that I am not alone.

The public minutes of the NCSC board meeting last June state:

"The issue of laser eye surgery was raised, following increased public concern and recent press reports, and it was suggested that the regulation of these should be highlighted to the Commission for Healthcare Audit and Inspection."

I know that CHAI will become responsible for the sector in April this year, but I am still unaware of any efforts to address my specific concerns. Having researched the issue, there is general agreement among interested parties, which include NCSC inspectors, the RCO and the laser eye industry, that more detailed basic regulation would be welcome, as long as it is not too prohibitive or prescriptive. This agreement is particularly true in the light of the decreasing cost and increasing popularity of refractive eye surgery procedures.

One inspector told me that in the inspectors' opinion the regulations and guidelines that they were required to use during their inspection of laser eye surgery clinics were

"loose, woolly and open to interpretation."

Given that all inspectors for the NCSC are clinicians of one sort or another, to my mind that is not a statement to be ignored.

I come to best practice. I do not want to be seen as too critical of a new and innovative area of medical practice that is a great credit to those who developed it. I admire the spirit of innovation in laser eye surgery.

While researching the subject, I have become aware that there are those who exemplify the best practice, which I feel needs to be rolled out across the sector. Ultralase—whose chairman, Christopher Neave, is also chief executive of the relatively new industry body, the Eye Laser Association—is one of the larger independent health care providers in the laser eye surgery sector. It does not simply operate within company standards, which appear to be more severe than those required at the statutory level at present. Indeed, during a recent meeting I was most impressed to note that certain changes that I recommended are to be added to its guidance as a direct result of our meeting.

The NCSC, the RCO and the laser eye surgery industry have all expressed, to differing degrees, interest in creating a set of standards for the benefit of patient safety.

In conclusion, I should like to say that as patients' knowledge of their rights grows, so do their expectations and demands. After recent high-profile debates about the competence and clinical auditing of surgeons and other health care professionals in the public sector, I believe that it is important that we extend our gaze to the private sector as well.

I do not want to unduly criticise private health practitioners. In fact, the Eye Laser Association agrees with me that there are distinct benefits in recognising the best practice of some practitioners and requiring others to bring themselves up to scratch. Just one example is that of pre-care assessment. Ultralase reports that about 25 per cent. of people are ineligible for laser eye surgery due to certain medical conditions, and recommends that

[Dr. Ashok Kumar]

any clinic operating should not have a turn away rate significantly lower than 25 per cent. It also refuses to conduct surgery on the same day as a patient is assessed. I am led to believe that the RCO is drafting guidelines requiring a cooling-off period between assessment and treatment of patients, but this is not currently mandatory.

Similarly, different clinics offer different after-care advice and treatment. As long as the consumer has no indication what the recommended minimum information and treatment are, and as long as the industry has no requirement to provide that minimum, but simply to provide some, it will continue to be the consumer, if anyone, who suffers.

I look forward to hearing from my hon. Friend what steps are being taken to address my three concerns. I ask her to use the powers available to her under section 130(1) of the Health and Social Care (Community Health and Standards) Act 2003 to direct the Commission for Healthcare Audit and Inspection to investigate the need for closer scrutiny of the laser eye sector.

7.18 pm

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): First, I congratulate my hon. Friend the Member for Middlesbrough, South and Cleveland, East (Dr. Kumar) on securing today's debate. He has already demonstrated his interest in this important subject, and I emphasise that the Government share that interest.

My hon. Friend will know that the NHS does not routinely provide laser eye surgery to correct refractive errors. The Government's view is that spectacles or contact lenses can usually correct refractory errors in a safe and cost-effective way.

The majority of laser eye surgery, therefore, takes place in private hospitals, and there appears to be a growth in the number of occasions on which this procedure is undertaken.It is, of course, important that service standards are clear and that those standards provide patients who choose to have laser eye surgery with the necessary assurance that the procedure is being carried out safely and appropriately.

I am aware of information received from the Eye Laser Association that states that more than 100,000 laser eye procedures are carried out in the United Kingdom each year. Indeed, it informs us that laser eye surgery is the single most performed surgical procedure world-wide and that the number of procedures undertaken has run into millions.

Patient safety and quality assurance are the cornerstones of the new regulatory system for independent health care. Nevertheless, the Government are aware that people have concerns about laser eye surgery. That has been clear in Parliament, from questions from Members and early-day motions, as well as from news items that the media have carried. One of the concerns has been that the practice is not properly regulated. I hope to reassure my hon. Friend on that.

The debate gives me an opportunity to speak more widely about what the Government have done to improve the regulation of care provided by health establishments in the independent sector overall. As my hon. Friend said, the Care Standards Act 2000 established the National Care Standards Commission as an independent regulator and sector watchdog for social and independent health care services in England. The commission began operating in April 2002. The aim of the Act was to modernise the regulatory system and to protect vulnerable people in society by introducing, for the first time, consistent national minimum standards for providers of social and independent health care in England. The commission's main aim is to drive up the quality of services and improve the level of protection for vulnerable people.

The commission registers, inspects and regulates health and social care providers against regulations and national minimum standards set by the Government. In applying the standards, the commission looks for evidence that the facilities, resources, policies, work force, services and activities offered by providers lead to positive outcomes and experience for service users. The regulations and standards to which providers of services are required to adhere are stringent and service user-oriented. Providers are subject to annual inspections by the commission, which requires providers of laser eye surgery to keep records of each surgical procedure undertaken, including accidents or adverse incidents. It also requires independent hospitals where laser eye surgery takes place to submit annual figures to it showing the number of complaints made and the action taken in response to them.The NCSC currently has 77 corrective laser eye surgery establishments registered, with a further 18 applications pending. It has had to take no enforcement action on clinical issues against any of those establishments.

There are two types of national minimum standard: core standards, which cover general issues that apply to all independent health care providers, and service-specific standards. Core standards require a registered establishment to ensure that before an appointment any qualifications relevant to the post are verified, and that the relevant regulatory or licensing body is asked to confirm that the applicant is appropriately registered. Core standards also require employers to make arrangements for staff training and continuing professional development.

Service-specific standards are those developed for a particular sector and a particular service user group. They do not imply that all providers must offer a uniform level of service; instead, they set out a minimum level of service that will guarantee a basic level of care for service users. Of course some establishments already exceed many of the standards, and in doing so have developed excellent levels of service provision. They provide a very high standard of care. The commission is determined to promote innovative good practice where and when it finds it.

The type of laser used in laser eye surgery is a class 4 laser. Its use is regulated by the NCSC, and, as I have said, providers of laser eye surgery are required to be registered with the commission as a licence to trade. The commission maintains specific service standards in respect of the use of class 4 lasers.

The service standards that are specific to class 4 state that all staff using lasers and intense pulsed lights are to have regular, recorded update training, both planned and in reaction to relevant technological and medical

developments; and that they use the lasers and intense pulsed light only for treatments for which they have been trained and, where appropriate, hold qualifications. The standards also stipulate that an expert medical practitioner must produce a protocol. That protocol has to be followed and will set out the necessary pre-treatment checks and tests, the manner in which the procedure is to be applied, the acceptable variations in the settings used, and when to abort a treatment. A further standard deals with the protection of people in the controlled area around working lasers.

The standards provide a tool for the commission and providers jointly to improve the quality of services and they are used in conjunction with the Private and Voluntary Health Care (England) Regulations 2001—the legal instrument that governs how independent providers operate. The regulations state that registered providers should ensure that they employ an appropriate level of suitably qualified, skilled and experienced persons and that they should ensure that each person receives appropriate training, supervision and appraisal, and that staff are enabled to obtain further qualifications, where available, appropriate to the work that they perform.

The NCSC board has in the past highlighted the issue of laser eye surgery and recommended that the procedures and practices around it be reviewed in greater depth in the future. Inspections and reviews undertaken by the commission have also discovered that some establishments have fallen short of the required standards; those establishments now have a legal obligation to improve.

As my hon. Friend said, there are no specific qualifications in refractive surgery. A doctor undertaking laser eye surgery must be registered with the General Medical Council. The Royal College of Ophthalmologists recommends that only qualified ophthalmologists should be able to undertake the procedure and that they should have undertaken appropriate additional specialist training. However, all doctors must work within the principles of "good medical practice"—the standards that a doctor must keep to ensure continued registration with the GMC. Those standards state that

"in providing care you must recognise and work within the limits of your professional competence and be competent when making diagnoses and when giving or arranging treatment".

On present evidence, we believe that the current safeguards are adequate to ensure the safety and well-being of service users, but as evidence on complication rates is gathered and considered we expect—in conjunction with the wider medical profession—to take a view on the continuation of laser eye surgery by those who are not ophthalmologists.

I am also aware that there has been some concern over a reported rise in complaints, which my hon. Friend highlighted, but that is not borne out by the figures—certainly not by the NCSC figures. Since the implementation of the Care Standards Act 2000 in April 2002, the NCSC has received only two official complaints relating to laser eye surgery. One has been resolved to the patient's satisfaction and one is still ongoing and is being reviewed by the commission.

It is right that, in order to minimise risks to service users, the commission continues to keep the position surrounding laser eye surgery under continuous review. If there is a need for the Government to act, we will do so. Nevertheless, as I stated earlier, the NCSC has not felt it necessary to take enforcement action on clinical issues against any such establishments. It is worth pointing out that if a complaint were made against a doctor, the GMC would have to take into account any advice from the Royal College of Ophthalmologists about who should be undertaking the surgery.

On the power of the NCSC, the legislation that it is charged with applying gives far-reaching powers to act in the interest of users and to champion their rights. The commission will use those powers wisely and with discretion to assist service providers to comply with standards wherever possible. It will nevertheless take swift and vigorous action if it finds that the health, safety and well-being of service users are being compromised.

It remains for me to say that the arrangements will continue under the Commission for Healthcare Audit and Inspection, and I am confident that the success of the present arrangements will be continued as the NCSC transfers its responsibilities to CHAI in April this year.

I hope that I have been able to allay some of my hon. Friend's concerns over the provision of laser eye surgery in England. I understand that he is due to meet representatives of the National Care Standards Commission shortly, and I hope that they will be able to allay his concerns still further.

Question put and agreed to.

Adjourned accordingly at half-past Seven o'clock.

House of Commons

Thursday 5 February 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Bovine TB

2. **Mr. George Osborne** (Tatton) (Con): What steps her Department is taking to stop the spread of bovine tuberculosis in Cheshire. [152864]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): In view of the relatively low incidence of TB in Cheshire, not just herds neighbouring TB incidents but all herds within a 1 km radius of any incidents are tested, with a further extension of testing to a 2 km radius if the case is confirmed by post-mortem examination or laboratory culture. Cheshire is also included in the gamma interferon policy pilot. We will announce new proposals to help tackle TB soon.

Mr. Osborne: My local farmers, and many others, feel that the Department has done too little, too late. I understand that it is publishing a draft strategy next week. Will the strategy include proposals to require pre-testing of cattle moving from highly infected to less infected areas such as Cheshire, so that such areas can remain relatively disease free and there is a source for restocking in future?

Mr. Bradshaw: I do not think the hon. Gentleman would expect me to pre-empt what we might say next week. I think it is right for Parliament to know what the proposals are first, in full. His argument in favour of pre-movement testing is persuasive, but I do not think that what he says about the general policy on TB is fair. There are no quick fixes when it comes to animal diseases. For many years, cattle herds suffered from brucellosis. It affected a far bigger proportion of the herds than TB does now, and it took decades to eradicate. We are doing what we can, and I think that the strategy we will launch next week will show the way forward.

Mr. David Drew (Stroud) (Lab/Co-op): I look forward to the release of the strategy, but given the deluge of written questions to my hon. Friend from Conservative Members, would it not be useful for Members to be briefed properly on the science behind TB so that we can really understand all the difficulties? Will my hon. Friend treat that as a matter of urgency? We need to have a proper discussion.

Mr. Bradshaw: That is a good point. It had not escaped my notice that I had been deluged with written questions on the issue. I have offered my opposite number a technical briefing along the lines described by my hon. Friend, but so far he has not taken up the offer.

Mr. Adrian Flook (Taunton) (Con): On 8 January the Minister said in an Adjournment debate:

"It may be a good idea to allow lay testing for the simple procedure of the skin test."—[*Official Report*, 8 January 2004; Vol. 416, c. 504.]

Can the Minister say when he will make that decision, and whether he thinks that lay testing could undermine excellent rural practices such as those of the Fieldhouses in Dulverton, which rely on such testing for valuable income that enables them to stay in rural areas?

Mr. Bradshaw: In principle, we still believe that there is a strong argument in favour of lay testing, not least to help us deal with the backlog, but also to relieve practices that are under pressure. However, the hon. Gentleman makes an important point about the future of rural practices. Lay testing would not be forced on anyone; it would only be done if practices themselves chose to do it. We will make an announcement in due course.

Mr. Roy Beggs (East Antrim) (UUP): Stopping the spread of TB in Cheshire and every other part of the United Kingdom is important to all of us. Has the Minister or his Department seen recently published claims that selenium and iodine used on farms have prevented TB from occurring on some farms?

Mr. Bradshaw: I do not know of those findings, but my hon. Friend the Member for Stroud (Mr. Drew) has just pointed out from a sedentary position that he has been making that point for some time in regard to trace elements. I will write to the hon. Gentleman about the findings.

Mr. Owen Paterson (North Shropshire) (Con): I thank the Minister and his officials for the way in which they have, so far, replied to the questions about TB that I have tabled. The Minister kindly invited me to go and see him. There is a big difference between questions being answered on the record and an informal chat. I may take up his offer at a later date, but I will continue to question him.

I am sure that the Minister agrees that accurate diagnostics are vital to the control of any disease. I am sure that he also agrees that while the tuberculin test is a good herd test, in individual animals, sensitivity is only 60 to 65 per cent.—as opposed to 98.4 per cent., which has been achieved with gamma interferon in Australia. Why, then, has he not taken up the Independent Scientific Group's proposal to establish three groups of 50 herds in a major trial of the efficiency of gamma interferon? At present only a small number of field trials are being conducted, which is not satisfactory.

Mr. Bradshaw: The gamma interferon test could not be taken in isolation; it would accompany the current

test. Although we have some sympathy with the ISG's wish to increase the science return, what it proposes would not only add to the logistical difficulties involved in the pilot, but raise ethical and legal issues. It would mean identifying disease but not acting on the information or informing herd owners.

Common Agricultural Policy

3. **Mr. Michael Jack** (Fylde) (Con): If she will make a statement on the proposals to implement the revised common agricultural policy. [152865]

The Secretary of State for Environment, Food and Rural Affairs (Margaret Beckett): I hope to make an announcement on the model for allocating entitlements under the new single payment scheme in England in the near future.

Mr. Jack: I am grateful to the Secretary of State for her answer, but she will realise that since 26 June—when she announced to the House the outcome of the Agriculture Council, detailing the largest single change to the CAP since it was envisaged—Parliament has remained silent on this issue. Can she explain why no debate has been afforded to this House, in Government time, to inform her thinking on this matter? As an announcement from her is imminent, could she draw to the House's attention her reaction to the letter that she received from Herr Fischler? It clearly indicated his wish that member states use the historical basis to determine the allocation of single payments, which goes against the line floated by Lord Whitty at the Oxford farming conference on 6 January.

Margaret Beckett: First, the right hon. Gentleman correctly points out that the reform deal was agreed in June, and I am glad that he has at least recognised that it constitutes a very substantial reform. Of course, we then initiated a consultation process, and responses were received until—if I remember correctly—October or November. The responses were varied, a range of different views was expressed, and analysis of those views is being undertaken. I believe that I have reported that to the House on occasions such as this, and I know that I have made clear in exchanges across the Floor of the House the two biggest decisions: the full decoupling of subsidy from production; and the introduction of that change at the earliest possible date, in 2005.

On the letter that I received from Herr Fischler—he has written to all member states—I have read it with care and discussed these issues with him. His concern is that an attempt should not be made artificially to redistribute support on other criteria. He is of course also concerned that in every member state we establish sound principles for future schemes that will be of benefit to the farming community as a whole.

As for my noble Friend Lord Whitty's remarks at the Oxford conference, he made it clear that a range of issues has to be considered and weighed carefully. Indeed, such analysis and thinking is currently going on in the Department.

Mr. Lindsay Hoyle (Chorley) (Lab): I wonder whether my right hon. Friend could assist in ensuring that the wealthiest of farmers, such as the Duke of Westminster, do not benefit from CAP reform, and that support continues to be given to low-income farms and to tenant farmers, who struggle to make a living?

Margaret Beckett: As I said a moment ago, the Commission has advised against seeking redistribution for its own sake; on the other hand, my hon. Friend is absolutely right to raise the issue of low-income farmers and those who are currently beset by difficulties. The impact of potential change on the various participants in the world of farming, particularly the most vulnerable, is precisely one of the factors that we are seeking to weigh very carefully.

Mr. John Wilkinson (Ruislip-Northwood) (Con): But is it not the case that even a reformed common agricultural policy will perpetuate grotesquely high food prices for consumers in the United Kingdom and maintain the distortion of international trade, which consciously, by means of protectionism and subsidies, ensures the impoverishment of primary agricultural producer countries in Latin America and elsewhere?

Margaret Beckett: The hon. Gentleman is certainly right to suggest that the reform deal will not have a major impact on food prices. However, he is doubtless conscious of the fact that if the British Government are able to achieve the reforms that we are seeking through the World Trade Organisation—to be fair, the rest of the European Union is also seeking them—that could have an impact on food prices in the longer term. But I accept part of the point that he makes, in that the impact on consumers will not be as great as some had hoped.

Lawrie Quinn (Scarborough and Whitby) (Lab): My right hon. Friend's earlier answer to the substantive question will be welcomed in my part of the world. However, has her Department thought through the communications strategy, so that farmers, particularly those in the more remote areas such as the North York Moors national park, can fully understand the implications for their incomes, bearing in mind their particular status within the subsidy regime?

Margaret Beckett: I am grateful to my hon. Friend. My Department is giving careful consideration to how we can best communicate the implications of any proposals for farmers and farming communities. He and other hon. Members will know that we are slightly handicapped at the moment because some of the detailed regulations have not yet been produced. We are talking to the Commission and pressing it to come forward, which may help to shape the outcome.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): While it is clearly important to have widespread consultation on the matter, does the Secretary of State accept that the delay in announcing the decision is causing widespread uncertainty across the whole industry, and that it is also giving the Rural Payments Agency very little time to prepare for such an enormous change? Will she recognise that the vast majority of farmers have supported the case for decoupling, but on the basis of a historically based method of allocation? Whatever model is finally chosen,

the one thing that we must avoid is substituting one bureaucratic, complicated and costly system with another.

Margaret Beckett: I entirely endorse the hon. Gentleman's last remarks: we do want to avoid replacing one complicated and costly system with another, but we all recognise that there will be transitional issues. I am mindful of the impact on the Rural Payments Agency of the timing of any decisions, and we are constantly in touch with it. I accept that if the issue continued to drag on, it could become a cause of uncertainty, but farmers know the two most important points—that we intend to abandon the link between production and subsidy, and that we wish to do so as early as possible—and all our economic analysis suggests that that is what will have the greatest impact on our economy and the decisions that farmers take. Other factors are important, but less so in the scale of things. I can assure the hon. Gentleman that we in no sense wish to delay the decision for any longer than is needed to assess all the implications of the decisions that we have to take for the farming community as a whole.

GM Crops

4. **Tony Lloyd** (Manchester Central) (Lab): If she will make a statement on her review of the scientific evidence on GM crops. [152866]

The Secretary of State for Environment, Food and Rural Affairs (Margaret Beckett): We warmly welcome the final report of the GM science review and advice on the results of the farm-scale evaluations. We are now considering all the evidence and will set out our conclusions shortly.

Tony Lloyd: I am grateful to my right hon. Friend for her response. I put it to her that the public are still sceptical about the value of GM crops, and that such scepticism is based on the view that it is not unscientific to hold to the proposition that the contamination of conventional or organic crops from GM plantings would have a long-term impact, which might be irretrievable and cause permanent damage to our economy and agricultural system. Will she take those views into account and ensure that she lays out the scientific evidence clearly if she wants to convince the doubting public that there is some benefit in GM crop plantings?

Margaret Beckett: I assure my hon. Friend that there is nothing I would like more than to feel that the scientific evidence is fully in the public domain and for people to weigh it. I entirely accept his point that the public are sceptical about the value of some GM crops at the present time. Indeed, he will recall that the economic study carried out by the Prime Minister's strategy unit made the point that the present generation of crops that are available have only limited relevance, worth or impact in UK circumstances. It might perhaps be different in other parts of the world. Of course we take those concerns seriously, but my hon. Friend would accept, since we are talking about scientific evidence, that in a world where GM is extensively grown and extensively available, we have to deal with the reality of its existence and not hope that somehow it can be totally wished away.

Andrew George (St. Ives) (LD): In a written answer to me on 17 December, the Minister for the Environment confirmed that the relevant Government Departments had agreed to authorise the use of Bt11 GM maize, even though surveys show that less than 2 per cent. of the public support the use of GM in all circumstances. Does the Secretary of State understand that there is widespread unease about that, and about the other incremental steps that are being taken towards a momentous and irreversible decision on GM crops? Will she confirm that the Government will bring forward a clear policy on the matter before any other decisions are made, and that time will be made available for a debate on the Floor of the House, on a substantive motion?

Margaret Beckett: We are not trying to pre-empt the outcome of the debate or to make major decisions before the appropriate policy statement can be laid before the public or the House. However, I remind the hon. Gentleman—as I have told the House in the past—that ongoing procedures for handling these matters exist in the EU. I am sure that he will recall that, not so long ago, the Government were being pressed by groups outside the House to make no response at all to requests for input or information about matters put before the EU as a whole by other member states. My advice to hon. Members was that, if we made no input, the assumption would be that we approved and that we had no queries or questions to raise. We have always continued to raise queries and concerns, where we felt that that was necessary. I assure the hon. Gentleman that no one is trying to pre-empt anything by stealth.

Alan Simpson (Nottingham, South) (Lab): The Secretary of State and her Ministers have assured the House constantly that the UK would not support GM crop plantings that were separate from a liabilities regime, irrespective of approval decisions made in this place or in Europe as a whole. Will my right hon. Friend assure the House that the question of liability for contamination will be cleared up before any plantings are approved or allowed in this country?

Margaret Beckett: I am not sure that my hon. Friend is correct about what Ministers have said in the past, but he will know that we received the independent advisory committee report on contamination and co-existence under the liability only very recently. We are considering it at the moment. We are of course anxious to weigh these difficult and major issues properly, and I hope that we will be able to comment on them in the not too distant future. However, I assure him that we are mindful of the interaction of these issues, both in the minds of the public and in reality.

Mr. Simon Thomas (Ceredigion) (PC): The Secretary of State talks about dealing with the reality of GM crops, but I draw her attention to a report published this week by the University of Glamorgan, which found that a large amount of supermarket-bought organic food contained traces of GM. The traces were large enough

to be detected, but below the 0.9 per cent. level at which labelling for GM is required. Does that not imply that, before there are any further developments in the UK in connection with GM, we need a proper regime for labelling GM crops? Should not that regime also provide for the labelling of organic foods, and the preservation of the organic sector? Does she agree that procedures for liability and compensation must be in place before any further steps are taken?

Margaret Beckett: I was not aware of the study to which the hon. Gentleman refers, but I look forward with interest to hearing about it, assuming that it has been peer reviewed and is considered to be valid. He will know, I am sure, that a strong regime already exists in EU and British law for traceability and labelling. As he appreciates, that regime has a threshold trigger of 0.9 per cent. I am not sure that the hon. Gentleman meant to, but in a sense he has emphasised—in spades—the point that I made some moments ago. If the results that he reports are correct, GM presence in the UK is an issue, even though no GM crops are being grown here at present. That confirms my view that we cannot simply wish away this technology.

Chris Bryant (Rhondda) (Lab): Does my right hon. Friend worry that many people's objections to GM crops contain an element of Luddism, and that some people deliberately hype up the fears about GM? Does she feel that, in addition to ensuring that there is a good labelling regime, the best way forward is to make sure that people understand fully the scientific benefits, as well as the economic ones, that GM crops could bring to the UK and to many developing countries? Will she go out and preach the message a little bit more?

Margaret Beckett: My hon. Friend expresses his views with his customary vigour. All the reports from the Prime Minister's strategy unit on the economics of the issues and from the science review indicate that there are concerns and potential problems, which must be addressed by strong and sound scientifically based legislation. In the longer term, however, there may be potential benefits not only in this country but elsewhere across the world. My reading of the response to the public dialogue is that people are conscious of that potential, although their concerns remain and must be addressed.

Miss Anne McIntosh (Vale of York) (Con): Does the right hon. Lady agree that one reason for the public disquiet is that only one of the three trialled crops was cleared? Cross-pollination is a particular problem that has not been tackled, and it will affect the highly regarded and lucrative niche market in organics. Will she support the draft Bill introduced by my hon. Friend the Member for Bexhill and Battle (Gregory Barker), which comes before the House on 26 March?

Margaret Beckett: I have not studied the draft Bill, but I will do so as a matter of great urgency. The public's unease is not a result of one of the crops in our trials showing different results from the other three; it was there before the trials were set up, and we must take it seriously and understand it. Although the hon. Lady states that one of the crops in the trials was cleared, the immediate response from some who commented was that none of them should be cleared, so there is clearly resistance in some quarters.

The hon. Lady made an important point about the potential for cross-pollination. One of my concerns—this is why I told my hon. Friend the Member for Manchester, Central (Tony Lloyd) that we must get as much of the science as possible into the public domain—is that sometimes people are given the impression that cross-pollination difficulties will occur irrespectively, but that is not necessarily the case because different questions arise if a crop does not have wild relatives or does not readily cross-pollinate. I do not mean that there are no questions, but there is greater uncertainty and difference than is sometimes conveyed.

Departmental Staff

5. **Mr. Richard Bacon** (South Norfolk) (Con): How many people are employed by (a) her Department, (b) its agencies and (c) non-departmental public bodies for which her Department is responsible. [152867]

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): DEFRA employs around 7,000 people and a further 6,430 are employed in its agencies. 14,450 people are employed by DEFRA's 19 executive non-departmental public bodies and 2,100 people are employed by our two public corporations.

Mr. Bacon: DEFRA has 12 in-house delivery agents, 15 inspectorates, six executive agencies, 19 executive non-departmental public bodies, 29 non-executive non-departmental bodies, two public corporations and representatives in eight of the nine Government offices for the regions. One of those representatives recently told farmers in my constituency that her role was not to deliver programmes but

"to provide strategic input into a multiplicity of strategies"—

whatever that may mean.

Does the Minister agree with Lord Haskins, who told the Government last October that there is room for streamlining in the Department? If he agrees with Lord Haskins, when will it happen?

Alun Michael: The hon. Gentleman should know that my right hon. Friend the Secretary of State indicated her acceptance of the thrust of Lord Haskins's report immediately after its publication and said that we would work very hard on its implementation, which we are doing. The list that he has just reeled off indicates DEFRA's wide range of responsibilities across the environment, farming, food and general rural affairs. We first had representatives in the Government offices for the regions when DEFRA was set up, and the delivery of specific programmes lies with specific organisations such as the Rural Payments Agency and the Rural Development Service.

Andrew Bennett (Denton and Reddish) (Lab): Will my right hon. Friend consider reducing the number of people employed in the Countryside Agency, or encouraging the agency to do so and use of some of the

money saved to make grants available so that we can make the legislation on access to the countryside a practicality in the summer? If those grants were available to provide stiles and other access to land, it would make a great difference.

Alun Michael: My hon. Friend points to an element that was considered carefully by Lord Haskins and on which we are working. He will be aware that the proposals involved the creation of a single integrated agency for issues such as land management, biodiversity and so on. That would have an impact on the Countryside Agency, and we also intend to move towards greater regional and local delivery of services. The points that he makes are valid and we will consider them as we work through the programme of reform to which the Haskins report has given rise.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): One of the most important agencies of DEFRA is the state veterinary service, which is the greatly overstretched front line for biosecurity in this country. Will the Minister consider the staffing levels of the service and see what can be done to arrest the decline that occurred year on year under the previous Government? I should remind the House that my wife is a practising veterinary surgeon, although in private practice.

Alun Michael: We keep the numbers in the state veterinary service under review. The figure at the moment is 1,399, which is considerably lower than the numbers at the time of foot and mouth disease, when staffing levels were greatly expanded. As the hon. Gentleman reminds us, there was a reduction under the previous Government. We certainly keep the numbers under review.

Paddy Tipping (Sherwood) (Lab): Does my right hon. Friend accept that staff in the Department and its agencies will be affected in one way or another by Lord Haskins's review? As my right hon. Friend said, an initial announcement has been made, but is there not a danger from a lack of strategic planning—a sort of planning blight—unless final decisions are made fairly quickly? Will he confirm that the full implementation of the Haskins recommendations would require primary legislation, of which there is little early chance?

Alun Michael: When my right hon. Friend the Secretary of State initially responded to the Haskins report, she rightly said that primary legislation would be required to change the legal status of agencies or to create a new agency with independent status, but much can be done through co-ordination and co-working. I can tell my hon. Friend that we are working with leading people in the Countryside Agency, English Nature and other affected organisations—including the Rural Development Service, which is part of DEFRA at the moment. Lord Haskins recommended that the RDS, as a delivery arm, should be linked to English Nature and the new integrated agency. The organisations are working well together and I am impressed by the high quality and motivation of staff in DEFRA and its agencies, and by the way in which they seek to improve the quality of the service that they give to their customers and the public. After all, that is what we were trying to achieve through the review by Lord Haskins, which should be set in a renewal of rural strategy, to which my right hon. Friend has said she will return in the course of this year.

Mrs. Caroline Spelman (Meriden) (Con): It is now nearly three months since Lord Haskins published his report reviewing the work of all the agencies included in the structure of DEFRA. Within a day of it being published, Lord Haskins summarised the findings of his 172-page report in six simple words, when he described DEFRA as a

"dog's dinner of the highest order".

When the Minister last answered a written question on headcount, he said that information on staffing numbers at the Environment Agency and the Countryside Agency were not available, and that the information on non-departmental public bodies was not held centrally. Does not the lack of clarity in the staffing numbers at DEFRA show that it is a dog's dinner, the content of which is a mystery?

Alun Michael: That is a real dog's dinner of a question. The hon. Lady might well have said that it is only three months since Lord Haskins reported and considered the complexity of issues involved in dealing properly with staff and maintaining services to customers and the public. The Countryside Agency employs about 665 people, some of whom will be working in areas that Lord Haskins recommended should go into the integrated agency. The Environment Agency employs more than 10,000 staff, dealing with a wide range of issues—environmental protection, fisheries, navigation and so on. The hon. Lady should consider some of the complexities that we, as a Department, have to address.

Avian Influenza

6. **Michael Fabricant** (Lichfield) (Con): What precautions are in place to prevent the infection of the national flock of chickens with bird influenza virus; and if she will make a statement. [152869]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): The Government have banned imports from all the affected countries of all live birds, unprocessed poultry meat, and other bird products capable of transmitting the avian flu virus.

Michael Fabricant: I thank the Minister for his answer. Of course, he gave a fuller answer when he answered the urgent question last Wednesday. Thankfully, answering that question, he said that

"the risk of the disease being transmitted to the UK poultry flock is low",

but that as an additional precaution he would be

"asking ports to be extra vigilant and to prohibit the importation of consignments that do not fully comply with the rules."—[*Official Report*, 28 January 2004; Vol. 417, c. 313.]

I hate coming back to the same old subject, but the Minister will have read the Home Office reports on the integrity of British ports. He has said in the House on a

number of previous occasions that there are now two sniffer dogs to detect the illegal importation of poultry and beef and that eventually there will be six. There are more than 100 ports. When will he stop being complacent—

Mr. Speaker: Order. The hon. Gentleman's question is far too long.

Mr. Bradshaw: Not only long, Mr. Speaker, but repetitive. As I have told the hon. Member for Lichfield (Michael Fabricant) several times, that is a matter for Customs and Excise, which is doing an excellent job; it is hugely increasing the amount it spends on checking at airports and trebling the number of sniffer dogs. In the next financial year, Customs will hugely increase the amount of money it spends on those things.

Mr. Tam Dalyell (Linlithgow) (Lab): Pursuant to my question to the Minister on his statement last Wednesday, has he had any joy from Professor Ian Maudlin and the Roslin Institute or, indeed, any other leading research department in Britain, in order to help those countries that have a heck of a problem?

Mr. Bradshaw: Yes, indeed. Immediately after the urgent question last week, I asked my officials to make contact with the institute to which my hon. Friend referred. Those contacts have been made, and I am sure that such help and expertise will help not only us but the whole international community in addressing this serious problem.

David Burnside (South Antrim) (UUP): Until the threat of this foreign virus is removed, will the Minister give a commitment to contact personally the chairmen of Tesco, Marks and Spencer, Sainsbury and all our major supermarket chains—indeed, he could even write to Colonel Sanders of KFC—to ask that those chains stock only good, healthy, fresh British chickens?

Mr. Bradshaw: I think it would be very wrong if the House were left with the impression that it is unsafe to eat the chicken products on the shelves of our supermarkets. That is not the case. The Food Standards Agency has made it absolutely clear that there is no risk at all of catching avian flu from consuming chicken products. The products that I outlined have been banned for import anyway. However, I always advise, as I did last week in answer to the urgent question, that consumers should buy British.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): My hon. Friend will be aware that avian influenza can be devastating to susceptible birds. In my constituency, there are a number of small poultry farms. Is my hon. Friend sure that the DEFRA information pack has reached those small farmers so that they are aware of what to look out for?

Mr. Bradshaw: I very much hope so, but after Question Time I shall check that it has. My hon. Friend is right but, as I said last week, it is also the case that the threat to our flocks from avian flu was much more serious last year when there was an outbreak across the channel in the Netherlands. It is highly unlikely that there will be any infection in our flocks as a result of an outbreak in south-east Asia, but we are taking all the necessary precautions available to us. However, my hon. Friend is right—any outbreak would be extremely serious.

GM Crops

8. **Joan Ruddock** (Lewisham, Deptford) (Lab): When GM maize will be licensed for commercial growing in the UK. [152871]

The Secretary of State for Environment, Food and Rural Affairs (Margaret Beckett): Decisions on applications to release particular GM crops for commercial cultivation in the European Union, including the UK, are subject to collective EU agreement under the procedures and timetable set down in EC directive 2001/18 and are made on a case-by-case basis. EU-wide licences for three types of GM maize were granted in 1997–98. However, none can yet be grown commercially in the UK because no variety of those three types of GM maize has been added to either the UK national list of seeds or the EU common catalogue.

Joan Ruddock: I thank my right hon. Friend for that answer. As she indicates, there is a step—listing on the UK national seeds list. Can she tell the House when the meeting will take place; what discussions she has already had with her counterparts in the devolved Assembly and Parliament; and when indeed she expects pesticide approval to be granted? I understand that those would be the only remaining steps necessary for GM maize to be granted approval by this country—even though, as she says, there is an EU dimension.

Margaret Beckett: I cannot tell my hon. Friend that. All I can say is that she correctly identifies some of the steps that have to be taken. We have had discussions—I anticipate that we will have further discussions—with the devolved bodies about those issues, which, as she says, concern all of us, but I merely remind her that, as I said in my answer, the licensing of those crops was undertaken in 1997–98.

Mr. Jonathan Sayeed (Mid-Bedfordshire) (Con): If scientific evidence shows that organic farms become contaminated by GM maize or other GMOs, thereby losing their price premium, who will compensate those organic farmers?

Margaret Beckett: That is the nub of the issues that people are discussing and on which we have some advice already from the independent agricultural advisory committee. I simply tell the hon. Gentleman that, of course, we have to take account of what are the possibilities of what is described as the contamination of conventional food or organic food by GM crops. Of course procedures are in place to try to protect the purity of organic crops against conventional crops, so we are considering the mechanisms that already exist and what should happen if problems arise.

Ridgeway

9. **Mr. David Rendel** (Newbury) (LD): If she will make a statement on protection of the Ridgeway. [152872]

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): Over the past year, I have held several meetings—most recently on 28 January—with local MPs, including the hon. Gentleman, Members of the House of Lords and the local highway authorities to address the problems of damage to the surface of the trail by vehicular traffic. The Ridgeway management group, which consists of the Countryside Agency and local highway authorities, has produced an action plan that includes measures to repair and protect the surface of the trail, such as the use of traffic regulation orders by local highway authorities. For example, Wiltshire county council is introducing such an order for Smeathe's ridge.

Mr. Rendel: I thank the Minister very much for the sterling work that he is doing to try to protect the Ridgeway—I think that all the MPs concerned would agree with that—but may I ask him what is the comparative cost of introducing one TRO for the entire Ridgeway compared with each local authority having to introduce its own TRO?

Alun Michael: That issue was raised at the meeting last week, and I have asked officials to look at it, but one of the problems is that the controls of activities can succeed only if they are appropriate to the different paths and conditions at various points along the Ridgeway. In some places, the existence of mechanised vehicles on the Ridgeway causes immense problems; in others, it does not. Local support, as well as the support of all the local authorities, is required if any arrangement is to work. I am sure the hon. Gentleman would encourage them, as I have done, to work together locally.

Mr. Robert Key (Salisbury) (Con): The Minister knows that Wiltshire county council has spent a great deal of time and money on the Ridgeway on behalf of our communities, but that the Ridgeway is only one example among many thousands of the extremely delicate heritage routes across our country. Does he agree that we must grasp the problem in a far more determined manner? It is not just about repairing damaged tracks and so on; it is about telling the people who use those tracks that they are as much a part of our heritage as a great building and that it is not appropriate to plough them up with motor vehicles, when we should be looking after them as though they were indeed national monuments.

Alun Michael: I warmly welcome what the hon. Gentleman says and encourage him and any of his constituents who care about the issues as he does to make their views known in response to the consultation that I recently launched on the use of motorised vehicles. I am receiving a lot of correspondence from Members of the House, but some correspondents suggest that there is no need to tackle the issue. The hon. Gentleman has illustrated why the consultation was necessary. Of course we need to examine carefully every opinion and piece of evidence that comes in, and I strongly encourage people to respond because I agree with him about the importance of the matter.

Mr. James Gray (North Wiltshire) (Con): The Minister will correct me if I am wrong, but I think that the consultation period has already closed, so it might be too late for people to respond. None the less, does he agree that under the Countryside and Rights of Way Act 2000, there is a real risk that thousands of miles of RUPPS—roads used as public paths—are being reclassified as byways open to all traffic, which means that they will become permanently available for those scourges of the quiet enjoyment of the countryside: four-wheel-drive vehicles and motor cycles? Will he take steps to reclassify all byways open to all traffic as restricted byways throughout England, thereby preserving the peace and quiet of our rural lanes for all time?

Alun Michael: I am glad that the hon. Gentleman is concerned about the issue, and I hope that we will have his assistance and that of Opposition Members when we take forward the outcome of the consultation. Representations are still coming in and will be considered within the consultation—it is important that everyone has the opportunity to contribute. Given that there is something like a month to go on the consultation, I am pleased that the matter has been highlighted in the House today so that everyone, whatever their interest, will know about the consultation and contribute to it.

Fuel Poverty

10. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What assessment she has made of the conclusions of the Fuel Poverty Advisory Group regarding the funding provided for the warm front programme. [152873]

The Secretary of State for Environment, Food and Rural Affairs (Margaret Beckett): We are grateful to the Fuel Poverty Advisory Group for its report and recommendations. Funding for the next financial year will be of the order of £150 million. Funding requirements beyond that will be decided as part of the 2004 spending round, taking into account representations by the Fuel Poverty Advisory Group and also the comments of the National Audit Office and the Public Accounts Committee.

David Taylor: The Government have a statutory target to eradicate fuel poverty from vulnerable households by 2010, and the 2003 annual report of the Fuel Poverty Advisory Group, which is published today, recognises that significant progress has been made toward that target. However, it says that expenditure on programmes such as that to which my question refers needs to be upped by 50 per cent. in the coming years, especially to help the integration of Government Departments' activities, to focus on the private rented sector, to supply gas when possible and to give more measurable targets in the spending round. Is the Secretary of State hopeful that that will happen—

Mr. Speaker: Order. Enough.

Margaret Beckett: I think my hon. Friend's complaint was that it is not enough, Mr. Speaker.

I simply say to my hon. Friend that we have read, and will study, the report with great interest. I recognise that the concerns that he expresses are contained in the report, and I am grateful to him for acknowledging how much progress has already been made. He knows that some of the concerns that we have identified to which we will need to give careful consideration are criticisms that not all the programme has been directed at the fuel poor. There is a distinction between people who are vulnerable—no one disputes their vulnerability—and those who are specifically fuel poor. We shall have to give careful consideration to all those issues.

Mr. Eric Forth (Bromley and Chislehurst) (Con): When considering this rather peculiar concept of fuel poverty, will the Secretary of State tell us how much consideration is given to the individual lifestyles and spending priorities of those who claim to be in fuel poverty? Does it not seem rather odd that we have a concept of so-called fuel poverty, but that we do not have one of food poverty or any other specific kind of poverty? How on earth can the scheme be made to work in isolation from individuals taking responsibility for their own spending priorities in their own households?

Margaret Beckett: I can only say to the right hon. Gentleman that it is some 20 or 30 years since people were first able to identify the specific concept of fuel poverty, which is related not only to people's spending priorities but to the condition of their housing and the natural tendency, in a sense, for people who are especially vulnerable, such as the elderly and frail, to be those who live in poor, run-down housing. I assure him not only that a great deal of work has been done to identify the problem of fuel poverty, but that the Government have done much to address it and intend to do more.

Mr. Peter Pike (Burnley) (Lab): Does my right hon. Friend recognise that although many elderly people in my constituency and many other parts of the country have benefited from the programme, some of those most in need fear pressure from doorstep salesmen, because they do not distinguish one thing from another and are afraid that they might be conned into getting into debt, whereas the scheme is designed to help them?

Margaret Beckett: My hon. Friend makes two important points. First, he is right that over 700,000 households have received assistance from the warm front scheme. Secondly, he is right to identify the concerns felt particularly by some elderly people. I shall take his remarks into account when we consider the design and communication of any new scheme.

Swill Feeders

11. **Mr. Boris Johnson** (Henley) (Con): If she will compensate previously licensed swill feeders. [152874]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): No.

Mr. Johnson: Given that feeding scraps to pigs is perfectly safe, environmentally friendly and has been going on ever since man domesticated animals; given that the 62 licensed swill feeders were encouraged by DEFRA to invest thousands of pounds in new equipment before the ban; and given that since the ban an extra 1.7 million tonnes of biodegradable stuff is being sent to landfill or washed down the sewers, is it not the Minister's duty, in all logic, to compensate those 62 licensed swill feeders or to lift that ridiculous and hysterical ban?

Mr. Bradshaw: No. Such an act would be grossly irresponsible, as the cause of the £8 billion foot and mouth epidemic in this country related to exactly the practice that the hon. Gentleman is so keen to support.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): I thank my hon. Friend for that answer, but is he aware that the problem was caused by one pig farmer, not all of them? As the hon. Member for Henley (Mr. Johnson) rightly said, the vast majority of those farmers were operating on the advice of the Department and in a fit and proper manner, have never had any compensation and are being unfairly treated, compared to others. If the current investigation by the ombudsman finds that they have been unfairly treated, will he consider compensating them?

Mr. Bradshaw: I do not intend to pre-empt what the parliamentary ombudsman may or may not say in response to my hon. Friend's doughty campaign on behalf the pig-swillers in his constituency, but it is not right to say that they have been treated unfairly. There is an enormous risk involved in the practice, which is why it has been banned not just in this country but across the whole of the European Union. It may have been the fault of only one irresponsible owner, but our strong scientific advice is that there is no need for the practice, and that the risk that we would be incurring by continuing with it, given the devastation caused by the foot and mouth outbreak, does not warrant a continuation of the practice.

Sir Peter Tapsell (Louth and Horncastle) (Con): How does the Minister account for the fact that the plethora of new food regulations is outpaced only by the number of popular foods that we are almost weekly told it is unsafe for us to eat? Has thought been given to the possibility that the dangers of food poisoning, which are undoubtedly real, derive less from the farm-level producers, such as licensed swill dealers, than from the activities of international big business, such as the great pharmaceutical companies and, to take a recent example, the development of mass production of farmed salmon?

Mr. Bradshaw: No.

Biofuels Industry

12. **Norman Lamb** (North Norfolk) (LD): If she will make a statement on progress in developing a biofuels industry. [152875]

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): Following the reduction in the duty rate for biodiesel introduced in

July 2002, around 2 million litres of biodiesel are currently sold each month in the UK. Half of that comes from UK-sourced recycled vegetable oil. The remainder comes from finished product imported from elsewhere in Europe. The construction of the Argent plant near Motherwell will add a further 50 million litres annually to UK production.

Norman Lamb: I thank the Minister for his response. In view of the fact that the duty cut on bioethanol that comes into force next January will not give rise to any domestic production of bioethanol, will he support the amendment to the Energy Bill tabled in the House of Lords, as it would introduce a clear road transport fuel obligation?

Alun Michael: A number of companies are actively considering the production of biodiesel from, for example, UK-grown oilseed rape, and the Department for Transport will shortly consult on the UK's targets for the use of biofuels under the EU biofuels directive.

Sudden Oak Death

13. **Mr. Desmond Swayne** (New Forest, West) (Con): What progress is being made in preventing the spread of sudden oak death. [152876]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): We are continuing to survey and take eradication action against phytophthora ramorum, the cause of sudden oak death. Spending by DEFRA and the Forestry Commission has increased by approximately 50 per cent. on eradication, import control and research into this very worrying disease.

Mr. Swayne: Notwithstanding that increase in expenditure, the tenor of representations that I have received from nurserymen from the National Farmers Union and the New Forest Committee is that given the catastrophic effects of the disease, the Government's response has been complacent, at least in respect of imports. What can the Minister say to counter that criticism?

Mr. Bradshaw: I reject it entirely. This Government, as I learned this week on a visit to California, the part of the world most severely affected by the disease, have acted more swiftly than any other Government, not just across the Atlantic but also in the European Union. The hon. Gentleman is right to draw attention to the seriousness of the disease, and we very much appreciate the co-operation we have had from the nursery industry. We are in discussion with it, and have been throughout. I am pleased that the hon. Gentleman has drawn the disease to the attention of the House, because it is not an exaggeration to say that it has the potential to be at least as devastating to our landscape as Dutch elm disease a generation ago.

Hugh Robertson (Faversham and Mid-Kent) (Con): But it is not only oak trees that are under threat. The national orchard—the nation's supply of fruit trees—has declined by a staggering 25 per cent. since 1997. Bearing in mind the fact that those trees are good for the environment and that the people who farm them are unsubsidised and produce food that is good for the nation's diet, what steps is the Minister taking to encourage people to plant more fruit trees?

Mr. Bradshaw: That has nothing to do with sudden oak death. There is no evidence, either here or in the United States, that fruit trees are susceptible to the disease.

Landfill Sites

14. **Mrs. Patsy Calton** (Cheadle) (LD): What steps are being taken to tackle the effects of pollution from landfill sites. [152877]

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): There are strict controls on landfill sites aimed at preventing or reducing any negative impact on the environment. In the spring, we will publish a review of the environmental and health effects of waste management, which brings together existing literature and evidence on the health and environmental effects of waste management, and will provide a valuable side-by-side comparison of different waste management options.

Mrs. Calton: I thank the Minister for his response. Will he consider keeping a register of all sites containing materials harmful to human health, and make it a criminal offence to withhold information, whatever the source, about the tipping of such materials, either now or in the past?

Alun Michael: I am not sure what examples the hon. Lady is pointing to that are not already covered by controls on tipping. As she will understand, we are doing our best both to get a proper fix on the health impact and reduce the UK's reliance on landfill. If she has specific examples that she would like to draw to my attention one of my ministerial colleagues or I would be happy to respond.

Norman Baker (Lewes) (LD): The Minister said that there are strict controls on landfill, but is he aware that in 2002 there were 285 major landfill pollution incidents? Only one in 200 incidents resulted in a fine for the operator, averaging just £6,000, which is a pittance to landfill operators. Is not the message from the Government that the polluter does not pay, and what is the Minister going to do about it?

Alun Michael: I have just suggested that we want a better informed understanding of the environmental effects of waste management and a reduction in the UK's reliance on landfill. The figures that the hon. Gentleman referred to are a matter of concern, and I can assure him that they are kept under review both by DEFRA and the Environment Agency.

Operation Gangmaster

15. **Mr. Peter Luff** (Mid-Worcestershire) (Con): If she will make a statement on her Department's involvement in Operation Gangmaster. [152879]

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): DEFRA staff are involved when required in Operation Gangmaster activities, on which the Department for Work and Pensions takes the lead.

Mr. Luff: The Minister will know that there is concern that Operation Gangmaster is not an effective mechanism to deal with the activities of rogue gangmasters. Could he tell the House whether the Government intend to support the Gangmasters (Licensing) Bill, which is due for its Second Reading on Friday 27 February, or do they prefer more effective enforcement of the current regulatory regime? If it is the latter, they must put more effort into doing so.

Alun Michael: Results are coming out of the work. For example, the Department for Work and Pensions identified 235 overpayments and 1,023 adjustments to benefit worth £405,000, securing 138 sanctions and prosecutions. Figures show that the Inland Revenue's success in relation to unpaid tax and national insurance is worth £4.3 million. Steps are being taken that are producing results. However, I recognise hon. Members' interest in taking further measures to deal with gangmasters, and we are carefully considering, with colleagues in other Departments, the private Member's Bill to which the hon. Gentleman referred.

Business of the House

12.30 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): Will the Leader of the House please give us the business for next week?

The Leader of the House of Commons (Mr. Peter Hain): The business for next week will be as follows:

MONDAY 9 FEBRUARY—Second Reading of the Scottish Parliament (Constituencies) Bill.

TUESDAY 10 FEBRUARY—Opposition Day [4th Allotted Day]. There will be a debate entitled "The State of the Environment" followed by a debate on local taxation. Both debates arise on a motion in the name of the Liberal Democrats.

WEDNESDAY 11 FEBRUARY—Motion to approve the Northern Ireland Arms Decommissioning Act 1997 (Amnesty Period) Order 2004 followed by Opposition half-day [5th Allotted Day] (1st Part). There will be half-day debate entitled "Confusion Over the Powers of the Proposed Elected Regional Assemblies" on an Opposition motion.

THURSDAY 12 FEBRUARY—Motion to approve a money resolution on the Sustainable and Secure Buildings Bill followed by a motion to take note of the outstanding reports of the Public Accounts Committee to which the Government have replied. Details will be given in the *Official Report*.

The provisional business for the week after the half term week will be:

MONDAY 23 FEBRUARY—Second Reading of a Bill.

TUESDAY 24 FEBRUARY—Motions relating the Draft Social Security Benefits Up-Rating Order 2004 and the Draft Guaranteed Minimum Pensions Increase Order 2004 followed by Opposition half-day [5th Allotted Day] (2nd Part). There will be a half-day debate on an Opposition motion. Subject to be announced.

WEDNESDAY 25 FEBRUARY—Debate on the Report from the Privy Counsellor Review Committee on the Anti-terrorism, Crime and Security Act 2001.

THURSDAY 26 FEBRUARY—Motion to approve a money resolution on the Employment Relations Bill followed by a debate on Welsh affairs on a motion for the Adjournment of the House.

FRIDAY 27 FEBRUARY—Private Members' Bills.

Following is the information:

PAC REPORTS 2002–03

Report No	*Title of Report*	*Publication Date*
1st	Collecting the Television Licence Fee	18 Dec. 2002
2nd	Dealing with Pollution from Ships	9 Jan. 2003
3rd	Tobacco Smuggling	10 Jan. 2003
4th	Private Finance Initiative: Redevelopment of MOD main Building	30 Jan. 2003
5th	The 2001 Outbreak of Foot and Mouth Disease	14 March 2003
6th	Ministry of Defence: Exercise Saif Sareea II	12 March 2003
7th	Excess Votes 2001–02	19 March 2003

PAC REPORTS 2002–03

Report No	*Title of Report*	*Publication Date*
8th	Excess Votes (Northern Ireland) 2001–02	19 March 2003
9th	The Office for National Statistics: Outsourcing the 2001 Census	26 March 2003
10th	Individual Learning Accounts	4 April 2003
11th	Facing the Challenge: NHS Emergency Planning in England	16 April 2003
12th	Tackling Pension Poverty: Encouraging Take-up of Entitlements	9 April 2003
13th	Ministry of Defence: Progress in Reducing Stocks	11 April 2003
14th	Royal Mint Trading Fund 2001–02 Accounts	17 April 2003
15th	OPRA: Tackling the Risks to Pension Scheme Members	2 May 2003
16th	Improving Public Services through Innovation: The Invest to Save Budget	9 May 2003
17th	Helping victims and witnesses: the work of Victim Support	8 May 2003
18th	Reaping the Rewards of Agricultural Research	16 May 2003
19th	The PFI contract for the redevelopment of West Middlesex University Hospital	6 June 2003
20th	Better public services through call centres	5 June 2003
21st	The operations of HM Customs and Excise in 2001–02	12 June 2003
22nd	PFI refinancing update	13 June 2003
23rd	Innovation in the NHS—the acquisition of the Heart Hospital	18 June 2003
24th	Community Legal Service: The Introduction of Contracting	20 June 2003
25th	Protecting the Public from Waste	25 June 2003
26th	Safety, quality, efficacy: regulating medicines in the UK	26 June 2003
27th	The management of substitution cover for teachers	26 June 2003
28th	Delivering better value for money from the Private Finance Initiative	19 June 2003
29th	Inland Revenue: Tax Credits and tax debt management	2 July 2003
30th	Department for International Development: Maximising impact in the Water Sector	3 July 2003
31st	Report Tackling Benefit Fraud	4 July 2003
32nd	The Highways Agency: Maintaining England's Motorways and trunk roads	11 July 2003
33rd	Ensuring the effective discharge of older patients from NHS acute hospitals	17 Sept. 2003
34th	The Office of Fair Trading: progress in protecting consumers' interests	9 July 2003
35th	PFI Construction Performance	16 July 2003
36th	Improving service quality: Action in response to the Inherited SERFS problem	17 July 2003
37th	Ministry of Defence: The Construction of nuclear submarine facilities at Devonport	10 Sept. 2003
38th	Department of Trade and Industry: Regulation of weights and measures	10 July 2003

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PAC REPORTS 2002-03

Report No	*Title of Report*	*Publication Date*
39th	A safer place to work: Protecting NHS hospital and ambulance staff from violence and aggression	23 July 2003
40th	Improving social housing through transfer	24 July 2003
41st	Modernising procurement in the Prison Service	18 Sept. 2003
42nd	A safer work place to work: Improving the management of health and safety risks to staff in NHS Trusts	15 Oct. 2003
43rd	Fisheries enforcement in England	13 Nov. 2003
44th	New IT Systems for Magistrates Courts: The Libra project	11 Nov. 2003
45th	Protecting public health and consumer interests in relation to food: the Food Standards Agency	27 Nov. 2003
46th	Ministry of Defence: Building an air manoeuvre capability: the introduction of the Apache Helicopter	18 Nov. 2003
47th	Film Council: Improving access to, and education about, the moving image through the British Film Institute	4 Dec. 2003
48th	The Public Private Partnership for National Air Traffic Services Ltd	9 Dec. 2003
49th	The operational performance of PFI prisons	2 Dec. 2003

Mr. Heald: Will the Leader of the House join me in thanking the Doorkeepers and Badge Messengers in the Public Gallery for their speedy work in dealing with yesterday's disturbances?

I was a bit surprised to see that on 23 February we are to have the "Second Reading of a Bill", particularly in the light of the Leader of the House's recent comments that the Opposition were not giving him enough notice of our business.

The Leader of the House will be aware of the anxiety faced by the many thousands of people with Equitable Life pensions. Why are we still waiting for the publication of the Penrose report on the Treasury's regulation of that insurer? The Financial Secretary has said that the report is with the Treasury and that it will be published in full. Can the Leader of the House confirm that and tell us when?

In yesterday's debate, the hon. Member for Thurrock (Andrew Mackinlay), a true parliamentarian, told us that although Lord Hutton cross-examined John Scarlett in public, the Foreign Affairs Committee was refused access to him; and that when the Committee requested drafts of the dossier, it was refused them, yet Lord Hutton put them on the world wide web. Is it not time for the Leader of the House to insist to his colleagues, not least the Prime Minister, that our Committees are properly treated?

Lord Birt is an adviser to the Prime Minister. It seems that he has an office in the Cabinet Office, at public expense, that is so imposing that it even has its own staircase—yet he refuses to give evidence to the Public Administration Committee about his job. If his role is to make occasional speeches in support of the Prime Minister, as he did yesterday, should he not come along to the Committee and say so? Why should there be such secrecy and disrespect for Parliament? What will the Leader of the House do to strengthen our Committees?

Yesterday, the Prime Minister told us that he did not realise, even on the eve of battle, that the 45-minute claim related only to battlefield weapons. On the face of it, he wrongly believed that our bases in Cyprus were at imminent risk of missile attack, just as the newspapers reported. Yet later in the debate, the right hon. Member for Livingston (Mr. Cook), who is in his place, and the Secretary of State for Defence told us that they knew that that was not true. Why did they not tell the Prime Minister? We need a Prime Minister's statement to clear that up. If he led us to war, falsely believing in an imminent risk that did not exist, and his senior Ministers knew that he was wrong, that is monumental incompetence. We are entitled and need to know what happened so that it never happens again.

Mr. Hain: First, I endorse the thanks of the hon. Member for North-East Hertfordshire (Mr. Heald) and add those of the whole House to the Doorkeepers for the speedy way in which they acted, as they always do. I am a great fan of theirs.

On the Second Reading of a Bill, the hon. Gentleman is right that I normally try to give full details of the second week's business. However, we are considering a week after the half-term recess.

Mr. Eric Forth (Bromley and Chislehurst) (Con): So?

Mr. Hain: The former shadow Leader of the House asks, "So?" in his normal, mischievous fashion. The answer is clear. If I were in a position to provide the information, I would have done that. As soon as I am in a position to give it—I hope that that will be at business questions next week—I shall do that. There will be an interval when the House is in recess when hon. Members can take the matter forward.

Mr. Forth: Pathetic.

Mr. Hain: It is not pathetic, but a sign of a Government who want to tell the House about the way in which their legislative programme is proceeding. We await news of progress in the House of Lords. The right hon. Gentleman would do better to start talking to his Tory friends and the hereditaries in the House of the Lords who continually try to delay Government legislation. Their record on scrutiny of Government legislation is pathetic, to use his word. The House of Commons has a much better record of scrutinising legislation than the House of Lords. *[Interruption.]*

Mr. Speaker: Order. Mr. Luff, there is something wrong with you. You should not shout like that.

Mr. Hain: On Equitable Life, the Treasury is studying the Penrose report, as I said previously. We will present an account to the House as soon as we can because many hon. Members and constituents are worried about the matter.

Lord Hutton's report did not satisfy the Conservatives demand for blood in the Government. That is why they continue to complain about it.

Conservative Front-Bench Members have displayed a certain ambiguity about whether they regard Lord Hutton's report as good and whether they respect his position as an impartial judge. Do they or do they not? We ought to know.

On who was questioned in public for the Hutton report and who was questioned by the House Committees, I strongly agree that those Committees, including the Intelligence and Security Committee, should have access to all the intelligence. That Committee, together with Lord Hutton's inquiry, saw all the intelligence that there was to see. Both reviewed it and neither delivered the verdict that the Conservatives and their supporters in the media wanted, but that is a problem for them, not Lord Hutton or the Intelligence and Security Committee.

As for strengthening Select Committees, the Prime Minister, who leads our Government, has appeared before the Liaison Committee, which comprises all the Chairmen of Select Committees, to answer questions on a range of issues. Our Prime Minister has been more accountable to Select Committees than any Prime Minister in the history of Parliament since Select Committees were established. I shall therefore take no lessons in accountability from the shadow Leader of the House. Indeed, we have strengthened Select Committees' resources and we encourage them to continue their work.

On the question of Lord Birt, as the hon. Gentleman knows, I am awaiting the report and any recommendations and representations from the Liaison Committee over the Osmotherly rules and the position of officials—whether civil servants or special advisers—in their accountability or otherwise to Select Committees. I have promised the Liaison Committee that if I receive representations from it, I will look at them. That covers that point, except in this respect—Lord Birt is a former chief executive, a former director-general, of the BBC so it is absolutely right that he should say what he believes, particularly in the wake of the controversy in the BBC. Again, there is persistent mischief making.

On the 45-minute issue, there is an unholy alliance between opponents of the war and the Conservatives and their allies in the media who supported the war. They are using the latest bandwagon to cause mischief and spread confusion on the issue. The truth is that all the intelligence, including on this matter, was available to Lord Hutton; all the intelligence, including on this matter, was available to the ISC. The Conservatives are now, through the prism of Andrew Gilligan's false "Today" programme report, trying to rewrite history. The truth is that Saddam Hussein, as we know from United Nations inspections and our own intelligence, possessed huge stockpiles of weapons of mass destruction over the years—*[Interruption.]* Yes he did, and even Leaders of the Conservative party are on record as having said that. The former Leader of the Conservative party is consistently on record as being persuaded of that, as is the party's current leader.

Finally on that matter, the key issue is whether we support the toppling of Saddam Hussein—with the destruction that he imposed on Iraq, including with weapons of mass destruction—or not. We are very clear on that matter; is the hon. Member for North-East Hertfordshire?

Mr. Paul Tyler (North Cornwall) (LD): May I urge—*[Interruption.]*

Mr. Speaker: Order. Mr Fabricant, your behaviour is intolerable. It is not acceptable.

Mr. Tyler: I am grateful, Mr. Speaker.

May I urge the Leader of the House to consider the need for a full statement of clarification from the Prime Minister on the real remit of the Butler committee? In answer to my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) on Tuesday, the Foreign Secretary quite clearly said that any concern about the mishandling of intelligence

"was dealt with comprehensively by Lord Hutton"—[*Official Report*, 3 February 2004; Vol. 417, c. 631.]

and must therefore be excluded from the remit of the Butler inquiry.

Last night in the other place, several very senior Conservative peers took up that point. For example, Lord King of Bridgwater, who was Secretary of State for Defence during the first Gulf war, said:

"The terms of reference are obviously most important. Perhaps I may ask the noble and learned Lord the Lord Chancellor, who is a member of the Cabinet: what do the Government intend those terms of reference should be? I hope that in responding . . . he will have a good, clear government answer to that question. I shall press on my colleagues the question of the continuing participation of the Conservative Party in the inquiry if we cannot be clear about the agreement we have reached."—[*Official Report, House of Lords*, 4 February 2004; Vol. 657, c. 706.]

The Lord Chancellor's answer, which I must give in its totality—

Mr. Speaker: Order. I say to the hon. Gentleman and all hon. Members that these exchanges are on the business for next week. Also, I am expecting brief supplementary questions. Please try to paraphrase.

Mr. Tyler: I shall be as brief as I can, and much briefer than other participants. The Lord Chancellor said that his

"right hon. Friend the Prime Minister has made clear that the terms of reference exclude ground already so thoroughly covered by the noble and learned Lord, Lord Hutton. I do not think that any of us wants the report to go over the ground that has already been covered. It has been made absolutely clear that it excludes any consideration of whether the Government were justified in taking military action. That conclusion, which has been accepted by the Conservatives, is not a matter for a committee".—[*Official Report, House of Lords*, 4 February 2004; Vol. 657, c. 790.]

There were further exchanges—

Mr. Speaker: Order. I think that the hon. Gentleman should try again next week, just before we have a break.

Mr. Tyler *rose—*

Mr. Speaker: No, this is not good enough. I call the Leader of the House.

Mr. Hain: I am not surprised by the hon. Gentleman's question, because he and his leader have been seeking to

[Mr. Hain]

distance themselves from the inquiry from the beginning, in contradistinction to the Conservative party, to which I pay credit in that regard. The inquiry's terms of reference are crystal clear. They are to study all the intelligence involved in the background to the decision. That is a separate mandate from that of the Hutton report, and the inquiry under Lord Butler will proceed as everyone has described.

Tony Wright (Cannock Chase) (Lab): On days like yesterday, when we are discussing huge issues of public importance and vast numbers of Members across the House want to speak, is it sensible to curtail the debate on an Adjournment motion at 7 o'clock, when most Members would have liked it to continue for longer? If such debates are to be curtailed, surely we could at least have a system whereby people knew whether they had some chance of being called.

Mr. Hain: I understand my hon. Friend's concerns on this matter, but I am implementing the rules of the House, in relation, for example, to the time limit on speeches. which the Speaker imposed in order to allow more people to participate. My hon. Friend is saying that we should go past the moment of interruption in certain debates—[HON. MEMBERS: "Yes."] Well, the difficulty with that is that there will always be special pleading for all sorts of different Bills—*[Interruption.]*

Mr. Speaker: Order. Hon. Members must give the Leader of the House the courtesy of being allowed to reply. Please bear in mind that I have the power to stop these questions if this goes on. We must allow the Leader of the House to answer the questions put to him.

Mr. Hain: I am grateful to you for that, Mr. Speaker, although frankly, Opposition Members' heckles are easy meat to deal with.

The difficulty for a Leader of the House, as I am sure will be understood more widely, is that there will always be pleas for extensions to debates on this or that issue. Of course I acknowledge that the Hutton report is a very important issue, but exactly the same representations were made to me in respect of the Higher Education Bill—*[Interruption.]* They were, and lots of people wanted to get in on that debate but were unable to do so. There could be another Bill like that next week. I see the Conservatives nodding vigorously, as they usually do on these issues, but when they were in government they faced exactly the same prospects. Under the new hours—if that is the issue here—we have more time to scrutinise legislation and more time when the House is sitting than we had under the old hours.

Mrs. Angela Browning (Tiverton and Honiton) (Con): Can we have an urgent debate on ministerial accountability to the House? I was fortunate enough to secure a debate on roads in Tiverton and Honiton at 5.30 last Thursday evening, when the hon. Member for Plymouth, Devonport (Mr. Jamieson), the Minister responsible for roads, in responding to my request for the long overdue south-west area multi-modal study—SWARMMS—report to be produced, said:

"The work has taken longer than we expected but it is nearing completion."—[*Official Report, Westminster Hall*, 28 January 2004; Vol. 417, c. 134WH.]

The very next morning, I was informed by the BBC, who had phoned the Department for Transport, that the Department had given the BBC the answer and the report is now out. However, I have heard absolutely nothing from the Minister. That is outrageous. It is a contempt of hon. Members for a Minister to come to the Floor of the House at 5.30 in the evening and give me, a Member of Parliament, that kind of response when, the very next morning, he was able to tell the BBC that the report would be out the following week, which it was. That is quite disgraceful.

Mr. Hain: The Minister will obviously want to look very carefully indeed at the statement that the hon. Lady has made to the House. I congratulate her on securing that debate last week on this important issue for her constituency, and I understand that there is another debate next week in which these matters could be addressed.

Mr. Robin Cook (Livingston) (Lab): May I invite my right hon. Friend to tell me when it might be appropriate for us to explore the exchanges in the winding-up speech last night, which came at the end of the debate? In the light of those exchanges, I want to tell the House that I knew that Iraq had only battlefield weapons because I asked the Chairman of the Joint Intelligence Committee. I have the highest respect for his professionalism. Is it not hard to credit that, at no point between the September dossier and the March debate, did he explain to the Prime Minister the crucial distinction between battlefield weapons and medium-range weapons? Is it not equally difficult to believe that the Prime Minister's security adviser, Sir David Manning, never thought to ask? When I was Leader of the House, I sometimes found it necessary after these exchanges to consult a Whitehall Department and advise it that it should clarify a public statement. May I urge my right hon. Friend that, today, it might be helpful if he were to give that advice to Downing street?

Mr. Hain: I know—and my right hon. Friend, having occupied my position before me, will know —that Downing street pays particular attention to business questions, and his point will be noted.

Mr. Paul Keetch (Hereford) (LD): The Leader of the House will be aware of the problems caused in Wales by flooding, but is he aware of the chaos that was caused in the city of Hereford last night by the River Wye flooding? It caused gridlock on the roads. Roads had to be closed, a bridge had to be closed, OAP homes had to be evacuated and many homes were flooded. Given that we have been campaigning for a flood defence scheme for the Wye for many years, and that the Government expect a report fairly soon, when may we have a debate in Government time on the Government's flood defence programme generally, and specifically for the city of Hereford?

Mr. Hain: I understand the hon. Gentleman's concerns in respect of his constituency and in particular that city. The devastation wreaked by the flooding has

been dreadful. In my own constituency, in Pontardawe in the Swansea valley there has been the same impact, which for local residents has obviously been a nightmare. My right hon. Friend the Secretary of State is monitoring the situation closely, together with the Environment Agency. All steps necessary are being taken to improve the situation, and lessons will be learned. If the hon. Gentleman has further representations, I know that my right hon. Friend will welcome them.

Mr. Clive Soley (Ealing, Acton and Shepherd's Bush) (Lab): Has my right hon. Friend had an opportunity to look at the proposals I made to him some weeks ago to continue the reforms in this place and to build on the success of the Westminster Hall forum—a success about which I am particularly pleased? Those proposals include using it in such a way that Members of this House could question Ministers who are in the House of Lords, but in a forum in this part of the House, and also question European Union Commissioners? Those are just two more proposals that we should be considering to improve our procedures.

Mr. Hain: I very much agree with my hon. Friend that the Westminster Hall debates have been a huge success.

Mr. Forth: No.

Mr. Hain: I say to the former shadow Leader of the House, tell that to all the Members—including the hon. Member for Tiverton and Honiton (Mrs. Browning), who has just raised such an issue—who have had opportunities to have their constituency issues addressed and to hold Ministers accountable. It has been a big success, notwithstanding the anachronistic comments from the right hon. Gentleman.

The questions of European Union Commissioners and House of Lords Ministers are matters that the Modernisation Committee will look at very carefully. However, precedents could be set by such appearances, which we would have consider very carefully, not just in the Modernisation Committee but doubtless with the Procedure Committee and others involved.

Sir George Young (North-West Hampshire) (Con): In a reflective interview with *The Times* last Saturday, entitled "Perma-tan Hain sees light at end of dark days", the Leader of the House expressed bitter disappointment that No. 10 had scuppered his party's policy on the House of Lords. In relation to the business of the House, he is quoted as saying:

"But I think there is a head of steam on this which will enable us to look forward."

If there is that head of steam, surely we need a debate in order to build on the momentum.

Mr. Hain: As for the perma-tan, I am afraid I cannot do anything about that, but I shall pass on my African roots and see if that helps the right hon. Gentleman.

With regard to No. 10 scuppering policy, that was the spin by *The Times* on the situation. The truth is that, as the right hon. Gentleman will remember, I voted for a 100 per cent. elected second Chamber, and then subsequently down the steps until the whole issue fell. However, the House did not agree on any option. I would like to see— and the Government are consulting upon, as the Secretary of State for Constitutional Affairs has made perfectly clear—a later stage of reform. In the meantime, we have an absolutely crucial job to do, which is to get rid of the hereditary peers from the second Chamber and have an independent system of appointment.

I remind the right hon. Gentleman that the Government are now in a position in which we have fewer votes in the House of Lords than Cross-Benchers—

Mr. Forth: Good.

Mr. Hain: We also have fewer votes than the Conservatives.

The right hon. Gentleman says "Good", because he wants to use an unelected Chamber to defeat the policies of an elected House of Commons, acting on the mandate of a general election manifesto—and a landslide mandate at that.

What will be interesting in the whole debate is to see where the Conservative party is on this matter. The Conservatives in the Lords voted overwhelmingly for a fully appointed second Chamber, but the Conservative leadership in the Commons appears to support an elected element. There is an element of hypocrisy and opportunism here, but as the debate unfolds we shall find out more.

Mr. John Lyons (Strathkelvin and Bearsden) (Lab): My right hon. Friend will know that this year we celebrate 10 years of the Fairtrade Mark, and we have a Fairtrade fortnight coming up, from 1 March to 14 March. Can my right hon. Friend find time for a debate to let us discuss the very practical and important ways in which the Fairtrade Mark can help the poor countries of the third world?

Mr. Hain: I acknowledge my hon. Friend's work on this issue. It is important now that the House recognises Fairtrade goods. I should like to see them marketed and sold as widely as possible. The Government are strongly behind the whole Fairtrade movement and are pressing for trade justice. We have promoted and supported it in the World Trade Organisation negotiations, and we shall also continue to press within the European Union against protectionism by the EU.

Mr. Alex Salmond (Banff and Buchan) (SNP): May we have an urgent debate on the question of safety at sea, given that the new fishing regulations mean that for boats caught on 15 days there is no allowance for force majeure, so that if a boat goes to help another boat it loses fishing time and if a boat heaves to in a storm it loses fishing time? Before every fishing debate we pay tribute to those who lose their lives in the most dangerous profession of all. We have never before passed legislation to jeopardise safety at sea. Will the Leader of the House arrange for a debate? Will be contact the appropriate Minister and have this situation changed?

Mr. Hain: I join the hon. Gentleman in paying tribute to fishermen, who, as he says, do a most dangerous job. We depend enormously upon them.

[Mr. Hain]

The hon. Gentleman has raised some very important issues, which I know my right hon. Friend the Secretary of State will want to study very carefully before deciding how to proceed in respect of discussion in the House. The hon. Gentleman has the opportunity to apply for a debate in the normal way.

Mrs. Anne Campbell (Cambridge) (Lab): Has the Modernisation Committee given any consideration to moving private Members' Bills to Tuesday evenings? That would make them much more accessible for those of us who have fairly active constituency engagements on a Friday.

Mr. Hain: My hon. Friend raises an interesting point, which has been put to me in the extensive consultations that I am undertaking on the review that the Modernisation Committee will be conducting on the hours. Hon. Members, including my hon. Friend, are putting quite a strong argument to do precisely as she says, and have all of the Fridays as constituency days and deal with private Members' Bills on Tuesday evenings. That would meet some hon. Members' concerns about the matter.

I hope that over the coming months we can reach a consensus on the hours issue. I do not want to see the clock rolled back. On the other hand, I want the House to be in a position in which it is comfortable with the arrangements, rather than there being a deep division on the hours question. If we can find a way through this, and if people can talk to each other and—dare I say?—even negotiate with each other, I am confident we can deal with the problem.

Mr. David Heathcoat-Amory (Wells) (Con): At Foreign Office questions, I asked about unrestricted immigration from the EU accession states after 1 May, and whether the Government still stood by their estimate of between 5,000 and 13,000 a year. In reply, the Minister for Europe ignored my question and launched into a rant about rancid hate campaigns—but since then the Prime Minister has announced a change of policy. Will the Leader of the House first, inform the Foreign Office about what No. 10 is now thinking on this matter, and secondly, organise an urgent debate, because it is getting very late in the day to make difficult and sensitive changes about entitlements to benefits before 1 May?

Mr. Hain: I appreciate the points that the right hon. Gentleman makes. That is why my right hon. Friend the Prime Minister addressed them very directly yesterday. Our decision on the whole matter must be within an overall policy of managed migration, keeping a firm control on illegal migration, wherever it is from, and illegal workers, while welcoming legal migrants, whom our economy needs, as the right hon. Gentleman will recognise.

There are many safeguards in place already, including safeguards on benefit entitlement. We are looking at these matters afresh, to see how we can best protect our national interests, but in a way that allows key workers to be recruited to fill urgent skills gaps in the economy.

Mark Tami (Alyn and Deeside) (Lab): Has my right hon. Friend had a chance to see the recent report on unemployment published by the Library, which shows sharp falls in unemployment since 1997, and in the case of Alyn and Deeside, a fall of more than 36 per cent? Can he arrange for an urgent debate on unemployment, and in particular, contrast our record with the appalling record of the Conservative party?

Mr. Hain: That is an excellent idea. The truth is that not only in my hon. Friend's constituency, which I have had the privilege to visit on a number of occasions, including with him, but in the constituencies of every Member of the House, unemployment has fallen dramatically under this Government. Employment has risen, and the economy is now in a stronger state than it has been in for generations. That is the policy that we will continue to promote, and that is why we are confident of winning an election, whenever it comes.

Rev. Martin Smyth (Belfast, South) (UUP): Can the Leader of the House arrange for a Minister to explain to the House the policy on vetting overseas workers, particularly those entering the health field, in the light of the arrest this week of one at least in Belfast who has been linked with al-Qaeda?

Mr. Hain: Obviously, this matter is being closely studied and acted on by the Home Secretary, the Secretary of State for Northern Ireland and the security authorities. It is a very important issue. Other Members have raised such issues in the past, which is why we are seeking to promote a policy that is tough on such matters, and that ensures that potential terrorists in particular are not taking advantage of our services.

Peter Bradley (The Wrekin) (Lab): Will my right hon. Friend arrange an urgent debate on the significance in shaping opinion both inside and outside the House of the intelligence about the 45 minutes launch capacity? If so, we will be able to consider why, between the publication of the dossier and the Gilligan broadcast—an eight-month period—it was mentioned only once on the Floor of the House, why in 43,000 oral and written questions it was referred to only twice, and why in the eight-month period it was referred to by the national press only 109 times, since the Gilligan broadcast, whereas it has been mentioned thousands on thousands of times.

Mr. Hain: As my hon. Friend knows, the Gilligan broadcast was completely false, as the Prime Minister pointed out yesterday. He has made a very important point. In all the intelligence that I saw, the much broader picture, which has been repeatedly endorsed not just by successive Foreign Secretaries, including my right hon. Friend the Member for Livingston (Mr. Cook), but by the Leader of the Opposition and the former Leader of the Opposition, is that Saddam Hussein, over the years, possessed weapons of mass destruction, posed a threat in terms of his capabilities, and had used those weapons against his own people in the Kurdish north and against the Iranians. In respect of the question of battlefield nuclear weapons and biological and chemical warfare, Members of the House will remember Halabja, where more than 5,000 people died and many more were injured and had their lives disfigured for ever by the use of precisely those kinds of weapons.

We should be careful before we say that one form of delivery system is not a problem but others pose an enormous threat. The truth is that Saddam was a menace to his people, a menace to the region and a menace to the world, and the fact that he has gone is good for all of us.

Sir Patrick Cormack (South Staffordshire) (Con): As the Leader of the House has rightly and generously proclaimed his support for the Badge Messengers and Doorkeepers, and as they are even more attached to their traditional uniform than Lord Birt to his new staircase, will he give them an assurance that he will not attempt to strip them?

Mr. Hain: I will certainly give the hon. Gentleman that assurance, and I welcome his points. I have many friends among the Doorkeepers, and they are an admirable group of gentlemen and servants of the House.

Hon. Members: And ladies!

Mr. Stephen McCabe (Birmingham, Hall Green) (Lab): I am sure that my right hon. Friend shares my satisfaction at the attention that the Government have focused on the scourge of antisocial behaviour and the raft of measures introduced to tackle it. What of local authorities and other agencies, however, which do not use the law, which can take more than six weeks to remove an abandoned car, or which seek to hide behind the Data Protection Act 1998 rather than acting to protect poor, downtrodden members of the public? Can we have a debate to monitor the implementation of the legislation and to consider what needs to be done to hold those agencies to account and give proper redress to those members of the public who deserve protection under the law?

Mr. Hain: Before I answer that question, I want to acknowledge that I missed out the fact that there is a lady Doorkeeper, and I hope that there are more.

My hon. Friend raises a concern that all Members share, certainly on the Labour Benches. Our communities are disfigured by antisocial behaviour: graffiti, neighbours from hell, and intimidating yobs on estates and in the streets. The police and other agencies now have the weapons and the methods to deal with that, and often they are not being applied. That is my hon. Friend's point, I strongly support him on it, and I hope that the message goes out loud and clear that the House has passed legislation on this matter—often without the support of the Opposition, I might add—and we expect it to be acted on.

Mr. Edward Garnier (Harborough) (Con): Can we have an early debate in Government time on air and rail transport in the east midlands? This is a matter of considerable interest to my hon. Friend the Member for Rutland and Melton (Mr. Duncan) and me, and to the hon. Member for Leicester, East (Keith Vaz). East Midlands airport is increasing the number of freight flights at night, which will cause huge disturbance to our collective constituents. I also draw to the right hon. Gentleman's attention the parlous record of Midland Mainline, the railway company, which has decided to avoid calling at Market Harborough station in order to catch up on its timetable. Can we have a debate at the earliest possible opportunity, so that those two highly important east midlands transport issues can be dealt with?

Mr. Hain: I know that the Secretary of State for Transport will want to look carefully into the hon. and learned Gentleman's points, which are clearly important for his constituency, for those of the other Members whom he mentioned, and for the whole east midlands area. I have been to East Midlands airport; it is a fine airport, and I hope that it continues to go from strength to strength.

Jim Sheridan (West Renfrewshire) (Lab): My right hon. Friend will be aware that the television viewing figures for this place are on the increase, particularly during Prime Minister's Question Time. Does he share my concern, however, about the increased number of questions to the Prime Minister, from all sections of the House, that are of a local nature and that are not directly the responsibility of the Prime Minister? Does he believe that that is a good use of Prime Minister's Question Time, a half hour per week, in which the Prime Minister should be asked questions on a national and international level and not on local matters?

Mr. Hain: I agree that the House is increasingly being viewed as more and more people get access to the broadcasting of Parliament. That is good for democracy.

Chris Bryant (Rhondda) (Lab): It is the hours.

Mr. Hain: It may well be the hours that are responsible, as my hon. Friend the Member for Rhondda (Chris Bryant) says. Very few people will want to watch the House at 2 am, when the former shadow Leader of the House wants us to be sitting. I welcome that, because it is good for democracy. I must disappoint my hon. Friend the Member for West Renfrewshire (Jim Sheridan), however, because Members have the right to raise any question that they like with the Prime Minister, whether it is local, international or national. I must protect that right.

Mr. Nigel Dodds (Belfast, North) (DUP): May I draw the attention of the Leader of the House to early-day motion 553, on the future of the police reserve in Northern Ireland?

[That this House notes the contribution made by members of the full-time Police Reserve to the security of people in Northern Ireland; calls upon the Government to end immediately the speculation over the future of the Reserve; and further calls for embers of the Reserve to be granted the right to lateral entry into the ranks of the Police Service in Northern Ireland.]

As he knows, this is not a devolved matter but a matter reserved to this place. Knowing the tremendous contribution of the full-time reserve to policing in Northern Ireland, can he arrange for an early debate or a statement from the Secretary of State for Northern

[Mr. Nigel Dodds]

Ireland to end the speculation about the future of the police reserve and to ensure that it continues for the benefit of the entire community in Northern Ireland?

Mr. Hain: As the hon. Gentleman knows, Northern Ireland questions are next Wednesday, so he can put exactly that point to the Secretary of State for Northern Ireland, if he catches the Speaker's eye.

Mr. John Smith (Vale of Glamorgan) (Lab): May I draw my right hon. Friend's attention to early-day motion 267, on the Montreal convention?

[That this House notes with regret that the Montreal Convention for the Unification of Certain Rules for International Carriage by Air, which replaces the Warsaw Convention (1929) and came into force in 32 countries on 4th November 2003, fails to provide air travellers with the same basic rights and protection in law as any other transport users by restating the unique legal exemption given to airlines in Article 17 of the Warsaw Convention which removes any responsibility whatsoever for the health or psychological well-being of their passengers; recognises that this will do nothing to discourage the unsafe and unhealthy practice of cramming passengers into ever smaller aircraft seats with reduced leg room; and calls on her Majesty's Government to seek through the European Union to amend the Montreal Convention by replacing the term 'accident' with 'incident' and 'bodily injury' with 'personal injury' before ratification, thus placing the same duty of care on airlines as all other passenger carriers and almost certainly reducing the incidence of deep vein thrombosis amongst air travellers.]

If this convention is ratified by all the member states of the European Union, it will renew the unique and absurd exemption that airlines enjoy in having no liability whatever or duty of care for the health or psychological well-being of their passengers. Given that the vast majority of the travelling public are completely unaware of the uninsured risk when they board an airplane, may we have an early debate to increase public awareness of that important issue?

Mr. Hain: I acknowledge the persistence with which my hon. Friend has campaigned. His vigilance is welcome to all concerned. The Government look forward to the coming into force of the Montreal convention because it will significantly enhance the rights of air passengers. We have no plans at present to propose any changes.

Mr. Paul Goodman (Wycombe) (Con): When we went to war, the Secretary of State for Defence apparently knew that there was no threat to our bases in Cyprus but the Prime Minister believed that there was a threat. Following the question of the right hon. Member for Livingston (Mr. Cook) and given that the Leader of the House says we can ask the Prime Minister questions about local matters, should not the Prime Minister come to the House today to explain, in respect of an urgent national matter, exactly what went wrong?

Mr. Hain: The Prime Minister and the Defence Secretary appeared before the House yesterday to answer all the questions that could have been put to them and were put to them. The Defence Secretary appeared before the Defence Committee only this morning, answering precisely that type of question.

Mrs. Ann Cryer (Keighley) (Lab): May we have a debate on the introduction to the Bradford district of the extended schools childcare pilot in April? That scheme will use mainly existing facilities and seek to provide good quality, affordable child care for pre-school and out-of-school children in assisting all parents into work. Such a debate might encourage the local authority to work with the Government on that scheme. Voluntary organisations throughout the district will help, and I know that many of my constituents welcome the scheme.

Mr. Hain: I am grateful to my hon. Friend for bringing that scheme to the attention of us all. I am sure that the Government will want to consider promoting that admirable Sure Start plus-type scheme elsewhere. Sure Start schemes have been among the most successful projects introduced by the Government in seeking to address the problems and hurdles faced by vulnerable and deprived children—especially in single-parent families—and by those from ethnic minorities, with whom my hon. Friend works particularly closely. I hope that the pilot scheme will serve as a model for elsewhere.

Ian Lucas (Wrexham) (Lab): Does my right hon. Friend agree that one of the great successes of this Government is their policy of introducing draft legislation—and that its increased use in recent times might have avoided some of the little local difficulties that have occurred? What plans does my right hon. Friend have to take forward further draft legislation? Why is it that all Bills cannot be introduced initially in draft?

Mr. Hain: Some Bills—those relating to Northern Ireland being a classic example—arise urgently and have to be dealt with quickly. My right hon. Friend the Member for Livingston (Mr. Cook) was a pioneer—and we are indebted to him—in taking Bills forward on a pre-legislative basis. My hon. Friend is absolutely right in saying that draft Bills can be scrutinised, improved and amended. We are introducing 13 draft Bills—the highest number in the history of the House of Commons. I am sure that each of those 13 measures will be improved and that as a result, greater consent will be obtained and the views of Back-Bench Labour Members especially can be heard more than they have been in the recent past.

Mr. Adrian Flook (Taunton) (Con): The Leader of the House will be aware that the Highways Agency has published its technical report on the relative merits of dualling either the A358 or the A303 in Somerset. Given the sensitivity attached to the dualling of any road, particularly in an area of outstanding natural beauty, does the Leader of the House agree that there should be a debate on dualling roads?

Mr. Hain: I am not intimately acquainted with the dualling of the roads concerned, but I understand the importance of that matter to the hon. Gentleman, other local Members of Parliament, and their constituents. I

am sure that the Secretary of State for Transport will study closely what the hon. Gentleman has to say, if he is successful in obtaining the opportunity to speak on that subject next week.

Paul Flynn (Newport, West) (Lab): When can the House debate the tragic consequences of the use of seroxat? We know now that the manufacturers of that drug suppressed research findings. One of the awful consequences of seroxat, proved in court cases in America and in cases in this country, is that it so modifies the behaviour of its users that in a number of instances they have taken their own lives and those of their families. This is a clear case of manufacturers putting greed before safety.

Mr. Hain: There is widespread debate about the status and role of seroxat. My hon. Friend vigilantly scrutinises all such drugs and I am sure that the Secretary of State for Health will examine closely my hon. Friend's remarks.

Mr. Roy Beggs (East Antrim) (UUP): Has the Leader of the House had the opportunity to read the exclusive article headed "Dirty Tricks" in yesterday's *Evening Standard*? It appears that an attempt is being made to hype up a row over Northern Ireland's participation in the Olympic games. Will the right hon. Gentleman make time as soon as possible for the Secretary of State for Culture, Media and Sport to come to the House to give a reassurance that in the event of a successful Olympic bid by London, all regions of the United Kingdom will have the opportunity to share the benefits—and that Northern Ireland's opportunities will not be sabotaged by some Irish attempt to restrict Northern Ireland's participation?

Mr. Hain: As Secretary of State for Wales and a Member of Parliament representing a Welsh constituency, I agree with the hon. Gentleman. I am pleased that my right hon. Friend the Secretary of State for Culture, Media and Sport made it clear, when she announced the Olympic bid, that all regions of the United Kingdom would have the opportunity to take advantage of the opportunities—and that should apply to Northern Ireland as much as to Wales or anywhere else. After all, Northern Ireland has produced some fantastic athletes—most notably, Mary Peters.

Rob Marris (Wolverhampton, South-West) (Lab): The new sitting hours have made it more difficult for visitors from constituencies such as mine, in the west midlands. What discussions, if any, has my right hon. Friend had with the House authorities about establishing a reception centre for visitors, to improve the facilities available to them?

Mr. Hain: I am very much a champion of visitors to the House. When I was first elected nearly 13 years ago, I was absolutely appalled at the shabby way in which we used to treat visitors—and to some extent still do. Visitors, other than foreigners, elect us and they should be welcome here. This is their House of Commons and their Parliament. For that precise reason, I was discussing the other day with the Chairman of the Administration Committee how reception facilities for visitors could be improved. I am confident that we can move forward and that right hon. and hon. Members will shortly have a chance to consider how the situation can be improved using a new infrastructure that treats visitors properly, so that they do not have to queue in the rain to see us and encounter a positive welcome instead of a "no entry" sign.

Mr. Henry Bellingham (North-West Norfolk) (Con): Did the Leader of the House hear the Secretary of State for Defence speaking on the "Today" programme this morning? He talked about battlefield nuclear weapons and strategic systems and said that he had not seen headlines in *The Sun* and *Evening Standard* that appeared at the time. Is there not a case for a debate on the competence of Government press officers and an argument for discussing whether or not there should be a return to old-fashioned independent Government press officers—rather than the hacks from Millbank who now advise Ministers?

Mr. Hain: That is a weapon of mass distraction from the hon. Gentleman. The Defence Secretary presumably answered questions on that matter in the Select Committee this morning. For the life of me, I have no idea how anybody can get uptight about a busy Secretary of State such as my right hon. Friend not remembering which newspaper he read nearly 18 months ago.

Mr. David Drew (Stroud) (Lab/Co-op): Will my right hon. Friend consider an urgent debate on the administration process and, in particular, the role of the administrator? A company in my constituency that is well known to certain people, Lister-Petter, has just been through the administration process. It appears that the administrator has chosen to favour some creditors at the cost of employees, the pension fund and other creditors. Is that matter not worthy of an urgent debate and some change in accountability?

Mr. Hain: My right hon. Friend the Secretary of State for Trade and Industry will want to consider that carefully. My hon. Friend will have a chance to raise it at Question Time next week, but it certainly needs consideration.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Will the Leader of the House be a lot more forthcoming about the Penrose report on Equitable Life? He will know, as we all do, that many of our constituents are very concerned. Will he give an undertaking that the report will be issued in full, unedited and unexpurgated, that it will be issued very soon, and—just as important—that there will be a full debate on the Floor of the House on Penrose and everything relating to Equitable Life, so that our constituents can be satisfied that everything is being done to get at the truth? That applies not least to the issue of compensation, if it arises as a result of the inquiries into Equitable Life.

Mr. Hain: I agree that this is a crucial issue. Having been in Government himself, the right hon. Gentleman will understand that we must get this right—it is a complex matter, especially if the question of compensation arises—and I am sure he understands

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that we would rather take a little time to do that than rush into it prematurely. I know that people are anxious for this to be dealt with as a matter of urgency, though, and having noted that anxiety, my hon. Friend the Financial Secretary will no doubt want to act on it.

Richard Burden (Birmingham, Northfield) (Lab): Has my right hon. Friend had a chance to look at a report published today by the International Development Committee on development assistance in the occupied Palestinian territories? It reveals levels of poverty in some parts of the occupied territories that are equivalent to those in sub-Saharan Africa, and mentions the particularly severe humanitarian impact of the wall being constructed by Israel. There are 176 signatures, from Members in all parts of the House, to early-day motion 407.

[That this House calls on Israel to cease immediately the building of its Separation Wall deep within Palestinian territory, which, according to the preliminary analysis by the United Nations Office for the Coordination of Humanitarian Affairs of maps published by the Israeli Government, will be 687 km long and will leave more than 274,000 Palestinians living in 122 villages and towns either surrounded by the Wall or trapped between the Wall and Israel's internationally recognised borders, some even requiring permits from Israel to continue living in their own homes; notes that the analysis estimates that a further 400,000 Palestinians living east of the Wall will be separated from their farms, jobs, markets, hospitals and schools, and that the Wall will have 'severe humanitarian consequences' for 30 per cent. of the entire Palestinian population of the West Bank; contrasts this with the fact that UN figures reveal that 54 Israeli settlements in the West Bank and 63 per cent. of settlers will be on the side of the wall next to Israel, giving Israel control over the richest agricultural land and the aquifer system which provides much of the West Bank's water resources; further notes that the Wall is made up of concrete, razor wire and electronic fences, trenches, motion sensors, guard towers and security roads, that it costs $4.7 million per kilometre and that it violates articles 53 and 147 of the Fourth Geneva Convention, to which Britain is a high-contracting party, which forbids the destruction of property and confinement of persons by an occupier; welcomes the decision of the International Court of Justice to open hearings into the legal consequences of the construction of the Wall; further notes that, whilst Israel needs security, the Wall does not follow internationally recognised borders; insists that it does not become a de facto border for a future Palestinian state; further notes that only a reinvigorated peace process with full international support will stop the violence on both sides, not an 8 metre high wall; and calls on the British Government to bring all available pressure to bear on Israel to cease building this Wall].

Does my right hon. Friend agree that the time has come for a debate on the Select Committee's recommendations, and also on what we in this country should do about the position in the occupied territories, not just what we should say?

Mr. Hain: I agree that the report published today is extremely welcome. It identifies the desperate situation of the Palestinians—one of the most desperate in the world, as my hon. Friend says, and one that must be addressed. If I were a Back Bencher I would have signed his early-day motion, because it reflects a view that is widespread in the House that the injustice done to the Palestinians must end and that the wall is an abomination—and, ironically, an obstacle not just to Palestinian justice and the erection of a viable independent Palestinian state but to Israel's security, because it perpetuates tension between the two peoples. What we want is a secure Israeli state and an independent Palestinian state working together and economically interdependent, as they will always be.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Will the Leader of the House speak to the Secretary of State for Scotland about the long title of the Scottish Parliament (Constituencies) Bill, which will have its Second Reading next week? As things stand it is drawn exceptionally tightly, and will not permit discussion in Committee of any amendments relating to the electoral system employed, which is what Scottish Members and their constituents want to be discussed. Surely it is wrong for them to be frustrated in their wish because of this narrow drafting.

Mr. Hain: I know that there is widespread anxiety in Scotland about the electoral system there, as indeed there is in Wales: I can say that from personal experience. The hon. Gentleman will be able to raise the issue on Monday, and I am sure the Secretary of State for Scotland will welcome that, but I do not think that widening the long title, which is quite specific, is the best way of dealing with the question of parliamentary boundaries. I am sure the issue will arise on Monday, however, and the hon. Gentleman will be able to make his points then.

Keith Vaz (Leicester, East) (Lab): May I press for a debate on the concessions that the Government are giving the member-designate countries that will join the European Union on 1 May? My right hon. Friend will know from his former role as Minister for Europe that Britain is the champion of enlargement. The Government's change of heart will cause concern in the applicant countries as they prepare to take the important step of joining the EU. If we have a debate, we will at least be able to clarify the Government's position.

Mr. Hain: As my hon. Friend's successor as Minister for Europe, I know that these issues—with which we have both had to deal—are very difficult to resolve, because the rights and interests of the applicant countries must also be borne in mind. That is why the Prime Minister has been determined to get this right and consider any concerns that have recently arisen, and why he said what he did yesterday.

We should remember that exactly the same concerns were expressed in relation to the entry into the EU of poor countries such as Greece, Spain and Portugal years ago. Some 150,000 migrant workers in France went back to their homes in Spain after its accession. Spain had a chance to become prosperous, trade with Spain increased, and both Britain and Spain benefited. I

believe that after this interregnum we shall see exactly the same prospect for eastern and central European countries.

Bob Spink (Castle Point) (Con): Could the Leader of the House find more time than he has allowed today for a debate on local government finance, so that we can review the performance of Castle Point borough council? Under its new Tory control it has produced a prudent, low-rise budget with strengthened reserves, which shows what a difference good Tory councillors such as Jeffrey Stanley can make.

Mr. Hain: I think the hon. Gentleman will find that the business motion provided for extra time. As for good Tory councils—I have encountered no good Tory councils, as it happens, although I have encountered many good Labour councils—on present trends Labour councils are set to introduce smaller council tax increases, certainly a lot smaller than those of Tory councils and a lot smaller than those of Liberal Democrat councils as well. That shows the people of Britain that they are better off with a Labour council. They should think about that when they vote on 10 June.

Mr. Wayne David (Caerphilly) (Lab): May we have a debate as soon as possible on the extent of digital television coverage? The south Wales valleys are particularly poorly served at present.

Mr. Hain: As I too represent a south Wales valley, I know that this is an important issue. I have discussed it with BBC Wales, and I had a brief conversation with Greg Dyke, the former BBC director general, who was keen to promote digital television in Wales because of his interest in Welsh matters. During the past year I have been fortunate enough to acquire a digital television box in the Neath valley. We need to find out how we can extend coverage to other valleys.

Mr. Michael Jack (Fylde) (Con): A few weeks ago I suggested to the Leader of the House that we should have a debate on the defence White Paper. He embraced the suggestion with enthusiasm, recognising that the document contained uncertainties, especially for aerospace workers in the north-west. May I ask him to renew that enthusiasm, and tell the House when he expects such a debate to take place?

Mr. Hain: I am not in a position to give a precise date. I do share the enthusiasm for a debate on the White Paper and there will be one, but that does not mean that I acknowledge or agree with the right hon. Gentleman's points.

Chris Bryant (Rhondda) (Lab): May we have a regular European business questions session on the Floor of the House? Ministers—not just the Foreign Secretary and the Minister for Europe—go to Brussels and to Council meetings all over Europe every month, and sign up to things on behalf of this country. We have very few opportunities to question them directly. May we have a regular session, not just the chance to ask the Minister for Europe a one-off question that may or may not end up on the Order Paper for Foreign Office questions?

Mr. Hain: That is an important point. I agree with the thrust of it, which is why I have asked the Modernisation Committee to look at the whole issue of how European matters are discussed, not just in Committee—although the European Scrutiny Committee does a fantastic job—but on the Floor of the House. I think we should have more opportunities to debate them there. Our constituents would benefit, and Members would be better informed and thus better able to hold to account those responsible for what is done in Brussels.

Mr. Patrick McLoughlin (West Derbyshire) (Con): The Government published the Hutton report with commendable speed, but there is real and growing concern about publication of the Penrose report, which the Government received before Christmas—more than a month ago. Will the Leader of the House be a little more open with the House about when it will be published?

Mr. Hain: I take the hon. Gentleman's point, but he will understand that the Hutton report was commissioned at the end of July and reported only recently; we are not looking at such a time scale. As I said earlier, we are ensuring that we get things right, and when we do the hon. Gentleman will doubtless welcome that as much as everybody else.

David Burnside (South Antrim) (UUP): Will the Leader of the House find time for a full debate on the future of low-cost airline travel—I declare at least a partial interest in this issue—in the European Union? A decision was taken this week against Ryanair—a low-cost, free-enterprise airline—in respect of the French Government's campaign, in conjunction with Air France, to take away the subsidy for regional airports. If that is allowed to happen across the European Union, it will herald the end of low-cost airline travel in the EU. This is a very serious development, which will change the face of air travel for UK regional airports such as Luton and Stansted. This matter deserves a full debate in the House.

Mr. Hain: I agree with the hon. Gentleman about the importance of this issue. Millions of our constituents have benefited from low-cost airline flights, as have I, and I want them to continue to do so. Although the rules should not be broken, it is in the interests of Ryanair, easyJet, bmibaby or any other low-cost airline providers in Britain to have rules that are respected by competitors. It is very important that state aid rules apply in an impartial way. But I hope that in this case, the European Commission has not challenged and put a stop to the enormous benefit and opportunity that many people enjoy by paying low-cost fares to fly to their chosen destinations, and that it will not do so in future.

Hugh Robertson (Faversham and Mid-Kent) (Con): The Leader of the House will be aware of the importance of medals to members of the armed forces. They constitute official recognition of the service that they

[Hugh Robertson]

give and, very occasionally, of the sacrifice that they are called on to make. Bearing in mind that the relevant Defence Council instruction was issued a matter of months after the 1991 Gulf conflict, and that members of the armed forces are now making an unfavourable comparison with members of the England rugby squad, whose awards were rightly rushed through, will the Leader of the House ask the Secretary of State for Defence to explain to the House why, nearly 10 months after the end of the Iraq war, no announcement has been made?

Mr. Hain: The hon. Gentleman will understand that the England team's fantastic victory in the World cup occurred a matter of weeks before the new year's honours were announced, so that presented a convenient opportunity to recognise their achievement. However, I understand the point that he makes. Many of my constituents fought not just in the previous war in Iraq, but in the recent one, and if they are eligible they deserve early recognition. The authorities will want to look closely at how that can be achieved.

Sir Sydney Chapman (Chipping Barnet) (Con): May I encourage the Leader of the House to look favourably on the request made earlier by the hon. Member for Strathkelvin and Bearsden (Mr. Lyons) for a debate on fair trading? He will know of the devastating consequences that the common agricultural policy—and, indeed, the agricultural subsidy policies of rich countries such as the United States—have for many poor developing countries' economies. That is instanced by the dumping of food surpluses, and the keeping, in effect, of their food markets out of rich countries. This is a matter of increasing urgency. Could the Leader of the House look favourably on debating it if not next week, then shortly thereafter?

Mr. Hain: I agree with every word that the hon. Gentleman said. We must deal with the protectionism that is rife throughout the world's richer countries, including, I am sorry to say, those of the European Union. Frankly, the iniquitous common agricultural policy, which is being reformed, needs to be abolished. We need a rich world that opens up its markets to the poor world, thereby enabling the latter to lift itself out of poverty, and to provide markets for our own companies. The hon. Gentleman has identified a virtuous circle in this regard. Fair trade and trade justice are an imperative, and there will be opportunities to debate this issue as soon as possible.

Mr. Nigel Evans (Ribble Valley) (Con): I back the call for regular European questions, which would lead to a very interesting hour, but may we have a full day's debate, in Government time, on law and order and the Government's sentencing policy? Last year, violent crime in Lancashire rose by 47 per cent., and I want to get to grips with the question of whether the confusion surrounding Government policy, particularly on drugs, has led to this increase. I was also staggered to learn that last year more people received custodial sentences for motoring offences than for burglary. This is a shambles of a policy and we need to get to grips with it.

Mr. Hain: There is a serious problem with alcohol and drug-related crime, which the Home Secretary and the police are addressing. However, that should be seen against a background of big falls in crime since we were elected to office, compared with the steep rises that occurred under the previous Conservative Government, which the hon. Gentleman supported.

If there were great enthusiasm for tabling questions on European matters—I regret that there is not—Foreign Office questions could be flooded with such questions. As my hon. Friend the Member for Leicester, East (Keith Vaz) and I discovered when we occupied our posts—and as my hon. Friend the Member for Rotherham (Mr. MacShane) is discovering—on the whole, relatively few European questions are tabled, compared with questions on other issues. So the solution lies in the hands of Members of the House.

Mr. David Cameron (Witney) (Con): May we have a debate on the closure of post offices, particularly of those in convenience stores in small towns? Is the Leader of the House aware that this is a problem in Witney, as in many other towns, following the takeover of T&S Stores by Tesco, and did he read what the Prime Minister said yesterday about this issue? He said that Tesco

"did give us the assurance, however, that when reviewing those stores with post offices, it would work closely with Post Office Ltd."—[*Official Report*, 4 February 2004; Vol. 417, c. 757.]

As it is not clear that that happened, could the Leader of the House find out what those assurances were and when they were given, and place a copy in the House of Commons Library?

Mr. Hain: The Secretary of State will want to study very carefully what the hon. Gentleman has said, because it is important that when promises are made—whether by Tesco or by anybody else—they are honoured. His constituency and constituencies throughout the United Kingdom are facing the difficulties associated with post office closures for all sorts of reasons. However, one of those reasons is not a lack of Government support. The Government have put hundreds of millions of pounds into supporting local post offices, because of the importance that we attach to them.

Points of Order

1.37 pm

Mr. Tim Collins (Westmorland and Lonsdale) (Con): On a point of order, Mr. Deputy Speaker. You will know that the next item on the Order Paper relates to the Standing Committee on the Higher Education Bill, and that the Bill has generated an extraordinary amount of interest on both sides of the House, and among many people outside it. In the light of that, could you say whether you received any representations from Ministers earlier today, indicating that they intend to rethink their approach to this Committee in two important respects? First, should they not revise yesterday's decision to ram through the Committee of Selection a balance of membership of the Standing Committee that violates the injunction of "Erskine May" that membership should reflect the balance of votes on Second Reading? Secondly, should they not revise their view that the Standing Committee should meet for only 12 sittings, which is clearly an inadequate amount of time? Given that many people outside this House are observing closely how we consider this Bill, would not a rigged and truncated Standing Committee be worse than no Committee at all?

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) (Lab/Co-op): Further to that point of order, Mr. Deputy Speaker. It is unfortunate that the hon. Member for Westmorland and Lonsdale (Mr. Collins) is misleading the House. It is my—

Mr. Deputy Speaker (Sir Michael Lord): Order. Before the right hon. Gentleman goes any further, perhaps he would like to rephrase the beginning of his remarks.

Mr. Foulkes: Indeed, I will. I think that the hon. Gentleman has inadvertently stated something that is not correct. My understanding is that two rebels—if we can call them that—have been appointed to the Standing Committee, and that the Government's majority on it does not reflect their majority in this House as a whole; rather, it takes account of the vote that took place on this issue. *[Interruption.]* Well, that is certainly my understanding of the position. Yet again, Opposition Members are trying to make a party political point, and I hope that you will make it clear, Mr. Deputy Speaker, that this is not a point of order.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Further to that point of order, Mr. Deputy Speaker. Is it not the case that there are 16 Labour Members on that Committee—of whom one was a rebel, the other Member in question having abstained—and nine Opposition Members? If the vote on Second Reading had been properly reflected, the Government would have a majority on that Committee of only one, rather than their existing majority. Is it not a disgrace that they could not do what "Erskine May" says they should do?

The Leader of the House of Commons (Mr. Peter Hain): Further to that point of order, Mr. Deputy Speaker. It may help the House—

Mr. Deputy Speaker: Order. I think I can probably deal with the matter.

With regard to the initial point of order, I have received no representations of the sort that the hon. Member for Westmorland and Lonsdale (Mr. Collins) mentioned. "Erskine May" makes it clear that the Speaker cannot interfere with the Committee of Selection, but I understand that the Committee has complied with the provisions of the Standing Order in nominating Members for the Committee considering the Higher Education Bill.

Angus Robertson (Moray) (SNP): On a point of order, Mr. Deputy Speaker. In an interview on the BBC's "Today" programme this morning, and in evidence to the Defence Committee only a few hours ago, the Secretary of State for Defence said that he "did not see" the newspaper coverage after publication of the September 2002 dossier reporting that Iraqi weapons of mass destruction could be fired within 45 minutes and were long range and capable of reaching Cyprus. However, in his evidence to the Hutton inquiry on 22 September 2003, he was asked:

> "Are you aware that on 25 September... a number of newspapers had banner headlines suggesting that this related to strategic missiles or bombs?"

The Secretary of State answered, "I can recall, 'yes'". What avenues are open to Members to secure a statement by the Secretary of State to establish which version is correct?

Mr. Deputy Speaker: That is not a point of order for the Chair.

Mr. Peter Luff (Mid-Worcestershire) (Con): On a point of order, Mr. Deputy Speaker. I am grateful for your ruling on the previous points of order, and you are, of course, entirely correct to say that the Committee of Selection, on which I sit, did indeed comply with the Standing Order. However, Conservative and Liberal Democrat Members find it difficult to understand how the Committee of Selection complied with "Erskine May". Perhaps the matter should be clarified for future Committees.

Mr. Deputy Speaker: I have nothing to add to my earlier ruling.

Higher Education Bill (Programme) (No. 2)

Motion made, and Question put forthwith, pursuant to Orders [28 June 2001 and 6 November 2003].

That the Programme Order of 27th January in relation to the Higher Education Bill shall be amended by the substitution in paragraph 2 (time for conclusion of proceedings in Standing Committee) for the words "Thursday 26th February" of the words "Thursday 4th March"—*[Mr. Heppell.]*

The House divided: Ayes 230, Noes 160.

Division No. 44] **[1.41 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Armstrong, rh Ms Hilary
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Bell, Sir Stuart
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Blunkett, rh David
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Burden, Richard
Burnham, Andy
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Chapman, Ben *(Wirral S)*
Clapham, Michael
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corston, Jean
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cunningham, Tony *(Workington)*
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Dawson, Hilton
Dhanda, Parmjit
Dobbin, Jim *(Heywood)*
Donohoe, Brian H.
Doran, Frank
Drew, David *(Stroud)*
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gilroy, Linda
Goggins, Paul
Griffiths, Jane *(Reading E)*
Grogan, John
Hain, rh Peter
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Harman, rh Ms Harriet
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Heyes, David
Hill, Keith *(Streatham)*
Hoey, Kate *(Vauxhall)*
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Ladyman, Dr. Stephen
Lammy, David
Laxton, Bob *(Derby N)*
Lepper, David
Levitt, Tom *(High Peak)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McDonagh, Siobhain
McFall, John
McIsaac, Shona
McKenna, Rosemary
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mahon, Mrs Alice
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Meale, Alan *(Mansfield)*
Michael, rh Alun
Miller, Andrew
Mole, Chris
Mountford, Kali
Munn, Ms Meg
Murphy, Jim *(Eastwood)*
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Pond, Chris *(Gravesham)*
Pope, Greg *(Hyndburn)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prescott, rh John
Purchase, Ken
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Roche, Mrs Barbara
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruane, Chris
Ryan, Joan *(Enfield N)*
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheridan, Jim
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Soley, Clive
Southworth, Helen
Squire, Rachel
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Harrow W)*
Tipping, Paddy
Touhig, Don *(Islwyn)*
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Ward, Claire
White, Brian
Williams, rh Alan *(Swansea W)*
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Fraser Kemp and
Mr. John Heppell

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Begg, Roy *(E Antrim)*
Beith, rh A. J.
Bellingham, Henry
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burnett, John
Burns, Simon
Burnside, David
Burstow, Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, David
Carmichael, Alistair

Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cotter, Brian
Cran, James *(Beverley)*
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dodds, Nigel
Donaldson, Jeffrey M.
Doughty, Sue
Duncan, Alan *(Rutland)*
Duncan Smith, rh Iain
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Fox, Dr. Liam
Francois, Mark
Garnier, Edward
George, Andrew *(St. Ives)*
Gillan, Mrs Cheryl
Goodman, Paul
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Greenway, John
Grieve, Dominic
Hammond, Philip
Hancock, Mike
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Heathcoat-Amory, rh David
Hermon, Lady
Hoban, Mark *(Fareham)*
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Jack, rh Michael
Jenkin, Bernard
Johnson, Boris *(Henley)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Lait, Mrs Jacqui
Lamb, Norman
Laws, David *(Yeovil)*
Leigh, Edward
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Marsden, Paul *(Shrewsbury & Atcham)*
Mates, Michael
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Murrison, Dr. Andrew
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Paice, James
Paisley, Rev. Ian
Pickles, Eric
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Rosindell, Andrew
Russell, Bob *(Colchester)*
Salmond, Alex
Sanders, Adrian
Sayeed, Jonathan
Selous, Andrew
Shepherd, Richard
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Spelman, Mrs Caroline
Spink, Bob *(Castle Point)*
Streeter, Gary
Swayne, Desmond
Syms, Robert
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Thomas, Simon *(Ceredigion)*
Thurso, John
Tonge, Dr. Jenny
Tredinnick, David
Trend, Michael
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Whittingdale, John
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Wilshire, David
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Angela Watkinson and Mr. John Randall

Question accordingly agreed to.

Police

Mr. Deputy Speaker (Sir Michael Lord): I remind the House that Mr. Speaker has placed a 10-minute limit on Back-Bench speeches in this debate, and in the following debate on local government finance.

1.55 pm

The Minister for Crime Reduction, Policing and Community Safety (Ms Hazel Blears): I beg to move,

That the Police Grant Report (England and Wales) 2004–05, a copy of which was laid before this House on 30th January, be approved.

The Government are determined that resources for the police service should keep pace with the growing expectations made of it. I can assure the House that funding the police service properly remains a high priority for this Government. We will continue to provide the resources, powers and tools that are needed to deal effectively and efficiently with the whole range of policing problems, from tackling low-level disorder and antisocial behaviour to serious and organised crime.

Since we embarked on police reform two years ago, a great deal has been achieved. We have record investment in policing—policing provision has increased by £2.3 billion, or 30 per cent., since 2000–01. There is a growing team of crime fighters, with the number of police officers and police staff at historically high levels. At 31 August last year, there were 136,386 police officers in England and Wales, an increase of more than 9,000 since 1997, when this Government came to power, and of more than 3,000 since March last year alone.

Mr. Mark Francois (Rayleigh) (Con): When the Minister quotes those figures, will she confirm that they include people who have accepted job offers to become police officers? They have not yet been to training school or worn a uniform, but are counted, for statistical purposes, as part of the force strength.

Ms Blears: At every stage of their development in the service, those people are considered to be members of the policing community and part of our crime-fighting team. The same practice would be adopted in any other organisation. The hon. Gentleman would do well to recall that police numbers fell, rather than rose, when the previous Conservative Government were in power. The record of this Government is therefore absolutely excellent.

By March 2003, there were more than 63,000 police staff, 10,000 more than when the Government came to power in 1997. That increase has freed up police officers to concentrate on police duties. In addition, there were more than 3,000 community support officers out on patrol at the end of December last year. I am delighted that recent contributions from Opposition Members suggest that they now appreciate that CSOs make a tremendous contribution to making our communities safer.

Dr. Vincent Cable (Twickenham) (LD): While I echo the Minister's upbeat assessment, would she acknowledge that one of the success stories of recent years has been the improvement in the morale,

[Dr. Vincent Cable]

effectiveness and numbers of the Metropolitan police since the present Home Secretary took over? However, why are the Government undercutting the position of the Commissioner of Police of the Metropolis by removing £56 million from the total for London expected as a result of last year's grant assessment?

Ms Blears: I had the pleasure of reading the hon. Gentleman's contribution in the recent debate that he arranged on funding for the Metropolitan police. I was delighted by his very positive statements about the improvement in policing in London. We have not taken £56 million away from the Met. There has been a flat-rate settlement this year, which has implications for all forces across the country, not just for the Met. Some forces are gainers and some are losers, but I shall deal in detail with the implications later in my remarks.

Mrs. Anne Campbell (Cambridge) (Lab): I can tell the Minister that the extra police officers and the community support officers are very much appreciated in my constituency of Cambridge. However, Cambridgeshire has also lost out as a result of this year's flat-rate increase. Will she say when Cambridgeshire can expect to receive its full formula spending share and to get the transitional grant that is due?

Ms Blears: My hon. Friend makes an important point. I know that she has been campaigning with great effect against antisocial behaviour in her community. The decision to make a 3.25 per cent. across the board increase this year is exceptional, and I hope to return to the formula, which reflects the needs of different communities, as soon as we can.

Hywel Williams (Caernarfon) (PC): Will there be a review before we revert to the old formula? The Minister will be interested to know that North Wales police recently told me that the formula is in urgent need of review, particularly to give greater recognition to rurality. I also understand that the formula is based on the 1991 census. Can she assure the House that there will be a review before a return to the formula?

Ms Blears: The new formula was implemented only last year and was subject to a wide-ranging consultation, and the Association of Chief Police Officers, the Association of Police Authorities and all other stakeholders supported it. The hon. Gentleman will know that the rural policing grant reflects the needs of sparsely populated areas, and if he wants to make representations, I am sure that they can be considered. However, the formula is fair because of the recent wide consultation.

Mr. David Rendel (Newbury) (LD): The Minister claims that this year's increase is 3.25 per cent. Thames Valley police have told their local members that that is not the correct figure because it includes the Airwave money, which has been reduced this year. If one includes Airwave, the overall figure is less than 3.25 per cent.

Ms Blears: Hon. Members are anticipating many of the points that I shall cover in detail in my speech. On Airwave, we tried to put a specific grant into the general grant in order to give police authorities greater flexibility in making their own decisions, which is exactly what they wanted us to do. We recognise that there were problems where authorities had already made contractual commitments as a result of the Airwave programme. To remedy that, we have put £10 million of new revenue that would not have been within the settlement into the pot, and we have also contributed £20 million of capital targeted specifically at those forces that lost out the most because they had the greatest contractual commitments. I place on record my appreciation of the constructive efforts made by ACPO and the APA in enabling us to reach a fair settlement on Airwave.

Mr. James Paice (South-East Cambridgeshire) (Con): While the Minister is discussing Airwave, will she go further than paying tribute to police authorities and repeat her apology to them about Airwave, which she gave in a letter to the chairman of the APA:

> "I repeat the apology made at the meeting for the unhelpful though unintended consequences of reallocating this grant from specific to general."?

Why does she not just admit that the Government got it wrong rather than trying to make excuses?

Ms Blears: I have not made excuses and my comments have been transparent. I met members of the APA and was prepared to say that that step, which we took for the best of reasons, had had unintended consequences. I apologised for the difficulties that it had caused the APA, and, as the hon. Gentleman said, I was happy to confirm that in writing. I would not want a genuine step to maximise flexibility for police authorities to have inadvertent consequences, which we have done our best to remedy.

Sir Brian Mawhinney (North-West Cambridgeshire) (Con): May I take the Minister back to Cambridgeshire for a moment? We know that money must be set aside from the grant and devoted to pension payments. What proportion of the grant to Cambridgeshire must be set aside to pay for pensions and how does it compare with the average across the police authorities?

Ms Blears: I do not have that particular statistic at the moment. If I receive it before the end of the debate, I shall endeavour to give it to the right hon. Gentleman; if not, I shall write to him. He raises the important issue of pensions, on which we launched a consultation on 11 December last year examining how we can have a pension system that reflects the needs of both officers and the service. He is right to say that there is a retirements spike in some authorities, which makes funding pensions a burden. That is why in future we want to have a pension system that endeavours to even out the strains on police authority finances, because pensions are a large part of their budgets. Police authorities can also plan for pensions because they normally have significant notice of when people will retire and of when pension payments must be made.

Mr. David Drew (Stroud) (Lab/Co-op): I would also like to see the disaggregated figures. Does the Minister agree that we should make a virtue of those members of

the uniformed police force who want to stay on with the police in a civilian capacity, rather than seeing it as a fiddle? We should be clever enough to reach an arrangement whereby such people forgo their pension for a time, which would keep their expertise in the police force and make sure that the figures stack up. That suggestion would benefit the police, Parliament and the community—will she examine it?

Ms Blears: My hon. Friend makes an important point. We invest an enormous amount in the training, skills and expertise of members of the police service, which we should be able to retain. He will know that we recently came up with a programme of retention at 30 years-plus to do exactly that. We should examine any measures relating to the pension scheme that would also encourage the retention of skills and expertise.

As well as record police numbers, it is as well to remind the House that the police service, in partnership with others, is bringing crime down. Since 1997, burglary is down by 39 per cent. and vehicle crime is down by 31 per cent. The chance of becoming a victim of crime in this country is as low as it was in 1981, which is a tremendous achievement, despite massive changes such as the growth in ownership of mobile phones. Indeed, the focus on police performance is much stronger than it used to be. We have been trying to make the use of modern technology more widespread: the 2 millionth profile has recently been loaded on to the DNA database and there are more than 2.17 million profiles for suspected offenders.

Despite those achievements, huge challenges lie in front of us, and it is vital that all our agencies and communities work together. I shall briefly refer to the "together" campaign against antisocial behaviour, which is having a significant impact. The "together" campaign, the "together" academy and the "together" action line give local communities the tools and powers to address low-level loutish behaviour, which causes so much misery to our communities. We have also made tackling antisocial behaviour a priority in the national policing plan, so it is a strategic priority for the police.

We want to make a stronger connection between communities and their police because we know that policing cannot simply be done to people. We want policing to occur with the active co-operation of communities so that local people give the police the intelligence and information that they need. Labour's approach has been "tough on crime, tough on the causes of crime", which is more than just a slogan—it is a workable response to the spiralling crime that the Tories created before 1997. Labour Members know that people on estates, in inner cities, in rural areas and in market towns want to see efficient and effective policing; deterrence that works; swift detection and arrest; and fast and fair sentencing.

Crucially—this is the main philosophical difference between our parties—we must also understand the causes of crime, which is why police funding and partnership working are important. The issue is about not only a lack of individual responsibility but trying to address the underlying conditions that cause criminal behaviour—poverty, poor educational achievement, high unemployment and, crucially, drugs.

Mr. Bob Blizzard (Waveney) (Lab): Everything that my hon. Friend the Minister has just said relates to the situation in Suffolk. I wholeheartedly support the Government's strong message that local authorities will be capped if they come up with council tax increases greater than low single figure percentages, and I also agree that precepting authorities such as the police cannot be exempt from that. However, there is some evidence that the public are prepared to pay a bit more for their police than they are for their councils. When the Minister examines the proposed increases, will she be slightly more lenient with proposed increases from police authorities where they have put a good case together and where they present some evidence that people in their authority area support an increase?

Ms Blears: My hon. Friend makes an important point. He knows that I have been working extremely closely with my hon. Friends in the Office of the Deputy Prime Minister to ensure that we examine council tax and police precepts as holistically as possible. However, it is important that authorities have the support of their local communities when they propose increases. He is right that many local communities want to see good, effective, efficient, visible and accessible policing. I must also say to my hon. Friend that the council tax rises of the past few years are unsustainable, and we have sent out a clear message that we want authorities to be conscious of the effect on their communities of excessive council tax rises.

Mr. Nick Hawkins (Surrey Heath) (Con): The Minister mentions factors that can affect local police forces, but will she bear in mind that some forces—such as Surrey—that have a good record and are popular with the community they serve have faced unusual burdens? In my constituency, the murder of a lorry driver on the M3 by means of a brick dropped from a bridge coincided with Operation Orb in relation to the tragic murder of Milly Dowler, and with the inquiry into the Deepcut deaths. Will the Minister bear in mind that good forces such as Surrey have found it difficult to retain staff, because they have been tempted to transfer to the Met, and that forces have been under great financial strain even without the extra burdens of particular inquiries? Surrey police need help from this Government but they do not feel they are getting it.

Ms Blears: Because of the 3.25 per cent. flat rate this year, Surrey police will receive £15.7 million more than they would have done had the formula been applied. They are one of the massive gainers this year. They also have record numbers of police officers—518 more than when the Government came to power—and 64 community support officers on patrol. However, the hon. Gentleman makes an important point, and my right hon. Friend the Home Secretary made a special grant of £280,000 in April last year as a contribution to some of the large investigations that Surrey police were required to undertake. The hon. Gentleman will know that other applications for special grants and assistance are being considered. I am aware of the good work that

[Ms Blears]

Surrey police are doing, especially on the reassurance agenda, which is being led by the chief constable and is proving extremely interesting.

Mr. David Wilshire (Spelthorne) (Con): Will the Minister give way?

Ms Blears: No, I wish to make some progress; otherwise I will never get through everything I need to say.

Mr. Wilshire: Will the Minister give way?

Ms Blears: No, I shall make some progress. The police settlement for this year—

Mr. Wilshire: On a point of order, Mr. Deputy Speaker. When giving statistics to the House, such as the figure of 500 extra police in a particular police force area, should not a Minister making such a claim explain that it is because a Metropolitan police borough—my constituency—was moved out of the Met and into Surrey, and the officers went with it? That is not an increase.

Mr. Deputy Speaker: That is not a matter for the Chair: it is a matter for the debate. The hon. Gentleman has made his contribution.

Ms Blears: I am sure he has, Mr. Deputy Speaker.

The settlement builds on a strong foundation of significant investment in the police service in recent years. It builds on annual increases in policing provision of 10.1 per cent. in 2000–01, 7.3 per cent. in 2001–02 and 6.2 per cent. this year. We are providing grant to support overall police spending of almost £10.1 billion. That is an increase of £400 million or 4.2 per cent. for this year.

The police grant report deals with Home Office general police grant for revenue expenditure. That amounts to £4,380 million in 2004–05. The amounts payable to individual police authorities are listed in the police grant report that I have presented to the House. Additionally, police authorities will receive £2,892 million revenue support grant as local authorities, and special damping grant support for Wales of £14 million, making £7,286 million in total. That is an overall increase of 3.25 per cent. on last year. Main force allocations were set out in the statement on 30 January.

Mr. Parmjit Dhanda (Gloucester) (Lab): My hon. Friend mentioned special grants. Together with Gloucestershire constabulary, I lobbied for a private finance initiative credit of £1 million, so that we could have a new police station worth £26 million in Quedgeley in my constituency. Has that additional £1 million been confirmed by the Government?

Ms Blears: Yes, it is just under £1 million, but I confirm that the PFI credit has been provided to enable the scheme to go ahead. I am sure that my hon. Friend and his community will appreciate the excellent facilities that will be provided for policing in his area.

In addition to the revenue support in general grant, I will provide £657 million for a range of specific initiatives and £355 million to support police authority capital programmes. I will spend some £706 million centrally in direct support of the police, and I shall say more about specific grant funding later.

Mr. Roger Williams (Brecon and Radnorshire) (LD): As a consequence of the flat-rate settlement in Dyfed-Powys police authority, it will need to increase its precept on the council tax by 15 per cent. to maintain officer numbers. That means that in the past six years the burden falling on the council tax payers will have increased from 15 per cent. to 35 per cent. of the funding needed to maintain the police force. Is it the Government's policy to transfer the burden of police funding away from the Government to the council tax payer?

Ms Blears: The hon. Gentleman is correct to say that the proportion borne by precept payers has increased in recent years, but the amount of investment from the centre has increased even more. There has been an increase of 30 per cent. in funding from the centre, and therefore there is no attempt to push the burden on to council tax and precept payers. Equally, where there is a demand for good, effective, visible and accountable policing in communities, it is a local responsibility as well as a national one to ensure that funds are in place to enable that to happen.

Across Government, we will also invest £1.3 billion in the national drug strategy next year, which will make a real and significant contribution to breaking the link between drugs and crime.

Simon Hughes (Southwark, North and Bermondsey) (LD): Does the Minister recognise that her colleague Robin Wales, who chairs the Association of London Government, speaking on behalf of all London councils, has called her settlement disappointing for the Metropolitan Police Authority? The impact of the new formula, together with the transfer of funding mentioned by my hon. Friend the Member for Twickenham (Dr. Cable), is the equivalent of a 9 per cent. council tax increase. Do the Government accept that their new formula for London will be the direct cause of 9 per cent. extra on the police budget for London council tax payers in April this year?

Ms Blears: No, I do not accept that in the terms in which the hon. Gentleman chooses to put it. I will come to the settlement for the Metropolitan police, but they will get a significant increase in general grant as well as in many of the specific grants, including the formula for capital city functions. Extra funding will also be provided for the costs of the counter-terrorism work in which the Metropolitan police are particularly involved. I certainly do not accept the hon. Gentleman's formulation.

There have been hard choices to make this year. We were always clear that this would be a difficult year in the spending review settlement, and I am very aware that recent changes to the funding formula—to better reflect forces' needs and to distribute police grant more fairly—were implemented for the first time only this year.

Funding formulae always involve difficult decisions, but we must try to ensure that the funding system operates as fairly as possible for everyone.

We have decided, exceptionally, to provide a standard general grant increase of 3.25 per cent. for each police authority in England and Wales in 2004–05. That is in recognition of the financial pressures on police authorities and our concern to avoid excessive burdens on council tax payers when police authorities set their final budgets for next year. Some authorities would benefit considerably were we to distribute general grant solely according to the needs-based formula. However, we have had to take full account of pressures across the board to ensure that all authorities could keep police precepts at sustainable levels next year and that policing services continue to improve. The general grant increase is well above inflation and will meet, in particular, the pay increases announced for next year. I want to assure hon. Members that we will try to get back to some better reflection of the funding formula in future years.

I shall give some examples of the effect of the flat-rate settlement. Essex will gain more than £15 million, Kent more than £14 million, Surrey £15 million, Sussex £10 million and Thames Valley nearly £5 million. It is clear that there are some significant gainers from the operation of the system this year, and some significant losers, too.

Mr. David Heath (Somerton and Frome) (LD): The Minister has just said that she expects council tax increases this year to be sustainable. Elsewhere, she has said that she expects them to be low. Her ministerial colleague with responsibility for local government has suggested that any council tax increase for local authorities that is greater than a low single figure percentage increase would be unacceptable. Is that the sort of increase that she expects for police authorities, and if the increase is higher, does she intend to cap them?

Ms Blears: Clearly, the exercise of capping powers will be a matter for the Office of the Deputy Prime Minister but, as I said previously, I have been keeping in close contact with my right hon. Friend on those matters. I understand that the local government settlement is 5.5 per cent., which is a significant real-terms increase that builds on previous significant real-terms increases, so it is perfectly proper to ask authorities to try to keep their increases to low single figures in view of the amount that has gone into local government services. The hon. Gentleman will know, as I do, that the extra money found in December—£340 million—was specifically targeted on social services and the liveability agenda, so that is extra help for local government, too.

The Home Secretary is writing to the 10 police authorities that we think are likely to be at the high end of police precept—*[Interruption.]* I can certainly supply the hon. Member for Southwark, North and Bermondsey (Simon Hughes) with a list of those authorities. The Home Secretary and I will be in direct contact with a wider range of authorities to discuss those issues. The issues are serious; it is not simply a matter of setting arbitrary figures, but of trying to support the authorities in making appropriate settlements.

For next year, we have done everything possible to maximise the increase in general grant. Time and time again, authorities say that they want more flexibility to spend the money as they see fit, so we have added £140 million from wider Home Office resources to general grant provision. We have also taken £100 million from existing and planned specific grants—not just the Airwave money—and central spending to try to increase the scope for police authorities to determine their own spending.

As in the last two years, we have made arrangements to ensure that Welsh police authorities receive support comparable to that for police authorities in England. We are providing special grant totalling just under £14 million to Welsh authorities next year. That is provided from outside the general grant settlement, as there are not enough forces in Wales to apply the floors and ceilings, and that will bring their allocations up to the 3.25 per cent. increase, in line with their English counterparts.

I have already dealt with matters relating to Airwave, and I hope that the extra money that we are providing will assist forces in that regard.

As part of the consultation exercise on the funding settlement, I have received 63 representations covering 32 police authority areas. I have received letters from chief constables, police authorities and hon. Members. I have met as many hon. Members and delegations as I possibly could during the consultation period. People expressed concerns about 10 big issues. Naturally, the biggest was the overall level of the settlement, because everybody would like more money, but the second biggest was the suspension of the funding formula—a point that has already been raised by hon. Members today. There were also concerns about the rural policing fund, the Airwave grant, the fact that there were no extra funds from the Chancellor's pre-Budget report, the effect on police precepts, the floors and ceilings, the area cost adjustment and the assumed national council tax rate—which I have endeavoured to understand—and its possible effect on the police precept.

I have taken into account all the representations made to me, whether in writing or at meetings, but I want to deal with a couple of those concerns. The first is the suspension of the funding formula. The funding formula is a fair guide to relative needs and we minimised use of it this year only with the greatest reluctance. The formula is based not only on crime rates, but on employment, density, population, including residential population, and tourism, and it provides an accurate measure so that we can direct our resources to the places with the greatest need. This year, obviously, we have taken exceptional decisions.

We have tried to protect police authorities from excessive year-on-year fluctuations by the introduction of floors and ceilings in 2002–03, but this year, with a standard-rate increase, the floors and ceilings are, in effect, at the same level. Through that arrangement, nine forces have contributed about £106 million to increase grant for forces that would have been below the floor of 3.25 per cent. I recognise that many of those making contributions to the funding floor feel that they are not

[Ms Blears]

getting their full share of the funding pot, but I have had to consider the need for financial stability across the board.

Mr. Paul Truswell (Pudsey) (Lab): The situation for West Yorkshire is an example of what my hon. Friend has just been talking about. Does she acknowledge that the authority has not shared in the record increase in police officers, that the number of police per head of population in West Yorkshire is less than in any other metropolitan area, that as a result of floors and ceilings over the last two years we have lost grant of about £16 million and that the authority faces exceptional expenditure of more than £13 million as a result of the Bradford riots? Will my hon. Friend take that into account both when considering the precept and disbursing the extra money to which she referred earlier?

Ms Blears: Only this week, I was in West Yorkshire visiting Leeds to look at some of the excellent work that is going on in local communities, especially in tackling antisocial behaviour, and to meet some of the community support officers. I think that West Yorkshire has 201 CSOs on patrol—one of the highest numbers. My hon. Friend is right to say that the force contributed £6.8 million to the pot for floors and ceilings this year and that will clearly have an effect. Nevertheless, there is an increase of £9.5 million in grant allocation for the force this year, which, building on significant previous increases, ought to be of assistance.

We shall continue to work with the Office of the Deputy Prime Minister on issues relating to the police precept. Pensions have been mentioned several times, and I think that I have dealt with those issues.

I want to deal with the Metropolitan police, as hon. Members are greatly concerned about that force, which has a significant impact in policing our country. Grant for the Metropolitan Police Authority will increase from £1,764 million to £1,822 million. I have increased the formula provision for the MPA national and capital city functions from £202 million to £207 million. The Met will benefit from a range of special grants and payments: £73 million from the crime fighting fund; £9 million—again—to tackle street crime; about £10 million for basic command unit funds; about £7 million from the DNA expansion programme; and a range of other funding, including £29 million for the London allowance and £3.1 million towards free travel for officers in the capital.

The capital grant will be £355 million in the coming year, an increase of £22 million, or 6.6 per cent. Most of that provision, £185 million, will go directly to police authorities to support their capital programmes; we circulated the allocations this week. The Met will receive £48 million for capital plus a further £40 million as part of our agreement to support the costs of creating the command, control and communications system—the C3I system—which will further enhance the force's effectiveness.

I am delighted to tell the House that this year we shall be phasing out the £20 million premises improvement fund, as we have managed to make significant progress on improving police stations and facilities for officers. However, I shall be asking forces to concentrate a similar sum on capital improvements in the coming year to give priority to investment in technology to support front-line policing. In north Wales, I have seen excellent examples; forces are beginning to use palm pilots and mobile data that save them from having to keep going back to the police station. They can download photographs or key in statements directly. We are asking them to look into such technology and I am delighted to say that forces will not have to bid for those funds, so we will not have to go through bureaucratic bidding processes.

There are several specific programmes where funding is provided. One of the best and most successful is the crime fighting fund, a grant designed to increase the number of police officers. I hope that Members on both sides of the House will acknowledge that we have a record number of police officers. That has been achieved with the assistance of the crime fighting fund, which has enabled us to drive up police numbers.

Dr. John Pugh (Southport) (LD): The Minister is presumably aware that her comments about increased police numbers do not apply to Merseyside, but may I take her back to her discussion of representations from police authorities? My only experience of that was in the days when the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) was at the Home Office, there was a Conservative chairman of the Merseyside police authority and we received nothing. Will the Minister make clear how many of the representations made this year resulted in any change whatever to funding for local authorities?

Ms Blears *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before the Minister responds, may I make this point to the House? It is difficult for the Chair to prevent Members from seeking to intervene and obviously the Minister then has to respond. The more and the longer the interventions, and the more the responses, the less the time that will be left for other Members who are waiting patiently to make their contributions to the debate.

Ms Blears: The hon. Gentleman will know that the population of Merseyside is falling, but it has one of the highest ratios of police officers to population in the country. He will also know, from the statement made in the House, that we have confirmed the provisional settlement in relation to the proposals.

I am conscious of the time, Mr. Deputy Speaker, and of the fact that hon. Members want to speak, but I should like to highlight one or two other issues in concluding my remarks. Additional funds will be given to the police service this year to enable it to respond to the continuing challenges of international terrorism. Special grant will continue for special priority payments.

We will continue to fund and support the hugely successful community support officers. We now have 3,000 patrolling throughout the country, and 18 forces have been able to receive funding for their CSOs, not just from the police but from local authorities and,

increasingly, from housing trusts and registered social landlords. I saw some in Telford just this week, and they are extremely successful.

The rural policing fund will continue at £30 million. The street crime initiative will continue to be funded at £24 million, and we have had tremendous success in driving down street crime—a 17 per cent. reduction in the top 10 areas. We will provide another £50 million for high crime areas under the BCU fund.

We will provide some new money this year for work force modernisation, which is absolutely central to the reform programme, to get a better skills mix throughout the police service; we have got £8 million this year and we will have £5 million next year. We have three big programmes in Northumbria and Surrey, and I hope to have a big programme in the Met as well, to redesign and re-engineer the way in which the police service works on the ground. We have seven medium-sized programmes in areas that range from Nottingham and Dyfed-Powys to civilian staff in Humberside and investigating officers in Lincolnshire—an engine for change and reform in our service.

On the centrally provided services, we continue to fund the National Criminal Intelligence Service and the National Crime Squad, with increases of £12.2 million and £6.8 million respectively. The Police Information Technology Organisation has £264 million, and Centrex training receives £89 million. All that is fundamental to our reform programme.

We are also taking action on the big challenge for us—to try to reduce bureaucracy. We will roll out the fixed penalty scheme right across the country. That scheme is hugely welcomed by officers, as they can issue fixed penalties without going through the custody process, so they are back out on the streets doing the job that they want to do and the job that we pay them for.

All 43 forces now have facilities to undertake video identification parades, and Airwave is being rolled out across the county. The case and custody IT programme, which I saw in Warwick, will be a tremendous improvement on the current system. We are continuing to press police authorities to meet their efficiency gains. Many of them have done extremely well in recent years, and I hope that they will be able to do the same again.

We always said that this year's settlement would be difficult. I believe that we have managed to strike the right balance in the distribution of police grant. There are some significant gainers; there are also those forces that have had to contribute significantly to the pot, but we have done a great deal with police reform in the past two years. We will continue to invest strongly in a reformed police service and to work closely with forces and communities to deliver, as the public rightly expect, ever higher standards of policing and performance to help to build safer communities for the people whom we serve. I commend the report to the House.

2.33 pm

Mr. James Paice (South-East Cambridgeshire) (Con): The Minister refers in her closing remarks to spending the past two years reforming the police service. Do I have to remind her that the Government have been in office nearly seven years and that, in the first four years of that period, they actually slashed the police service by 3,000 officers?

May I join the Minister, however, in paying tribute, as she did at the beginning of her speech, to our police forces? In the context of the Soham inquiry I am fortunate, or perhaps unfortunate, to represent South-East Cambridgeshire, so I have seen the police force at its most magnificent in the way that it and so many forces coped with that awful tragedy. I stand second to no one in paying tribute to the commitment, courage and sometimes astonishing bravery of our police in maintaining law and order—especially, as the Minister said, in these times of the increased threat from terrorism.

The Conservative party wholly welcomes the increase in police numbers. It is pity that we had to go down 3,000 before we went up 12,000.

Mr. Truswell: Will the hon. Gentleman give way?

Mr. Paice: I will give way in a minute. I have not really got started yet; the Minister took nearly 40 minutes.

It is interesting that the Prime Minister apparently has no reverse gear, yet we have reversed from a 3,000 reduction to a 12,000 increase. We have made it clear that we believe that another 40,000 police are needed. We will provide resources for those officers, so that we can have the policing that we believe is necessary for the country. It is interesting that the Government clearly do not share that objective.

One of the omissions—there were a few—from the Minister's speech is that she talked about the crime fighting fund, but she did not remind the House that she is abandoning the crime fighting fund for any further officers this year. She looks askance, but that is in her statement. There will be no more crime fighting fund money, other than that for the existing increase in officers. Clearly, the Government do not intend to make the significant increase in the number of officers that we believe is necessary.

Mr. Truswell: I am grateful to the hon. Gentleman for giving way. He talks about police numbers being slashed, but was that not partly the result of the Government perhaps unwisely keeping to Conservative Government spending figures for the first two years?

Mr. Paice: A Government in office have to take responsibility for their own decisions. The Government were not required to stick to any figure. I have no idea whether they stuck to previous figures. I cannot believe that that is the case. It is also very interesting to consider—dare I say it?—the totality of the Government's activities in the first Parliament. Where it suited them to blame the previous Government's spending plans, they blamed them; where it suited them to take credit for what was done, they took the credit. They cannot have it both ways.

After paying tribute to the police forces, I want to pay tribute to the Minister. Frankly, for a Minister who shows the marks of the Chancellor's hobnail boots all over her in terms of the settlement, she presented an incredibly rosy picture of police funding—if it can be said that giving a little more than half what police authorities need represents a rosy picture. I remind her

[Mr. Paice]

that the No. 10 strategy unit has said that crime figures in this country are among the worst in the developed world.

Let us look back at the past three years, since the welcome 12,000 increase in police numbers. In those same three years, the council tax precept for police authorities has gone up by no less than 87 per cent. We have to ask why that is so. Police authority expenditure has gone up by £1.8 billion—a 22 per cent. increase—but that is almost entirely driven by central costs: centrally determined pay, pensions, national insurance hikes and the increased number of civilians. The Minister boasted about that increase, but most of those civilians are needed to fulfil bureaucratic functions required by the Government: filling in forms, meeting targets, and carrying out 34 Government initiatives, which they have imposed on police authorities regardless of local needs and priorities.

Mr. Dhanda: I thank the hon. Gentleman for giving me time, by giving way. He says that part of the problem has been increased bureaucracy. Is he aware that, over the past 10 years, we have seen something like a doubling—certainly in my area—in the number of civilian support staff? He may view that as added bureaucracy, but a lot of those people are retired police officers who are now civilian note takers, for example. Is he pledging to reduce the number of civilian support staff to boost the number of police officers; or would he increase the burden of taxation?

Mr. Paice: The hon. Gentleman entirely misses the point. My point is not that we do not want to see an increase in the use of civilians for jobs that do not require police officers, but that the huge increase in expenditure by police authorities has been caused by central Government decision making. Police authorities do not have the discretion that they used to have to control their expenditure.

Of the £1.8 billion increase in expenditure, total central Government contributions have increased by just £881 million. The Minister obfuscated over the past half an hour or so, with all sorts of lists of different funds—£10 million here, £50 million or £60 million there. The reality—the totality—is an increase in Government spending of £881 million in the past three years. So to meet those centrally determined costs, police authorities have had no option but to increase their precepts, because the Government have added expense burdens yet have not provided the resources to match them.

Whereas in the base year of 2000–01—the year in which police numbers started to rise—the council tax raised just 13 per cent. of police authority expenditure, it is raising more than 20 per cent. in the current year. That represents a dramatic shift in funding responsibility. If we look behind the national figures to determine what they actually mean for police numbers, we find out that although the Government boast about the extra 12,000 officers, the rise in council tax paid for by council tax payers throughout the country would have paid for more than 19,000 extra officers if it had not had to be used to make up for the Government's shortfall in funding. In London, that would have meant another 500 officers. South Yorkshire has seen a tax increase of 63 per cent. That would have paid for 269 extra officers in the Home Secretary's force, but it has received just 47. The tax in my area of Cambridgeshire has gone up by 90 per cent. That would have paid for 267 extra officers, but we have got just 174. In Hampshire, which is the area of the right hon. Member for Southampton, Itchen (Mr. Denham)—the previous Minister with responsibility for the police, who was in office for most of the three years about which I am talking—the tax has gone up by 80 per cent. That would have paid for 561 extra officers, but the area received only 274.

The list goes on. Only eight out of 43 police authorities have experienced an increase in officers greater than that which would have been paid for by the tax increase. My accusation against the Government is not that we have got extra police officers over the past few years, but that, contrary to ministerial hype, not only have they been paid for by the council tax payer, but the council tax payer has been short-changed by some 7,000 officers.

Angela Watkinson (Upminster) (Con): Does my hon. Friend agree that if one considers the widely varying policing needs of the Metropolitan police area, especially because of demands on inner London owing to terrorist threats, outer London boroughs such as Havering are getting the smallest slice of the Metropolitan cake? Whatever the additional resources poured into the Metropolitan area, the outer London boroughs are still starved of resources.

Mr. Paice: My hon. Friend stands second to no one in supporting her force, and she is perfectly correct to question the allocation of resources in a force. My only caution in response is that forces should have such discretion, and my contention is that so much of it has been taken from them by the Government.

Let me turn to next year's funding. The settlement smacks of panic. What happened to education last year is happening to the police this year. Why else have the Government had to suspend the funding formula that they brought in only a year ago? They have suspended it regardless of need, growth or specific circumstances in localities. The Minister boasted of half a dozen police authorities that will gain from the settlement, but she did not list the losers. If she had stuck to the formula, at least it would have been clear to everyone why they got what they got. Instead, there is a blanket 3.25 per cent. for all authorities, although as was said earlier, it is about 3.15 per cent. after one allows for the Airwave debacle.

In many cases, specific grants were already committed. That was not only true of Airwave, for which £37.5 million was originally taken out of budgets—it is nothing short of a shambles that the Home Office took out that money. The Minister tried to lead the House into believing that because she has put some of the money back, there has somehow been an overall increase in spending on Airwave. There is still a £7.5 million shortfall, and authorities are contractually committed to pay much of that money, including, I dare say, that of the Surrey police force, which she suggested had received an especially good settlement.

Last autumn, the Association of Police Authorities told the Home Secretary that a 6 per cent. increase was needed to meet budget obligations. It told him why: all the increased pay required by central pay negotiations; pension demands; the new statutory duties in the Police Reform Act 2002; the running costs of the new information technology systems; anti-terrorist work; DNA support; and even—God help us—centrally determined uniform requirements, which will add 1 per cent. to my force's council tax precept. Instead of receiving 6 per cent., it is receiving 3.25 per cent. In fact, to underline the panic clearly faced by the Government, figures show that the Home Office police grant went up by only 2.1 per cent. Rather like Corporal Jones, I imagine that the Minister was flying round the Home Office shouting, "Don't panic—where can we find some more money?"

The Minister told the House that she had found a little more money. She found £140 million from somewhere else in the Home Office, which only goes to show where waste must already exist. She found £100 million from specific and capital grants, so the Government are using capital grant money to support revenue spending. The result is that the Association of Police Authorities expects an average 15 per cent. rise to the precept this year. Just 11 out of the 43 police authorities expect single-figure rises, and only three expect a rise below 9 per cent.

That brings me on to capping. The Deputy Prime Minister said that he expects council tax rises to be in low single figures. The Minister for Local Government, Regional Governance and Fire told many authorities that he will step in if they levy an increase of more than 5 per cent. The Minister for Crime Reduction, Policing and Community Safety told the police authorities about capping:

"We hope that it will not be necessary for any police authority and look to continued improvement in policing services without excessive burdens being placed on local taxpayers"—

some hope.

What does the Minister propose? How are police authorities to reduce expenditure by £250 million, which is the gap between what she has provided and what they need? Most police authorities cannot reduce their numbers of police officers because of the crime fighting fund criteria—any reductions would be taken off the crime fighting fund figures first—so they will have no option but to reduce civilian staff. Reducing civilian staff inevitably means taking police officers off the streets and putting them back behind desks. What is the Minister doing to cut all the centrally imposed costs?

If the Minister is determined, as she appears to be, to impose only a 3.25 per cent. increase, police authorities must be told now. We are into February, so it is no use saying that she will hold discussions with police authorities over the coming weeks and months. They are setting their budgets now, and they must tell the preceptor authorities how much they need in the next few weeks. When will she tell them her expectations on capping? When will she tell them what she expects their budgets to be and what she expects them to cut so that they may meet those budgets? She cannot shuffle off responsibility on to the Deputy Prime Minister. She needs to tell the authorities now exactly what she expects of them. If she tells them that they must not increase their precept by more than 6 or 7 per cent.—whatever figure she decides—yes, they will have to make cuts, but at least they will know what they are doing. They currently face setting an average increase of 15 per cent.

Far from providing the improvement in policing that the Minister wants from the settlement, it will almost certainly lead to a worsening. The beleaguered council tax payer will continue to pay more and to be short-changed by the Government.

2.48 pm

Paddy Tipping (Sherwood) (Lab): The settlement is important for people who live in Nottinghamshire, as is the debate. On 25 February, the police authority will consider the precept increase—the indicative figure is 12.6 per cent. That comes on top of a growth in the current year of 18 per cent., and a growth in 2002–03 of 28 per cent. Over the space of three years, the council tax payers in Nottingham have been asked to pay more than 60 per cent. extra. People on fixed incomes, elderly people, the poor and those who are more prone to crime than others must ask whether they are getting value for money.

We in Nottinghamshire are in a position to make some judgments about that. Her Majesty's inspectorate of constabulary reported last March that not only were we not getting value for money, but that the police in Nottinghamshire were not efficient or effective. HMIC reported again at the end of last year and concluded that there had been a small improvement. That had come at a very late stage, but at least it was an improving police force. I commend the officers on the beat in Nottinghamshire for their hard work. The HMIC report went on to say that, compared with other authorities, the performance of the Nottinghamshire police was relatively poor.

There are strong feelings among residents of Nottinghamshire that they are not getting a fair deal from their police. That view is supported by all the Nottinghamshire Members of Parliament. I am delighted that my hon. Friend the Member for Gedling (Vernon Coaker) is present, sitting on the Front Bench. He has campaigned hard for local authorities to work on antisocial behaviour, and for better co-operation between the police and the local authority, because he knows that in places such as Netherfield, the yobbish behaviour affects people. He knows, too, that people living in Arnold were mortified by the tragic death of Marian Bates. I am delighted, as is my hon. Friend, that an arrest has been made and that it looks as though the efforts of the Nottinghamshire police are making progress. We want a successful conclusion.

We should acknowledge that alongside progress, there have been management failings. It was the chief constable who introduced a new telephone system two years ago, which was ineffective. It was the chief constable and the police who decided to realign boundaries alongside district council boundaries, again for good reasons, but that change caused problems and led to a fall in morale in the Nottinghamshire police. Again, it was a management decision that rapid response squads should be taken away from a local base and placed centrally. There was a strong feeling in the community that people were being denied their police. Of course, when police come from another town, they are not familiar with local problems, and sometimes have difficulty finding the scene of the crime.

[Paddy Tipping]

Such management failings build on a long tradition of complacency. We have a new—or rather, a not so new—chief constable, Stephen Green, who has been in place for three years and has brought in radical change. If there is criticism of the chief constable, it is that he has introduced too much change. There have been difficulties in trying to handle change on that scale. Change and investment go together. Reform needs investment, but investment should be a precondition for reform. I am not confident that we have the balance right in Nottinghamshire. I want to see improved performance from the Nottinghamshire police, but we need to examine carefully what is happening in the force. They are, they argue strongly, under-resourced.

There are more crimes per officer in Nottinghamshire than anywhere else. In terms of crimes per 1,000 of population, Nottinghamshire tops the league. There are twice the number of 999 calls to the Nottinghamshire police. That shows the demands made on the force, but it has not all been bad news. Nottinghamshire police have record numbers of police officers—an extra 264 over the past few years, backed by 43 community support officers, who do valuable work in local communities. My fellow MPs from the area and I want to see more uniformed community support officers working in conjunction with the local authorities for change.

We need to ask why crime is traditionally so high in Nottinghamshire. Will my hon. Friend the Minister, in co-operation with HMIC and the police standards unit, investigate why for 20 years the crime rate in Nottinghamshire appears to have been higher than anywhere else in the country? There is a history of heavy drinking and violent behaviour, but it is not clear why Nottinghamshire, with a big urban centre, mining communities and a rural area, should appear to be so atypical. We need to examine that closely. We must also consider current crime trends in Nottinghamshire. Ten years ago there would be eight or nine murders a year. In the past two years the Nottinghamshire police have had to investigate 17 category A murders, and that takes a tremendous amount of resources.

Those crimes generally occur in Nottingham. The effect is that police are brought from outside the city, leaving a policing vacuum in suburban and rural areas. The police are on the case; they take the matter seriously. They are to set up a homicide unit, creating a pool of officers at the centre, backed by better technology. However, further work is required. The police in Nottinghamshire are considering the possibility of establishing a serious offending unit—a group based in the centre, so that officers are not sucked away from their area, and so that when assassinations take place, driven largely by drug-related crime, there is a separate unit that can respond to the situation. Much work is being done, funded by the police authority's budget, to establish such a unit.

It is important that we examine the level of serious crime in Nottinghamshire. I am delighted that my hon. Friend the Minister, who has discussed the matter with us privately, is to go to Nottinghamshire on Monday. She will meet a range of people there and speak to the chief constable and to the chairman of the police authority, John Clarke. I hope the discussion will be on the twin themes of investment and reform. I hope that she and all of us will build on the work of pulling together the various bodies in Nottinghamshire. HMIC and the standards unit have been working closely together. When she visits Nottinghamshire, I should like my hon. Friend to deliver a new vision, a new sense of purpose, an awareness of the problem, a set of actions and a timetable to achieve change. People in Nottinghamshire deserve nothing less.

2.58 pm

Mr. David Heath (Somerton and Frome) (LD): Throughout the country, people are sick and tired of the council tax, and of large increases in their council tax. They are sick and tired of increases in their council tax without any appreciable improvement in the service they receive. Although I have a great deal of respect and time for the Minister, it is no good blathering on about the improvements in police numbers if the Government are not prepared to put in the resources to pay for them. It is no good blathering on about keeping council tax increases down to a reasonable—sustainable, as she puts it—level, if the Government are not prepared to ensure the proper balance between central Government expenditure and local government expenditure.

The inconvenient truth hidden in the police grant report that we are debating, which was outlined by the hon. Member for South-East Cambridgeshire (Mr. Paice), is that there are police forces and police authorities all over the country that will not put in bids this year for council tax increases of 5, 6 or 7 per cent. They will be well into double figures, as even a cursory glance at the list of expected increases reveals, although I accept that that may change over the next few days as budget meetings take place. Avon and Somerset expects an increase of 12 per cent.; Bedfordshire, 15.9 per cent.; Cambridgeshire, 14.1 per cent.; Cheshire, up to 18 per cent.; Devon and Cornwall, 12.5 per cent.; and Durham, 20 per cent. I shall not read the complete list, but it is clear that the vast majority of police authorities expect substantial increases in council tax this year, which build on increases that have been made year after year. Someone has to say, "Enough is enough." No one begrudges paying for policing: people want more police on their streets and welcome what the Government have done to increase the number of officers across the country. In that respect, their only criticism of the Government is that it took them two to three years to distance themselves from the tired Conservative policy of not providing any increases in police numbers. The hon. Member for Pudsey (Mr. Truswell) said that perhaps that was not wise. In fact, it was blindly stupid of the Government in their first term not to recognise the need to fight crime effectively.

There is a problem, and I hope that the Minister will give us the list of 10 police authorities to which she intends to write, and tell us what she intends to say to them. Will she tell them that they are to cut police numbers, or that they are to cut civilian numbers and return those duties to uniformed officers? Will she tell them that they are to reduce the effectiveness of their operations? Of course not. She will say that they must magically produce the money that the Government have

not provided. The question of whether the Government intend to cap police authorities, which face a funding gap of £250 million, remains unanswered.

Mr. Roger Williams: If my hon. Friend cannot help me, perhaps the Minister can when she replies. Which Ministry would be responsible for any possible cap of Welsh police authorities?

Mr. Heath: I am grateful to my hon. Friend for his question, but I do not know the answer. I hope that the Minister can help, as there is the slightly odd interposition of the Welsh Assembly. However, my hon. Friend's police authority, Dyfed-Powys, faces a 15 per cent. increase. I know its chief constable well, and appointed him to the ranks of the Association of Chief Police Officers a few years ago. He is a dedicated police officer, and his force is extremely lean, effective and efficient. If it says that it needs 15 per cent., we can be sure that that is not because it has inflated ideas about what it should provide.

Simon Hughes: My hon. Friend will be aware that in London we are looking forward to the prospect of the Government having to cap the Mayor—that would be an interesting phenomenon. However, has he seen any statement of Government policy that owns up to the fact that they want to cut the share of taxpayers' money going to police authorities? In effect, the Government would indirectly impose a stealth tax through police authorities, whatever their political persuasion.

Mr. Heath: My hon. Friend makes an interesting and cogent point. The Government came as close as they have yet done to an admission that that was the case when the Minister replied to one of his interventions. The Government are pursuing a policy of increasing policing at the expense of the council tax payer rather than at the expense of central Government.

If the council tax system is not working on that scale, what are the answers? One solution is the reform or abolition of the council tax. I do not want to get into that argument, because it will be pursued in the following debate on local government finance, and I know that my hon. Friend the Member for Kingston and Surbiton (Mr. Davey) wishes to address it. We could tackle the overall presentation of figures, as there are distortions in the system. The hon. Member for South-East Cambridgeshire highlighted some of them, including the pension system. I always give this example, but I shall do so again. When I was involved with the predecessor of the Association of Police Authorities, I went to the right hon. Member for Penrith and The Border (David Maclean), who was then police Minister, to discuss pensions. He promised me that the matter would be solved by Christmas. That was back in 1996, but we are still waiting for a solution.

Airwave has already been discussed, and I do not want to add anything, other than to observe that the money that the Government have put back into the system has reappeared mostly as capital rather than revenue, which will cause problems for police authorities. It is time to take a serious look at police authorities' responsibilities. There should be a national audit of the availability of officers in different parts of the country and the adequacy of police cover, which could, for example, deal with the problems mentioned by the hon. Member for Sherwood (Paddy Tipping). I hesitate to suggest another inquiry, as there are rather a lot of inquiries at the moment. Indeed, it is time that the Government published a directory of inquiries, so that we could work out which is which. However, we need an audit of the adequacy of police cover.

We also need to look carefully at the national responsibilities that many of our forces, especially the Metropolitan police, are taking on. We rightly regard the threat of terrorism, organised crime, the drugs trade and activities by paedophiles as matters that transcend police authority boundaries and that need to be dealt with effectively, but we do not have the apparatus to do so. We should acknowledge that and look at how we could remove those responsibilities from the sphere of the local chief constable and police authority so that they can concentrate on what is most important to the local community—tackling crime in the area, keeping the peace, reducing antisocial behaviour and doing the things that we all know our constituents want.

We need to look at the relationship between the police and the areas that they serve. The police, the chief constable and individual areas should agree a minimum policing guarantee. That guarantee need not operate on a force basis and certainly not on a joint force basis. My own constabulary, Avon and Somerset, covers a huge area, but there is major crime in Bristol, which acts as a magnet for resources, constantly reducing the policing available in rural parts of Somerset. The hon. Member for Upminster (Angela Watkinson) mentioned the position in Havering. I do not know what the situation is in the London boroughs, but each one should have the opportunity to state the minimum level of policing needed in its area. There should be a relationship between that level and the amount of council tax that people pay.

Angela Watkinson: Does the hon. Gentleman agree that police authorities should have the freedom to use their budgets to decide, for example, whether to spend money on police constables or community support officers? The money allocated for CSOs should not be ring-fenced.

Mr. Heath: Such local freedom should apply. If we undertook some of the basic reforms that I have suggested, which may be far beyond the scope of the police grant report, it would enable local police commanders to make such decisions in consultation with local communities. We would thereby afford our police a genuine opportunity to work with and for the local community, so that they are no longer compelled by Home Office edicts to take on other responsibilities. I do not want to give the wrong impression, as I do not believe that national responsibilities are unimportant. I simply believe that they should not be dealt with at the expense of local policing and local crime fighting.

So many things could be done better to equip police forces. The Minister rightly mentioned IT provision. It is crazy that the average AA or RAC patrol officer has immensely better IT equipment in his or her van than a police officer who may be called to attend a serious crime, yet that is the case all over the country. However much money we plough into policing, we will not do a good job for the public until we reduce paperwork and

[Mr. Heath]

bureaucracy; understand the importance of the patrol function instead of treating it as a marginal activity that is always reduced when times are hard; realise the effect of abstractions on national responsibilities in relation to crime and local policing; and mobilise the local community by using retained officers, as do fire brigades in rural areas, to free up full-time officers and to provide extra cover and visibility.

Funding our police adequately is not only important but essential to the maintenance of good order. We sometimes expect an awful lot of our police, and they generally deliver, but they cannot do so without adequate personnel or resources to do the job. If the Government and we as a House want that to happen effectively in our local areas, we have to will the means as well as the ends. It is simply a deception on the public if we talk big about being tough on crime and tough on the causes of crime without ultimately providing the resources that make that a reality, while hoping that people will not notice. At the moment, however, they are noticing. They feel that they are not getting the value for money that they are entitled to expect from our policing service, and that they are paying more and more, to the point at which the policing precept is beginning to overtake the district council precept on the council tax bill. I fear that their questions are going unanswered. I fear that the Government are not providing the central resources and that many people will get a horrible shock when they open their council tax bills this year. Those people will be writing letters to their Members of Parliament, to their chief constables and to their local press to ask why they are paying another 10 per cent. or 15 per cent. for policing despite the fact that they cannot remember the last time they saw a police constable in their town, village or street.

The House should reject the report and ask the Government to think again. It fails to support local policing, fails to protect the local taxpayer and, in the long term, fails to protect the public.

3.13 pm

Sir Stuart Bell (Middlesbrough) (Lab): It is always a pleasure to speak on the Floor of the House when you are in the Chair, Madam Deputy Speaker. When I last did so, I spoke for 47 minutes, but today I will keep within Mr. Speaker's limit.

It is always a pleasure to follow the hon. Member for Somerton and Frome (Mr. Heath), who spoke with great eloquence and pertinence. I shall not respond to his speech—I leave that to the Minister—but he made some important points about our local communities and their receptiveness to police officers, which he balanced against current levels of council tax.

I welcome the statement by my hon. Friend the Minister. Essentially, her increase in grant of 3.25 per cent. on last year means that Cleveland police will receive a total of £86.8 million in general grant for the year, with more specific grants that will become available, giving our police authority an extra £2.5 million. The hon. Member for Somerton and Frome mentioned the presence on the streets of police officers. The money that is on the table will go towards putting 200 extra bobbies on the beat in Cleveland—100 police officers and 100 police community support officers, who, as the Minister said, are important in our communities. That will amount to one additional fresh police face in all 71 wards in Cleveland, covering Stockton, Hartlepool, Middlesbrough, and Redcar and Cleveland.

The additional money that we are voting on today links in with the Government's determined drive to tackle antisocial behaviour head on and to heighten the police presence on our streets. That will help Cleveland police to establish a force with the specific task of tackling antisocial behaviour. The Minister referred to efficient and effective policing and deterrence that works. Such a presence on the streets is comforting and reassuring, and emphasises the fact that central Government do care and are prepared to put their money where their mouth is. I am sure that that feeling will be reflected in Middlesbrough and in Cleveland overall. Any new bobbies on the beat in Middlesbrough will link with the 70 street wardens, who now respond to more than 1,000 calls a month, and the 14 extra police officers introduced through the town's neighbourhood renewal programme.

On 19 December last year, we had the pleasure of receiving the noble Lord Falconer, the Lord Chancellor, in Middlesbrough to see how well our warden scheme is working. He attended—as did I, with the mayor of Middlesbrough—a briefing for the wardens before they want out on patrol. Their knowledge of the local crime scene and the way in which they interfaced with our regular police force showed not only their determination to crack down on antisocial behaviour, but how, by co-ordinating their efforts, they can seek to get on top of that problem, which is, by general consent in this House and elsewhere, an affliction in our whole society.

Our elected mayor, Ray Mallon, has demonstrated how seriously he treats crime in the town. Each morning, almost before the rest of us wake, he is informed of the overnight crime statistics in the Boro—a fact that impressed me and the noble Lord Falconer. He can immediately see what the crime figures are, whether they are going up or down, and which areas are affected. In a sense, he has his finger on the crime pulse of our town. I would urge chief executives and leaders of local authorities up and down the land to adopt that system, so that, working with their constabularies, they too get the overnight statistics and keep their fingers on the crime pulse; and so that their citizens also benefit in the long run from the measures that the Government, with community wardens and the police, are taking against antisocial behaviour. The road to ridding our society of such behaviour might be long and rocky, but it is worth journeying for the benefit of our people. The motion is a positive step in that direction.

Our street wardens now respond to 1,000 calls a month, freeing up police resources to deal with crime. We have spent £500,000 on improving the Middlesbrough CCTV network, which covers the town centre and surrounding areas. Cameras have helped in increasing the number of arrests since the new centre was set up. Cleveland police and Middlesbrough council have secured more antisocial behaviour orders against offenders and more than 200 have signed acceptable behaviour contracts.

According to national crime recording standards figures, overall crime in Middlesbrough is down by 3.7 per cent. and house burglaries have decreased by 22.9 per cent. In Cleveland, we have a unique opportunity because we have a new chief constable, a new senior management team and a new chief executive. It is important that they use the extra resources that the Government have awarded through the motion to respond to the overwhelming public demand, to which the hon. Member for Somerton and Frome referred, for an increase in high visibility community policing, with greater officer presence on the streets.

Cleveland police authority has assured the Minister that all additional funding in its budget, which is set on 19 February, will be used to increase officer numbers. It could give that assurance because the savings and efficiencies that it achieved amount to almost £3 million. Cleveland police authority would therefore fail in its duty to the local community and to central Government, who wish to tackle antisocial behaviour, if it did not go ahead with its proposals to use the new money available to put the 200 additional officers on the streets of the various wards in Cleveland. Our proposals for 200 additional officers in Cleveland have been welcomed at every public meeting that the chief constable and the chairman of the police authority have attended in the run-up to setting the budget on 19 February.

Following the speech of my hon. Friend the Member for Sherwood (Paddy Tipping), we learned that the Minister goes to West Yorkshire on Monday. She will visit Cleveland by the end of the month and witness our great and determined efforts to tackle antisocial behaviour and use the money on which we shall vote today with the utmost seriousness and diligence in the interests of the community by increasing the number of officers. Our people in Middlesbrough, like others throughout the land, will therefore see an increased police presence, feel reassured and continue to witness falling crime figures. I am therefore happy to support the motion and the increase in the money that the Minister will give Cleveland.

3.22 pm

Mr. Peter Luff (Mid-Worcestershire) (Con): So far, we have heard from the north, the south-west, London and the east. Now it is the turn of the west midlands—specifically, the West Mercia constabulary.

I pay unqualified tribute to the West Mercia constabulary. Whenever I have raised an operational problem, it has responded magnificently. When it has made mistakes, it has admitted them and tackled them well. I have nothing but praise for Bob Forster, the chairman of the police authority, Paul West, the new chief constable and all the officers who work under him, especially in my constituency.

We experience specific challenges. West Mercia is a low crime area, and it is wrong to fear crime in my constituency to the same extent as in London. However, the police have to deal with genuine problems, especially antisocial behaviour, which is a huge menace in large parts of my constituency, and illegal travellers. Rural forces have to contend with such issues, which pose genuine challenges to the constabulary's resources.

I want to make two key points. First, police numbers have increased in West Mercia and, on balance, I am pleased about that. I say "on balance" because the council tax payer has borne the entire cost of paying for the extra officers. Not one penny of Government money has gone towards increasing the number of officers in my constituency. Two years ago there was an increase of 300 officers, and that was financed by the 33 per cent. increase in the council tax precept in one year.

I am delighted that there are more officers, but I will not see the Government take the credit. The council tax payers of the West Mercia constabulary area should do that. The Government cannot brag about an increase in police numbers because they have not funded it. My constituents—the council tax payers—have paid for those additional officers.

My second point is almost parenthetical. It is a marker for the future rather than the present. I want to ensure the maintenance of the independence of the West Mercia constabulary. I am fearful of the Government's plans for regionalisation of the fire service and I worry that the same could happen to police services. I do not want the West Mercia constabulary to be merged into a larger West Midlands police force. The urban area that the West Midlands authority currently serves has a different set of problems, and I am delighted that the West Mercia constabulary remains separate, able to serve the larger rural areas of Shropshire, Herefordshire and Worcestershire, and to have people, such as me, speaking up for its concerns. I hope that the Government will not toy with regionalising the police service.

My text is the "Draft 3 Year Strategy, Joint Policing Plan and Budget Consultation 2004/5", which West Mercia constabulary recently produced. It was sent to all Members of Parliament and other interested bodies in the constabulary area. It points out:

> "Policing is funded in part from central government grant and in part from the council taxpayer. This year the government's provisional grant has increased by 2.8 per cent. against a minimum 6.6 per cent. increase in the Police Authority budget required to cover current obligations."

Does the Minister query that 6.6 per cent. figure? I have not seen all the details, and I freely confess that the police authority could do some things more efficiently. However, the West Mercia authority has been spectacularly successful in achieving efficiency savings year after year. Her Majesty's inspectorate of constabulary has confirmed that West Mercia exceeded its 2 per cent. efficiency target in each of the past four years. That means £12.8 million of savings, and I say, "Well done, West Mercia" for that.

I am broadly convinced that the increased obligations on several public sector organisations—district and county councils, as well as the police—are much higher than the Government admit. They want to take the credit for doing many things, but they will not pick up the bill for achieving them. The Government also impose increasingly strenuous reporting obligations on public services locally. That, too, imposes huge costs on organisations such as West Mercia police authority.

I am worried because the police authority document states:

> "In order to maintain and develop the existing level of service and respond to external pressures, new legislation and unavoidable requirements, local council taxpayers will have to pay an increased share of the police budget. The calculated increase to permit this is an extra £18.40 per annum or 36p per week for a Band D property, which equates to a 15.4 per cent. rise."

[Mr. Peter Luff]

I understand why the police authority, which is desperate for the money, resorts to a slightly disingenuous technique of referring to 36p per week. The figure of 15.4 per cent. is much more important. In 2001–02, there was a 6 per cent. increase; in 2002–03, there was a 33 per cent. increase, and in 2003–04, the increase was 14.6 per cent. So far in the Parliament, the council tax precept for West Mercia police authority has increased by 62 per cent. The proposed increase would take the cumulative figure to 86 per cent., which the hard-pressed council tax payers of my constituency have to fund.

The increase that the police authority proposes is smaller than what the chief constable wanted. He asked for an overall budget increase of 7.9 per cent., which would mean an increase of 19.4 per cent. in the police precept. The police authority has therefore already trimmed the chief constable's requirements, which would have meant an extra £23.27 a year for the average band D council tax payer. I am deeply worried about that. Clearly, the police authority is already cutting back on what it believes the chief constable needs to fulfil his policing requirements in my constituency.

The increase will lead to a further modest increase in police officers and the development of sufficient supervisory ranks to improve the performance of existing officers. However, a part of the relevant paragraph in the police authority document worries me. It states:

"This level of police officers would bring the force close to an average level for Shire forces"—

we are well below average for shire forces, never mind national forces—

"and complies with the Government's wish to see a strengthening of police officers nationally."

Let me revert to my earlier point. If the Government want to see higher police officer numbers nationally, they should pay for that from general taxation, not load the burden on to the fixed income households—the pensioners—in my constituency. They just cannot afford any further such council tax increases.

There is also the thorny question of the area cost adjustment applied to police authority funding. I remind the Minister that West Mercia is surrounded by authorities that receive the area cost adjustment. The West Midlands, Gloucestershire and Warwickshire police all receive the area cost adjustment but are fishing in exactly the same labour pool as the West Mercia constabulary. Indeed, many officers of West Midlands police live in my constituency, and when I canvass them at election time and between elections, they tell me about life in Birmingham. The West Midlands police authority is rewarded with extra money for the additional costs involved in the recruitment of police officers who have chosen to live in my constituency. By logic, the West Mercia authority should receive the same additional funding.

I have two specific points to put to the Minister. First, my police authority was very pleased to receive a letter at the end of last year informing it that there would be an extra £340 million for English local authorities. It wrote back to ask how much of that it was going to get; the answer, of course, was absolutely nothing. It was very sweet of Ministers to ensure that a letter went to that police authority to tell it about extra money that other authorities would get. Why did it get a letter telling it about that additional money, when not a penny of it was coming to policing?

Secondly, will the Minister confirm that, as Robert Forster has said in a letter to the Office of the Deputy Prime Minister, the claim that there has been a 3.25 per cent. increase in overall police funding is just not true? The increase is actually 2.8 per cent., as I believe she previously admitted, because the figure includes

"the transfer of ring-fenced initiatives into mainstream grant funding".

That is another classic example of smoke and mirrors from the Government.

I have a real concern for my police authority, which I hold in high regard, and the policemen and women of my area, whom I also hold in high regard. There is a perception abroad in the country that there is a war on motorists rather than a war on burglars. I say that that is a perception, and it may or may not be fair, but that is how people feel. Yet the council tax payers see the police demanding more and more money from them, year on year, through huge increases in council tax. I am worried that the Government's strategy for funding the police, and their strategy towards motorists, might well conspire to remove much popular support for the police, not just in my constituency but up and down the country.

The message is simple: if the Government will the ends, they must will the means. They are not doing that in this report.

3.32 pm

Dr. John Pugh (Southport) (LD): I shall be brief, because there is a danger that this debate can seem like an annual bleat to the Minister, in which a succession of MPs stand up and say how appalling things are in their area, and the Minister then winds up by saying that everything in the garden is lovely and they have never had it so good.

I am a veteran at making complaints on behalf of my police authority, Merseyside. Those complaints date back to when the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) was in the Home Office. At that time, I went to see him with the then Conservative leader of my police authority—that was the only time that my police authority had a Conservative leader. We were shown into a room and treated very politely and courteously, and the right hon. and learned Gentleman listened to us from behind a desk the size of which I had never seen before, but at the end of the day we got absolutely nothing from him. Despite that, and despite a subsequent succession of discouraging experiences with Ministers, I remain optimistic that this Minister will respond to reason.

The fact of the matter is that my residents still complain. They complain about standard things that residents in other parts of the country also complain about, including thin police cover, slow response and the constant rotation of staff and personnel. That is a particular problem in community policing. It is all very well for someone to bed themselves in their community,

but if they are moved soon afterwards, as often happens in my neck of the woods, it creates an ongoing problem with no solution.

I know, objectively, that the statistics are not favourably pitched for me to make my particular plea to the Minister because the per capita funding for Merseyside is pretty high—if not very high—compared with other authorities. The norm may not be good, but Merseyside is not comparatively worse off than other areas. However, Merseyside has its own problems. A significant amount of the Merseyside police authority budget goes on pensions. I was discouraged to learn the other day that, whereas in Manchester early retirements from the police authority are at 4 per cent., in Merseyside they are at 12 per cent. I ponder the reasons for that statistic, but that does not help more money to be distributed to police officers and less to pensions. We must also recognise, as does Merseyside police authority, that a problem of sickness in the force also consumes a certain amount of resources.

The reality is that the people of Merseyside feel that policing is not all that it could be. Although crime is down, so is police presence. The people face a very high increase in the precept this year, and that is not just because of Merseyside's settlement. An awful lot of property across Merseyside is in band A, which makes a difference to the impact of the precept.

I shall detain the Minister with an explanation of Merseyside's problems. It is not my explanation, but that offered by the retiring chief constable, Norman Bettison, to whom I pay tribute. He has done an exceptionally good job on Merseyside in his limited time there. He has made the entirely fair point that Liverpool is a port of access, which means a port of access for two major problems in this country at the moment: drugs and terrorism. The Government acknowledge that intellectually, and if they made inquiries in the police community I am sure that they would find the point entirely valid. But acknowledging something intellectually and doing so financially are not quite the same thing. As the chief constable would undoubtedly point out were he here, the situation on Merseyside—in comparison with the rest of the country—means that its police have to spend much time, resources and manpower on only a few, but none the less important, investigations into terrorism and the drugs trade. The areas that ultimately suffer from that include Southport, which is, in a sense, on the fringe.

I simply ask the Minister for a little hope. I should like her to consider seriously the distribution of community wardens, whom the Home Office often allocates to the pathfinder areas.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): Before the hon. Gentleman moves on to his next point, which I anticipate will be important, may I make the point that my constituents, too, feel that the exceptional burdens on Merseyside police authority because of organised crime and the other difficulties that he has referred to should be better recognised in the formula? There should not be a financial penalty for living in an area that has a higher than normal amount of organised crime.

Dr. Pugh: The hon. Gentleman knows from experience, including as an MP, what he is talking about. His point is well founded.

Returning to community support officers, I have listened to hon. Members speak about how excellent and useful those wardens are. Certainly, when I come to London I find myself falling over them on my way into the Houses of Parliament. However, they are not on the streets of my constituency, where they could do such an important job in keeping down low-level crime, as the hon. Member for Middlesbrough (Sir Stuart Bell) described. Will the Minister note that point? I am really asking her to give the force and the people of Merseyside—specifically the people of Southport—a little optimism that funding will recognise our genuine problems and needs. Even if what she offers is geared to Merseyside's having to sort out some of its housekeeping difficulties, that can only be progress, and a move in the right direction.

3.38 pm

Simon Hughes (Southwark, North and Bermondsey) (LD): I am happy to participate in this debate. Until a few years ago, there was a regular debate on London policing but now that policing has, quite properly, been handed over to democratically elected local government, the only opportunity to raise such matters is in the context of the funding settlement. I am grateful, as are all of us who live and work in London, for the Metropolitan Police and all that they do for us. I pay tribute to them. That does not mean that one cannot sometimes be constructively critical over the way in which they go about their work, and we all reserve that right.

I shall put clearly the position from which I come to the debate. I and my colleagues who are members of the London Assembly support the proposal put forward by the Metropolitan Police Authority for its budget. That proposal is higher than that which the Government are willing to fund, which is why there is a protest from London—across many party divides, and as cited in the letter from Sir Robin Wales, the chair of the Association of London Government and a Labour councillor—that the Government are not serving London well in the funding settlement on which we are to vote in a few minutes. That is why my London colleagues and I will vote against it. If we were to succeed in that vote, the Government would have to come back with something better. They would have to come back with more money from the taxpayer for policing, not just for London but for the other police authorities in England and Wales.

London has about a quarter of England and Wales's police officers, and about a quarter of the budget. It is by a long way the largest authority. We have the highest rate of crime per person in England and Wales. That is not surprising; it is common to capital cities. As in many other places, crime is one of the top three concerns of the residents and, sadly, the figures are still far too high. We have more than 1 million recorded crimes in London every year. Everyone hopes that we can go the way of New York. I was there recently, and I saw a headline in the local paper which read, "Crime at its lowest for 35 years", which is a wonderful tribute.

[Simon Hughes]

The Government have again come to a debate avoiding giving answers to some of the difficult questions, but we are pushing for answers. We pushed when the Conservatives were in government, and they promised that we would get answers. We did not, and we are now pushing for them from the Labour Government. Is the formula linked to the crime level? What is the link between paying for policing and the level of crime in an area? If crime goes down, should we expect to receive less? If London has a quarter of the crimes committed nationally, for example, should it expect to get a quarter of the Government budget for policing? Or should the funding relate to efficiency? Should a police authority be rewarded for bringing crime levels down? The Government never answered that question in describing the formula. Most importantly, what should be the Government's contribution—that is, the taxpayer's contribution—and what should be the council tax payer's contribution? We shall unarguably see a further significant imposition on council tax payers across the country, as a direct result of what the Government are proposing.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): I realise that the hon. Gentleman is speaking for the capital city, and that is extremely important, but why should people with the highest per capita income in the country expect to get a greater fraction of taxpayers' money for their council purposes than people in the west midlands, for instance, who have a far lower per capita income and higher council tax to pay?

Simon Hughes: The hon. Gentleman raises a perfectly proper point. I am not arguing that case. He will know that there is a huge disparity in his region, as in mine, in that many people will be paying a large amount of council tax—because of the value of their property—although their income is small and they have no savings. They have one asset, namely their home, which they cannot realise. That is why my hon. Friends and I are clear, as we have been for so long, that the council tax is inappropriate and unfair. I believe that that case is being made increasingly effectively, and that we shall soon see an end to the council tax. I am not making an anti-west midlands case, or a case against any other police authority.

I shall cite the relevant figures, not from a document that I have written but from that of Sir Robin Wales, who has said:

"the disappointing treatment of the Metropolitan Police Authority means that the increase in grant to London overall"

is 5.4 per cent. He makes the point—also made earlier by my hon. Friend the Member for Twickenham (Dr. Cable)—that that effectively means that we shall lose £56 million, which will go into the general kitty for distribution elsewhere. That will mean the equivalent of a 9 per cent. precept. If that were not the case, there would not have to be that imposition on the London council tax payer.

Everyone wants more police and more community support officers. Like the hon. Member for Upminster (Angela Watkinson), who represents part of the London borough of Havering, I also support the idea that there should be a freedom to choose how we spend the money, and that we should not have ring-fenced funds for community support officers.

The national and capital responsibilities budget has gone up, as the Minister rightly said, but it has gone up from £202 million to £207 million, which, by my calculation, is 2.5 per cent. I cannot believe that the additional work on those issues in London over the last year has only been 2.5 per cent.'s worth—that is even lower than the rate of inflation.

There is a huge issue in relation to abstractions. I have some figures here for last year: Lambeth lost 3,400 police officers in abstractions to other, national duties; Southwark lost 3,100 officers; Merton lost 902; and Kingston lost 1,037. Those abstractions were for national anti-terrorism and other duties. If we consider all the reasons for abstractions, we see that my borough lost 597 officer days in the last year, and even boroughs at the bottom of the league table, in areas such as Bexley, for example, lost 227.

Please, please, please, Government, get on with sorting out the pensions liability. The council tax payer is increasingly having to pay the pensions of yesteryear, rather than for the policing of today. Please also allow all parts of London to have the increase in policing that we want. I do not have the figures for Havering in front of me, but I know that in Southwark in March 1997, when this Government came to power, we had 1,157 police and civilians. In March 2000, we had 1,110, and now we have 1,014. We have fewer people in the police service in our borough now than in either 2000 or 1997. This is not a party matter: the right hon. and learned Member for Camberwell and Peckham (Ms Harman) and the right hon. Member for Dulwich and West Norwood (Tessa Jowell) joined us in our campaign.

People in London want a fair settlement. They want the Government to pay their way, and they want a minimum policing guarantee for each community. I hope that, on this issue, whatever Ministers do in relation to the outgoing Mayor or to other matters, they will accept that the figure for policing in London should be agreed across the parties and should not be capped. If they want to cap the Mayor in other ways, they are entitled to do so, but policing in London needs to be protected. The Government should foot more of the bill, not the London council tax payer.

3.46 pm

Ms Blears: We have had a short debate but hon. Members have raised a number of important issues. I am pleased about that, because effective policing and community safety is one of the most pressing matters in the vast majority of our communities.

I was a little disappointed that the hon. Member for South-East Cambridgeshire (Mr. Paice) resurrected a policy that I thought had been put to bed, namely the Conservatives' proposal to increase the force by another 40,000 police officers. They have been remarkably quiet about that since the previous shadow Home Secretary left his post, and the new shadow Home Secretary has certainly not majored on that policy. The hon. Gentleman will recall, as I do, that in our debate on community policing a couple of months ago, how

interesting it was to watch that figure of 40,000 being reduced to 20,000, and then to some 15,000, in the course of the debate.

Mr. Paice: Rubbish.

Ms Blears: That is absolutely the case. When the previous shadow Home Secretary said that the figure of 40,000 was based on two Tory terms of office, and that he could not predict whether there would be two such terms, we felt that he perhaps could not even predict one. I am surprised to see that figure being resurrected. Perhaps it should join the realms of crime fiction rather than crime fact.

Mr. Paice: I want to place clearly on the record, for the avoidance of doubt, that our pledge for a further 40,000 police officers remains. It is calculated on the basis of an extra 5,000 a year, which the Minister knows full well is the most that can fairly be recruited, trained and added in addition to replacement officers. Is she or is she not telling us that there is a need for more police officers? Does she want more or not?

Ms Blears: I think that the arithmetic is 5,000 a year over the first term of a Tory Government, making 20,000. So the promise can only be for 20,000, even if there is a Tory Government, and 5,000 of them would be recruited by us anyway, so we are down to 15,000. The whole House knows that all of that is predicated on the marvellous savings from the asylum system, based on the island that has not yet been identified. I was surprised to see the policy being resurrected in that way.

The hon. Gentleman also spoke about the failure to apply the formula this year. Again, I am surprised if he is saying that he objects to the 3.25 per cent. flat rate across-the-board increase, because if we had applied the formula, many of the forces that I referred to earlier—Kent, Sussex and Surrey—would have lost out by millions of pounds. The vast majority of forces are gainers under the settlement this year. Only a small number, albeit including the Met, Greater Manchester and West Midlands, have made significant contributions to that pot. He did not make clear whether he wanted the other forces to lose out.

The hon. Gentleman also made a point that he has made on a number of occasions and that I take real issue with. It is that everything should simply be at the local level and that there is no place for the matters that are funded through the central pots. Is he saying that there should be no central assistance through the police standards unit, helping to drive up performance in our forces? Is he saying that there should be no central assistance in developing evidence-based codes of practice around the way that we do our policing; no central assistance around training and Centrex; no central assistance around new technology, bringing in automatic number plate recognition and video identification, and expansion of the DNA database, which is leading to our forces being much more effective?

There is a balance to be struck between the centre and the locality, but, as every other organisation in the country accepts, there is a case for having some functions, such as IT, training and human resources, funded properly and rationalised. I hope that people who take a sensible approach to the future effectiveness of our police service will recognise that.

Mr. George Howarth: I apologise to my hon. Friend for not having been here at the opening of the debate. I had another meeting elsewhere. Will she give some thought—I do not expect an immediate response—to the point that the hon. Member for Southport (Dr. Pugh) and I both made, that in looking at where the balance should be struck, the centre should take into account the presence of organised crime in areas such as Merseyside when the funding formula is reviewed or looked at again?

Ms Blears: My hon. Friend makes an important point. He will know that, because of where I live, I am very conscious of the pressures of serious and organised crime along the M62 corridor from Greater Manchester to Liverpool. Merseyside has developed some extremely effective ways of dealing with it, but clearly that is at a cost to the force. In the consultation document that we launched last year on the long-term future of the police service, we wanted to make sure that we got right not only community policing, but also the structure to deal with serious and organised crime, which unfortunately is an increasing threat to our communities. I undertake to look further at that matter.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I should like to put to the Minister a matter that I have raised in correspondence with the Home Secretary: the cost of policing the Iraq war at RAF Fairford, which was more than £3 million on a budget of £36 million for Gloucestershire police, one of the smallest forces in the country. The Government have kindly undertaken to pay most of that, but the Gloucestershire police force still faces having to pay some of it. It causes a great deal of bad feeling in Gloucestershire, which had to put up with the disruption caused by the war. It was happy to do that, but as it was a national war effort it seems to me that the national Government should pay that cost. I should be grateful if the hon. Lady would look into the matter and write to me.

Ms Blears: I am aware of the extra costs of policing RAF Fairford and the demonstrations there. The police did an extremely good and professional job in that very demanding situation. An application for special grants to meet the additional costs is being considered at the centre. However, I am sure that the hon. Gentleman knows that for most forces there is a requirement to find a minimum amount towards the cost of special occasions that arise, and we would want to treat Gloucester similarly to other forces. I certainly undertake to look at the significant additional costs that the force incurred.

My hon. Friend the Member for Sherwood (Paddy Tipping) made some excellent, serious and considered points about the challenges facing the Nottinghamshire police service. As he said, I am due to visit on Monday. I shall look at police performance and particularly at the extremely good partnership work with the local authority to tackle antisocial behaviour. I shall meet some of the victims of antisocial behaviour that has taken place in that community.

[Ms Blears]

I am delighted that police performance in the area has improved in recent times, but there were significant problems in the force in the past, as evidenced by the report of Her Majesty's inspectorate of constabulary. There is a great deal of support from the centre. The police standards unit has been engaged with the force for a considerable time. There is consultancy support to look at performance, new ways of working and new ways of tackling crime. The extra resource provided by the police standards unit comes to about £1 million. It has been pointed out to me by colleagues from Nottingham that although Nottingham is funded as a shire, it has metropolitan police problems. The formula takes into account the pressures, the challenges and the demographics for all authorities, however, and authorities are not funded as metropolitan or shire authorities.

The hon. Member for Somerton and Frome (Mr. Heath) said that forces were underfunded. I do not accept that. In the past two years, police authorities have raised their precepts by a greater amount than they needed to meet the requirements—

It being two hours after the commencement of proceedings on the motion, MADAM DEPUTY SPEAKER *put the Question forthwith, pursuant to Order [2 February].*

The House divided: Ayes 252, Noes 167.

Division No. 45] **[3.55 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atkins, Charlotte
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barron, rh Kevin
Battle, John
Beard, Nigel
Begg, Miss Anne
Bell, Sir Stuart
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Blunkett, rh David
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Burnham, Andy
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Chapman, Ben *(Wirral S)*
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann *(Cynon V)*
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Cox, Tom *(Tooting)*
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dhanda, Parmjit
Dobbin, Jim *(Heywood)*
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Farrelly, Paul
Fisher, Mark
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Jane *(Reading E)*
Grogan, John
Hain, rh Peter
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hamilton, Fabian *(Leeds NE)*
Harman, rh Ms Harriet
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Jones, Jon Owen *(Cardiff C)*
Jones, Kevan *(N Durham)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
King, Andy *(Rugby)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Laxton, Bob *(Derby N)*
Lepper, David
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McDonagh, Siobhain
McDonnell, John
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mahon, Mrs Alice
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Meale, Alan *(Mansfield)*
Merron, Gillian
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Munn, Ms Meg
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Pond, Chris *(Gravesham)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, rh Dawn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Roche, Mrs Barbara
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruane, Chris
Ryan, Joan *(Enfield N)*
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheridan, Jim
Short, rh Clare
Simpson, Alan *(Nottingham S)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*

Soley, Clive
Squire, Rachel
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, David *(NW Leics)*
Taylor, Dr. Richard *(Wyre F)*
Thomas, Gareth *(Harrow W)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
White, Brian
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Vernon Coaker and
Jim Fitzpatrick

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Bacon, Richard
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Beith, rh A. J.
Bellingham, Henry
Beresford, Sir Paul
Blunt, Crispin
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burnett, John
Burnside, David
Burstow, Paul
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Calton, Mrs Patsy
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cotter, Brian
Cran, James *(Beverley)*
Curry, rh David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Doughty, Sue
Duncan, Alan *(Rutland)*
Duncan Smith, rh Iain
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gidley, Sandra
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Grieve, Dominic
Hammond, Philip
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Hoban, Mark *(Fareham)*
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Jack, rh Michael
Jenkin, Bernard
Johnson, Boris *(Henley)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Kirkbride, Miss Julie
Lait, Mrs Jacqui
Lamb, Norman
Leigh, Edward
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Marsden, Paul *(Shrewsbury & Atcham)*
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Moore, Michael
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Mrs Iris *(Strangford)*
Robinson, Peter *(Belfast E)*
Roe, Mrs Marion
Rosindell, Andrew
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soames, Nicholas
Spelman, Mrs Caroline
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Taylor, Ian *(Esher)*
Taylor, Sir Teddy
Teather, Sarah
Thurso, John
Tredinnick, David
Trend, Michael
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Whittingdale, John
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Yeo, Tim *(S Suffolk)*
Younger-Ross, Richard

Tellers for the Noes:
Mr. Peter Atkinson and
Mr. John Randall

Question accordingly agreed to.

Local Government Finance

4.8 pm

The Minister for Local Government, Regional Governance and Fire (Mr. Nick Raynsford): I beg to move,

That the Local Government Finance Report (England) 2004–05, HC 276, a copy of which was laid before this House on 29th January, be approved.

On 11 December I announced to the House an enhanced provisional local government finance settlement, including a further £340 million made available by my right hon. Friend the Chancellor of the Exchequer in the pre-Budget report. The proposals I have now presented to the House confirm that the total formula grant will be £46.1 billion in 2004–05, 5.5 per cent. more than in 2003–04. Additional specific grants take the overall increase to 7.3 per cent.

This is not, of course, a one-off increase; it is part of a programme of sustained growth in investment in the vital public services delivered by local government. Overall, Government funding for English local authorities is up by 30 per cent. on that of the last seven years in real terms. That is in stark contrast with the previous four years, in which year-on-year cuts were the norm, resulting in a 7 per cent. real-terms funding cut during that period.

Opposition Members, who are now showing clear evidence of selective amnesia, may wish to forget their responsibility for the realities of life in that era, when real-terms cuts were the order of the day. But those involved in local government do not have such short memories. They know the change that has occurred. They know that in 2004–05, for the second year running, all local authorities will receive a real-terms increase in formula grant on a like-for-like basis.

Mr. John Burnett (Torridge and West Devon) (LD): I am grateful to the Minister for giving way. I faxed his colleague the Under-Secretary, the hon. Member for Corby (Phil Hope), on 22 January to arrange a meeting with the Minister, the hon. Member for South-West Devon (Mr. Streeter)—for whose support I am extremely grateful—and officials from West Devon borough council and Torridge district council. This contribution to floor has knocked a massive hole in the budgets of both councils. In effect, to stand still the ratepayers of West Devon borough council will have to pay an additional 6.75 per cent. How can the Minister justify that?

Mr. Raynsford: I am sorry, but the hon. Gentleman simply has not given the House the full facts. He should recognise—perhaps he should tell his local authorities this—that Torridge is receiving a 3.6 per cent. increase, West Devon a 4.3 per cent. increase and Devon county council a 4.5 per cent. increase.

Several hon. Members *rose—*

Mr. Raynsford: Those are real-terms increases that are well above the rate of inflation, and we expect local authorities to work within the finance available to them, and to look for economies in order to deliver value for money and quality services to their residents.

Mr. Barry Gardiner (Brent, North) (Lab): As my right hon. Friend knows, I have argued vehemently with him on many occasions at this time of year about the settlement for my own local authority. This year, I want simply to say two words to him: the first is "thank" and the second is "you".

Mr. Raynsford: I am very grateful to my hon. Friend for his remarks. As he knows, his authority received an increase of 7.5 per cent., which is a realistic and very good settlement. I sincerely hope that the people of Brent will see good value for money from their local authority.

Several hon. Members *rose—*

Mr. Raynsford: I understand that all Members want to intervene and I shall try to provide opportunities for them, but first I need to make some progress.

Mr. Anthony Steen (Totnes) (Con): Is this such an opportunity?

Mr. Raynsford: No, it is not, but I have no doubt that we will hear from South Hams in due course.

Some councils have queried what is meant by a real-terms increase in formula grant on a like-for-like basis. The basic principle is clear enough. From one year to the next, the responsibilities of local authorities or the way in which they are financed may change. If we were to compare grant paid to an authority from one year to another without taking account of that—for example, councils are no longer responsible for funding part of the cost of certain benefits—we would be making a misleading comparison. So for the purposes of a like-for-like comparison, we recalculate the previous year's settlement as if the change had already happened. The following year's grant is then calculated on that basis. That is the only proper and fair way. I shall now give way to the hon. Member for Surrey Heath (Mr. Hawkins).

Mr. Nick Hawkins (Surrey Heath) (Con): I am grateful to the right hon. Gentleman for giving way. Does he not accept that ever since this Government came to power, they have consistently loaded yet greater burdens on small borough councils in particular—Surrey Heath is an example—and that the funding to perform their functions has simply not followed? So the Government are not dealing with the situation fairly; they are loading on burdens and not providing the money. Whenever the director of finance for my borough council checks the figures announced by the Government, it is discovered that the money is not as much as the Government pretend through the Minister's statements.

Mr. Raynsford: For the second year running, every local authority in the country—including the hon. Gentleman's two district councils and Surrey county council—has received above-inflation increases. A county council receiving a 7.7 per cent. increase would have been completely unthinkable when his party was in power, so I would have expected to hear a little more realism and a little less complaint.

I owe an apology to the hon. Member for Torridge and West Devon (Mr. Burnett), because I gave him a slightly incorrect answer. The figures that I gave were

the average increases in formula grant over the past seven years, but of course, this year's settlement is even better. Let me now put the record straight by giving him the figures for this year: for Torridge an increase of 4.9 per cent.; for West Devon an increase of 5.3 per cent.; and for Devon county council an increase of 5.5 per cent. I hope that he will take those good figures back to his local authorities and tell them that he expects them to budget prudently and deliver efficient services without the need for large council tax increases.

Several hon. Members *rose—*

Mr. Raynsford: I recognise that we are in Devon territory, so I give way to the hon. Member for Totnes (Mr. Steen).

Mr. Steen: My concern is less with how much extra moneys the Government are providing, though no one is against that; what I am against is asking council tax payers to pay more and more every year. In Devon last year, it was about 18 per cent., with the rate of inflation at around 2 per cent. On the settlement for Devon and Torbay, is the Minister telling me that the local authority should not increase its council tax more than the rate of inflation?

Mr. Raynsford: What I am saying to councils throughout the country, and I am sure that the hon. Gentleman has heard it, is that we are giving good increases. I remind the hon. Gentleman of the increases in his authorities: South Hams has an increase of 3.9 per cent.; Teignbridge of 3.9 per cent.; Torbay of 6.9 per cent.; and Devon county council, as we have already mentioned, 5.5 per cent. Those are all good increases, all above inflation. What I am saying is that, with those increases, we expect councils to budget for low single figure increases.

On the question of pressures on councils to increase the level of council tax, let me remind the hon. Member for Totnes—it would be wise of him and Conservative Front Benchers to be aware of it—of what happened when the Conservatives were in power. When the right hon. Member for Suffolk, Coastal (Mr. Gummer) was the Secretary of State and doing a similar job to mine in 1996—I am a mere Minister of State, rather than Secretary of State, but I am doing the same job of announcing the settlement—he said: "The increase in AEF"—

aggregate external finance, not the grant, which was a lot less—

"is 2.8 per cent.—less than the increase in TSS—because we take the view, which I believe the Opposition share, that council tax payers should properly fund a slightly larger proportion of the costs of their local services."—[*Official Report*, 31 January 1996; Vol. 270, c. 1021.]

A year later, in 1997, he said:

"The increase in aggregate external finance is less than the increase in total standard spending, reflecting the Government's belief"—

he did not have a very good speech writer, repeating almost word for word the previous year's formula—

"that local taxpayers could meet slightly more of the cost of local services."—[*Official Report*, 3 February 1997; Vol. 289, c. 680.]

So when the Conservatives were in government, they clearly believed that local taxpayers should pay more. We believe that recent increases are excessive and that local council tax payers have every reason to object to the large demands placed on them. As I have said, we expect authorities to budget now for low single figures. It is sheer hypocrisy on the part of Conservative Members to complain about pressure on the council tax given that, when they were in power, they were encouraging increases in council tax because of the inadequacy of the settlements.

Mr. David Curry (Skipton and Ripon) (Con): Will the right hon. Gentleman repeat what he said here yesterday—that although he expects councils to budget in low single figures, that is not necessarily the figure on which capping might be applied? What is the figure at which capping will be applied?

Mr. Raynsford: I am pleased to discuss capping with the right hon. Gentleman, who was responsible for the same matter when he was in power. Let me remind him of what he had to say on that particular subject in his winding-up speech of 1996. It was a very funny one. As the Minister for Local Government, Housing and Urban Regeneration, the right hon. Gentleman said:

"It is not often that, in a debate on local government finance, one can begin with Procrustes".

He had, as he said, done his research. Procrustes

"apparently lay in wait in the Athens road and equipped people who came for lodgings with a bed that was not necessarily the right size. If the people were too long, he chopped them. I did not realise that capping had such a distinguished antecedent, but I am encouraged to know that I follow in such a long tradition. I understand that Theseus fastened Procrustes to his own bed and chopped his head off—he had clearly missed his vocation as a local government Minister."—[*Official Report*, 31 January 1996; Vol. 270, c. 1090.]

That was what the right hon. Gentleman said eight years ago. In those days he believed in the road to Athens; clearly, he has been on the road to Damascus since then.

Mrs. Angela Browning (Tiverton and Honiton) (Con): I hope that the Minister will stop messing about and answer my question. The Devon fire and rescue service will set its own precept for the first time this year, and I am very worried that the formula set out by the Government will have an adverse effect, not least because Devon has more retained firefighters than any other county. Meeting the pay award for retained firefighters will account for 23 per cent. of the budget, not 16 per cent. If Devon had received the national average amount, it would not suffer the projected budget shortfall that people fear will cause fire station closures, especially in rural areas. The £2 million that is the difference between what Devon will get and the national average would have resolved the problem. Without going back into history, will the Minister say something about the future of Devon's fire and rescue services?

Mr. Raynsford: I am happy to talk about Devon. As the hon. Lady knows, I have visited the county and discussed this issue. People are naturally worried about it, but I have told them the same thing as I have told

[Mr. Raynsford]

people elsewhere: we expect councils and all authorities—including the fire and police authorities—to budget prudently and to keep council tax levels down. We look to them to aim for increases in the low single figures.

As I have made clear on previous occasions, we do not operate a crude and universal capping system, so we are not saying that anything above a certain level will be capped. That would not be an appropriate way to proceed, but we will use our capping powers if we believe that any authority is imposing an unreasonably large increase. We will take proper account of relevant factors in that decision, but I put all authorities, including those for fire and police services, on notice that they must budget prudently, and that we will use our capping powers if necessary.

Several hon. Members *rose*—

Mr. Raynsford: I will give way when I have finished answering this question. The hon. Member for Tiverton and Honiton (Mrs. Browning) asked specifically about fire authorities. There are concerns, for example, about the need for the new combined fire authorities to build up reserves. I have written to fire authorities on that point, quoting advice from the Chartered Institute of Public Finance and Accountancy. I have said that authorities do not need to move immediately to the level of reserves that they might consider necessary. I have suggested that the new combined authorities might wish to discuss with their previous constituent authorities an arrangement that could give them the cover that they want. In that way, the new authorities would not have to make large provision for reserves in any one year.

I have also touched on other issues with the combined authorities, and my officials will meet representatives from all fire authorities tomorrow. The aim is to explore further the practical help that the Government can give to ensure that fire authorities, while keeping their precepts down, can meet their responsibilities and drive forward the modernisation programme that is so important in the fire service. The levels of precept that we have been hearing about are not acceptable. They would be regarded as far too high in a year when local authorities are generally beginning to recognise that they must keep council tax levels down.

Mr. Bob Blizzard (Waveney) (Lab): I hope that my right hon. Friend will use the capping powers if necessary, but he will know that, for many councils, a significant proportion of the budget increase is accounted for by the amounts that they must pay into pension funds to make up shortfalls. Councils have no choice about making those payments, which have a large impact on council tax levels. Moreover, the people who have to pay council tax are angry, because they see no benefit from the extra money that they have to pay. What can my right hon. Friend say to councils about that problem?

Mr. Raynsford: My hon. Friend makes a valid point. My colleague the Under-Secretary, my hon. Friend the Member for Corby (Phil Hope), has issued guidance to local authorities on this matter. We are keeping it under close review, as we know the real concerns that local authorities have. We shall continue to work with them to ensure that their pension obligations can be met in a way that does not impose undue burdens and unreasonable pressures on council tax payers.

Several hon. Members *rose*—

Mr. Raynsford: I want to make some progress, as I have not made much for the past 10 minutes. However, I will give way in a little while.

We certainly expect councils, like any well run organisations, continually to improve their efficiency, and to make better use of their funding. Council tax payers, many of whom are justifiably concerned about what they will face in the coming year, expect nothing less.

The Government will help in that. For example, we are putting in place a number of measures to secure improvements in local government procurement, through our national procurement strategy. We are also building cost-effectiveness and value for money assessments into the comprehensive performance assessment framework for 2005 onwards. We expect all councils to budget prudently and search out savings and economies to ensure that they deliver value for money to council tax payers.

During the consultation period, we received 454 written representations from local authority groups, individual local councils and hon. Members. The Under-Secretary and I met representatives from the Local Government Association, the Association of London Government and groups representing the main classes of local authority, and I shall deal briefly with the main points that were raised. A number of authorities with education responsibilities argued that they should not be expected to increase their spending on schools by the exact amount of the increase in schools' formula spending share—so-called passporting.

Mrs. Anne Campbell (Cambridge) (Lab): Does my right hon. Friend find it as extraordinary as I do that Cambridgeshire county council, which received an 8.5 per cent. increase in this year's grant and has been promised a 7.9 per cent. increase in next year's grant, is still having enormous difficulty in passporting the 6.8 per cent. increase in its schools budget on to schools without raising the council tax by 9 per cent.?

Mr. Raynsford: My hon. Friend raises a valid point and I have good news for her. As a result of the final adjustments to the settlement, Cambridgeshire county council will receive an increase in the coming year of 8 per cent., not 7.9 per cent. The increase is only modest, but most authorities would regard 8 per cent. as a good figure. Even if Cambridgeshire county council were to passport 100 per cent. of the increase in its schools budget, it would still be left with considerable headroom to fund other services.

My right hon. Friend the Secretary of State for Education and Skills and my hon. Friend the Minister for School Standards have been in touch with Cambridgeshire county council, and I hope that the issue can be resolved sensibly and amicably. Recent

discussions have been constructive and I hope that a settlement will be achieved, because large council tax increases in Cambridgeshire cannot be justified when the Government settlement was so generous both this year and last.

Derek Conway (Old Bexley and Sidcup) (Con): The House knows that the Minister is a decent man. He can avoid Devon but he cannot avoid my constituency because he has to drive through it. My constituents want to know what he is saying to his chums who run the local council. They experienced a 17.5 per cent. council tax increase last year and everybody expects the increase to be well into double figures this year. He is the arbiter and has the power to cap such increases. Rather than delving into history and being such a reasonable man, will he please be a hard man and tell the council that it is not going to get away with it and that he will stop it?

Mr. Raynsford: The hon. Gentleman is also a reasonable man, but he should pay a little more attention to geography. Although his constituency is close to mine and I often travel through it, I do not need to drive through it between my constituency and Westminster because it lies to the east. I will give him the exactly the same message as I would give the local authority in Bexley and, indeed, other authorities: I expect local authorities to budget prudently. Bexley has a 4.3 per cent. grant increase in the coming year, which is well above inflation, and I expect it to keep the council tax demand down to low single figures in just the same way as I expect all other authorities to keep council tax down. Bexley has achieved an excellent rating under the comprehensive performance assessment, and in a sense excellent authorities are almost duty bound to show other authorities how to budget prudently, deliver excellent quality services and achieve value for money.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): The good news is that Sheffield council will get its council tax increase down to low single figures. However, because it has rightly followed Government advice and passed on the welcome increases in education and social services spending to those services, the increase in grant for other services is only 1.3 per cent. at a time when there is a widespread desire for environmental improvements. When we were in opposition, many of us spoke out against capping on many occasions, and some of us remain to be convinced that the principle of capping is any more right now than it was in the early 1990s.

Mr. Raynsford: I understand my hon. Friend's position, which has remained consistent. The Opposition might have changed their position—

Mr. Eric Pickles (Brentwood and Ongar) (Con): So have you.

Mr. Raynsford: No, we have maintained our position. Before taking office, we made it clear that we would retain reserve capping powers. We did not want to use them and, in fact, we have not made widespread use of them, but as the Audit Commission made clear in its report, published shortly before Christmas, the assumption by local government that we would not use capping powers was probably one of the factors that contributed to last year's unreasonably large council tax increases. To avoid any uncertainty, we have made it clear that we have the reserve powers that, as we said before we took office, we would use if necessary, and this year we will use them unless local authorities heed the warning and keep their council tax increases down.

Several hon. Members *rose—*

Mr. Raynsford: I shall make a bit more progress before I give way again.

I was talking about the importance of education when my hon. Friend the Member for Cambridge (Mrs. Campbell) asked a question. I was emphasising that the Government have always been clear about the priority that we attach to education—a priority shared by parents, governors and teachers in every area. I am pleased that, in general, authorities have made it clear that they, too, share that priority, by increasing school spending broadly in line with schools formula spending share.

Last year, some authorities were expected to increase school spending by more in cash terms than their formula grant increase. We accept that that caused difficulties for some authorities and this year we have dealt with the problem by guaranteeing that every authority will receive a grant increase at least large enough to match their schools' FSS increase. Some authorities that benefit from that complain that they have no money for other services. That is simply wrong; it overlooks two facts. First, those authorities are receiving more grant than they would otherwise receive from the general grant settlement. Secondly, schools are not funded solely from Government grant, and no doubt councils will want to continue to contribute to the cost from locally raised revenue.

Some concerns were expressed over the distribution to authorities of the new money—£340 million—made available in the pre-Budget report. It is worth repeating the basis of that distribution. The extra £340 million was added to revenue support grant but not to formula spending share, thus reducing the assumed national council tax. That reduction was shared among authorities so that the extra grant was directed to classes of authority with responsibility for children's social services and the liveability agenda. The resulting grant distribution was subjected to floors and ceilings at the increased level.

Mr. Michael Jabez Foster (Hastings and Rye) (Lab) *rose—*

Mr. Raynsford: I give way to my hon. Friend, who I think is about to raise a question on that very subject.

Mr. Foster: Yes. Is not the problem that when the Chancellor explained that the extra money would be available, it was described as a benefit that would enable authorities to restrict council tax, yet in East Sussex no extra money came from the second grant? However, East Sussex has received a 37 per cent. increase, which is

[Mr. Foster]

why capping should be pursued; under the previous Tory Government, cuts of 7 per cent. were the norm, so the current situation is completely different.

Mr. Raynsford: I am grateful to my hon. Friend for making those comments. He is right to point out that East Sussex has received a good increase—

Mr. Gary Streeter (South-West Devon) (Con): Will the Minister give way?

Mr. Raynsford: I am answering a question—I shall give way to the hon. Gentleman in a moment.

Six authorities received no significant grant increase as a result of the extra £340 million, but that was due to the specific arrangement for supporting authorities with education responsibilities, which would not have had sufficient grant to meet the passporting requirement without an uplift. In the original provisional settlement announced in November, that uplift took their entitlement above the level of the new floor brought in after the additional payment of £340 million from the pre-Budget report statement. They had thus already received an uplift that took them above the level that they would have reached with the additional payment. I realise that sounds complicated, but the issue is complicated and I hope that my hon. Friend the Member for Hastings and Rye (Mr. Foster) will see that that is the reason for what might otherwise appear to be a slightly unfair outcome.

Mr. Streeter: On the issue of floors, may I take the Minister back to his comments to the hon. Member for Torridge and West Devon (Mr. Burnett), who will be sadly missed when he retires at the end of this Parliament—[HON. MEMBERS: "Hear, hear."]

The Minister said that West Devon borough council had received an increase of 5.3 per cent. this year, which, on a budget of £6.5 million, is £332,000, but that is before the contribution of £167,000 to the floor and thus leaves an increase of only £165,000. That is what the treasurer of West Devon borough council told me today. The increase is not 5.3 per cent., and the actual amount does not leave the council enough money to deal with the extra burdens placed on it by the Government. What does the Minister have to say to that?

Mr. Raynsford: I have two things to say to that. First, I shall happily look into any figure that the hon. Gentleman wishes to send to me, but on the face of it West Devon council's treasurer's proposition is, frankly, curious. The floor is the level of guaranteed minimum for all authorities—for district councils, it is 3 per cent.—so there is no question of the floor taking down a settlement. A floor lifts a settlement, and there is absolutely no way in which a 5.3 per cent. increase, which is the figure that West Devon will receive, is reduced by the floor.

A separate issue relates to the specific arrangements for the reimbursement of costs incurred in council tax benefit and hosing benefit payments. I shall explain that technical issue in a moment. Some district councils have been troubled by it, but it is the only possible circumstance where I can envisage West Devon might not achieve the 5.3 per cent. figure.

Mr. Tony McWalter (Hemel Hempstead) (Lab/Co-op): There is another circumstance to which I hope my right hon. Friend will give careful attention. In district and borough councils such as my own—Dacorum borough council—negative subsidy operates at ever-increasing, ratcheting levels, so the effect is to create a trapdoor in the floor. Will he carefully consider whether that trapdoor should be sealed permanently?

Mr. Raynsford: There is no trapdoor and no negative subsidy in the revenue support grant mechanism. My hon. Friend may be referring to a different regime—possibly the housing subsidy regime—but there is certainly no question of any trapdoor or negative subsidy in the local government settlement.

Mr. Adrian Flook (Taunton) (Con): The right hon. Gentleman is only a Minister of State, as he said, in the Office of the Deputy Prime Minister. Taunton Deane is getting a 3.3 per cent. increase, but with reductions for rent allowance, council tax benefit and non-HRA rent allowance, its increase is only 1.49 per cent. Will he therefore address his remarks to that increase?

Mr. Raynsford: As I told the hon. Member for South-West Devon (Mr. Streeter), I shall explain the technically complex issue of council tax and housing benefit subsidy when I reach that point in my speech, rather than dealing with it twice.

I have covered the issues that relate to the way in which the additional sums have been added to the settlement following the pre-Budget report. Let us move on to the floors and ceilings—an issue that has attracted a certain amount of comment. The floor receives general support—of course that is a rather obvious point. I cannot fail to notice a curious reluctance among authorities to propose a means of paying for that floor from a fixed pot of grant. The concerns to which the hon. Member for South-West Devon referred in respect of West Devon council might relate to the fact that, because it is an above-floor authority, it is making a contribution towards the floor. That does not reduce its 5.3 per cent. grant increase, which comes after the application of the floors and ceilings. However, the hon. Gentleman is right to suggest that those authorities above the floor contribute through either the scaling factor or the ceiling towards the cost of the floor. That is part of a framework that ensures that every authority is guaranteed at least a 3 per cent. increase—a point that we will come back to.

There is a curious reluctance to pay for the floor. Indeed, authorities affected by the ceiling complained that they should have received a larger grant increase. Some claimed that they had funding entitlements withheld. I want to correct that misapprehension. The formula grant distribution system distributes a fixed pot of grant among authorities. The basis for the distribution of formula grant to local authorities in England next year is defined in the local government finance report for 2004–05, which we are debating this evening. Local authorities can expect to receive formula grant as calculated using the report, which combines

formulae and floors and ceilings. We have always made it clear that there are no entitlements in the grant distribution system, and the Government cannot be said to owe grant to any authority. Interestingly, the authorities that received the largest overall grant increases are the most vocal in criticising the effect of the ceiling.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): The Minister said that local authorities were expected to contribute to the cost of the floor through the cost of the ceiling. Will he explain how that mechanism works, or is it the case that there is a trapdoor in the floor?

Mr. Raynsford: The system is relatively straightforward. The floor guarantees that no authority will receive less than a specific level of grant so that authorities have certainty that they can budget ahead on the assumption that their grant from the Government will not fall unreasonably from year to year—stability and certainty are important in local government. Local authorities warmly welcome the floor. However, the uplift for authorities that would otherwise receive less than the floor must be paid for. It is paid for by reducing the amount paid to authorities that would have received more than the floor, which is achieved via two mechanisms. First, we apply a scaling factor so that authorities that are a little bit above the floor make a small contribution toward the floor and, secondly, we set a ceiling, which is the maximum entitlement that any authority can receive. Authorities that are above the floor contribute a tapered amount until the point at which they reach the ceiling, when they receive no more than the full amount of the ceiling. The mechanism has been discussed and agreed with local government, and it is widely supported in local government because it gives certainty and is considered to be fair. Inevitably, the authorities that are nearest to or at the ceiling complain about it because they know that they would have got more money but for the arrangement.

Mr. Clifton-Brown: May I see whether I have got this right? If local authorities are near the floor, they may scale to the ceiling; and if they are going to go through the ceiling, they are put down through the floor again—is that correct?

Mr. Raynsford: No, I am sorry. I shall not weary the House by going through it all again.

Mrs. Browning: On a point of order, Madam Deputy Speaker. Will you arrange for a master class to be held on the subject so that we may get on with the debate?

Madam Deputy Speaker (Sylvia Heal): Thank goodness, that is not a point of order for the Chair.

Mr. Raynsford: Thank you, Madam Deputy Speaker. I must say that I did arrange a series of seminars a year and a bit ago when we were introducing the new grant distribution formula. I tried to explain the floors and ceilings mechanism then, but clearly I failed. I was about to tell the hon. Member for Cotswold (Mr. Clifton-Brown) that when authorities reach the ceiling, they do not go down again because they remain on the ceiling. *[Laughter.]* They remain attached to the ceiling by a magical system.

Sue Doughty (Guildford) (LD): Half my constituency is in Waverley borough council. I have a small semi-rural constituency, so it has unavoidable costs. We have had a lot of problems. The council was supposed to receive a 3.2 per cent. increase, but that turns out to be 0.3 per cent. If one does a like-for-like comparison, as the Minister suggested, the formula grant has reduced by an assumed or notional sum of £630,000 for rent allowances and council tax benefits, but the money coming back from the Department for Work and Pensions grant is only £490,000. In addition to that—

Madam Deputy Speaker: Order. That is a rather lengthy intervention.

Mr. Raynsford: The hon. Lady raises a point to which I have already alluded: the council tax benefit and housing tax benefit subsidy arrangements. I shall explain the arrangements and point out why the way in which she presented the situation is not quite accurate—it is more complex than she implied.

We are taking the remaining steps over the coming year to rationalise full support for housing and council tax benefit in the hands of the Department for Work and Pensions, rather than continuing to reflect a notional share of the cost in the formula grant. Most people would agree that the way in which council tax and housing benefit subsidy is currently reimbursed—the majority is refunded in response to claims submitted on the basis of actual payments by DWP, with a notional 5.5 per cent. added to the revenue support grant—is not a logical or sensible way to continue. Local government wanted to rationalise that, which we have done.

When one rationalises a scheme that is divided into two different elements—one making payments in relation to actual audited figures, and the other a notional amount paid in advance, relating to assumed costs—in a demand-led service such as council tax or housing benefit, there is bound to be some discrepancy, because one cannot accurately forecast the case for every authority. That is the present situation.

The figures given by the hon. Member for Guildford (Sue Doughty) reflect the current position, where it appears that the level in the revenue support grant in the current year may not have been sufficient to cover the actual cost incurred by the authority in that proportion of the total that should be covered by revenue support grant. The discrepancy is nothing new. As I shall explain in a moment, we are trying to ensure that all authorities have a safeguard provided by the Minister responsible, the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Gravesham (Mr. Pond), to ensure that there is a transitional arrangement limiting any reduction to 0.5 per cent. of the total budgeted cost of benefits. I hope that that message will soon get through to the hon. Lady's authority and to others that are troubled by the prospect of losing grant as a result of changes in the arrangement.

Richard Younger-Ross (Teignbridge) (LD): The Minister presents an image of yogic flying councils floating above the floor, which I had not encountered before.

[Richard Younger-Ross]

The right hon. Gentleman mentioned his visit to Devon county council. Is it not extraordinary that, wherever he goes, he hears from directors of finance—Jan Stanhope, in the case of Devon county—who disagree with the figures produced by his Department? Is it conceivable that, year after year, the Minister says that one set of figures is right and the directors of finance say that the other set of figures is right, with the public in between being confused? Is it not time that the Minister sent his officials down to places such as Devon to sit down and work out where the problem lies—

Madam Deputy Speaker: Order. The Minister has got the hon. Gentleman's point.

Mr. Raynsford: Thank you, Madam Deputy Speaker. The hon. Gentleman does not give an accurate presentation of the situation in Devon. Some of the evidence submitted by the director of finance in Devon that my officials reported to me when I went to that meeting indicated a not fully complete understanding of the grant distribution system and the requirements on the local authority. There was some concern among my officials that the presentation had been rather politically clouded in the case of Devon county council.

Mr. Alan Duncan (Rutland and Melton) (Con): I refer to the Minister's explanation of the way the formula works, and of the floors and ceilings. For a very small county such as Rutland, a formula designed for much larger units invariably throws out some pretty funny figures. Following our exchange of letters today, will he confirm that he will allow the officers of the council to see a suitably appointed Sir Humphrey in his Department to discuss the numbers that have been produced, so that as grown-ups we can resolve a simple matter that requires a small adjustment?

Mr. Raynsford: I am happy to give the hon. Gentleman the assurance that he seeks. I recognise that there are special circumstances in a very small authority such as Rutland. It gets a good overall percentage grant increase of 6.8 per cent. but there are specific issues that he has raised, and I am happy for my officials to discuss them in a sensible and grown-up way.

I have described the changes from the formulaic to the reimbursement regime in relation to council tax benefit and housing benefit. I shall now go on to the census—

Sir Paul Beresford (Mole Valley) (Con) *rose*—

Mr. Raynsford: I will not give way; I need to make some progress.

The census has also been a cause of concern. A number of authorities made points about data, and in particular data based on the 2001 census. Some were disappointed that we had not been able to incorporate socio-economic data from the census in the settlement proposed. We were simply unable to do so, as not all the data were available in time. Moreover, using those data will be more complicated than merely putting them into the existing formulae.

Re-analysing the expenditure figures using updated socio-economic data will inevitably point to new formulae, because the relative importance of the factors will change. We may need to change the factors in the formulae as a result. The Office of the Deputy Prime Minister will take this work forward in discussion with the local authority associations. The Office for National Statistics has revised its mid-year population estimates, and is continuing work in some areas that may lead to further changes. I have already given a commitment that we will amend the 2003–04 settlement, which was made using the best population figures available. I expect to do so in parallel with the settlement for 2005–06, taking account of the latest available figures, which the ONS will publish in August this year.

We are committed to the new burdens principle. If we ask local authorities to take on a new role, we accept an obligation to ensure that they have the ability to fund their new responsibilities adequately. A great deal of concern has been expressed about the effect on councils of the new licensing role that they are required to undertake from September. We have made it quite clear to local government that when the Secretary of State for Culture, Media and Sport sets the guidance and fees she will do so in a way that ensures that authorities can recover their costs. That will cover the licensing authority's costs associated with the administration, inspection and enforcement. There will also be an independent review of the costs and income after the end of the transitional period.

Mr. Pickles: What about start-up costs?

Mr. Raynsford: There are, of course, issues in the first year, some of which relate to start-up costs and others to the fact that enforcement obligations do not arise. Those issues need to be looked at in the round to try to ensure that there is a genuine settlement that allows authorities over a period of time to recover their full costs—that is what we are seeking to achieve.

After considering points that were made in consultation, I can confirm the basis of grant distribution that I proposed on 11 December following the pre-Budget report. We have considered representations and made corrections to the data used where justified. There have also been changes in individual council allocations to allow for the updating of data, in particular on capital allocations and council tax base. Those updates are made each year. Finally, we have been able to incorporate a small change in population estimates published by the ONS on 27 January relating to naval personnel, which is primarily of interest to Plymouth and Portsmouth.

Simon Hughes (Southwark, North and Bermondsey) (LD): In the period between the provisional settlement and the final one, the Mayor of London, who was elected as an independent, became a Labour mayor. Has there been a change in the settlement for the Greater London Authority, and will the rule that applies elsewhere apply to the GLA—low, single-figure increases only will be acceptable and if the Mayor introduces anything higher he will be capped like anybody else?

Mr. Raynsford: I have already explained to the Liberal Democrats in a previous debate that the

arrangements for the GLA budget are slightly more convoluted than for other authorities, as there is a dialogue between the Mayor and the authority. That is why we did not act immediately when rumours first began about the level of council tax precept. At this stage, however, we understand that the Mayor is proceeding with a proposal for an increase of 9.9 per cent., which is certainly not in low, single figures. I shall write to him, as indeed I have written to all local authorities that have provided indications.

In case there is any confusion—this matter was raised earlier by the right hon. Member for Skipton and Ripon (Mr. Curry)—I remind the hon. Member for Southwark, North and Bermondsey (Simon Hughes) that our decision on capping will take into account the circumstances of each individual authority and there will not be a blanket figure. It would be wrong to assume that we are imposing a blanket cap.

Several hon. Members *rose—*

Mr. Raynsford: I shall take one more intervention, but then I must make progress.

Mr. Andrew Love (Edmonton) (Lab/Co-op): Will my right hon. Friend reaffirm that message for my local authority, Enfield, which will receive a 6 per cent. grant increase, yet is discussing the possibility of a 7.5 per cent. increase in council tax next year? When added to the GLA precept, that will be four or five times the rate of inflation, and is causing considerable concern among various groups in the area. I therefore urge the Minister to confirm that he will write to Enfield and take action if it exceeds a reasonable increase.

Mr. Raynsford: I am happy to confirm to my hon. Friend that I wrote to the London borough of Enfield on 30 January.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will my right hon. Friend give way?

Mr. Raynsford: I am afraid I cannot, as I wish to make progress. The time for debate is limited and many hon. Members wish to speak.

Given the significant extra investment and the scope for efficiency improvements, our view is that next year local authorities can and should deliver council tax increases in low, single figures. I am pleased to say that the initial indications that I have show that many councils agree with those points and are considering budgets that would be consistent with that objective: some, however, are not. I must therefore make it absolutely clear that we are prepared to use our capping powers on any authority, including police and fire authorities, if that proves necessary. We will decide on the criteria in the light of authorities' budget decisions.

This is another good settlement for local government. We listened to local government's views on the spending pressures that they face, and met them. We provided a real-terms increase in funding for all authorities and helped them to plan ahead by freezing the formula for a period of years and by continuing with the use of floors and ceilings. We adapted the system to provide greater certainty on school funding and reduced the ring-fencing of Government grant by £750 million. Given that, and the improvements in efficiency that councils are making and will want to make in future, we expect councils to deliver better services at a reasonable cost in council tax. I commend the settlement to the House.

Tony Baldry (Banbury) (Con): On a point of order, Madam Deputy Speaker. Would it be in order for you to advise the House on when the winding-up speeches are going to begin? Given that we have only an hour left, it looks as though this debate may be unique in that we could move straight from the opening speeches to the winding-up speeches without the debate ever touching the Back Benches. Perhaps you and Mr. Speaker could consider how the interests of Back Benchers can be protected against Ministers speaking for 50 minutes in a debate of only two hours.

Andrew Bennett (Denton and Reddish) (Lab): Further to that point of order, Madam Deputy Speaker. Would you not accept that most of the time taken up by the Minister's speech was on interventions, and that if Conservative Members had kept quiet, it would have been a much shorter speech?

Madam Deputy Speaker: Order. The Minister was generous in the number of interventions that he allowed. Mr. Speaker has tried to protect Back Benchers by imposing a 10-minute limit on Back-Bench speeches. We will now see how the debate proceeds.

4.56 pm

Mr. David Curry (Skipton and Ripon) (Con): As far as this debate is concerned, clearly the floor has already hit the ceiling, and there is nothing between the two. It is a matter of some regret that we are discussing in just two hours the disposal of about 25 per cent. of public expenditure. I am afraid that that is a reflection on priorities, and I think that the business managers should get together to ensure that in future we can have proper debates on matters of such importance.

The Government's handling of local government finance over the past 12 months has been characterised by incompetence, confusion, panic, and now intimidation: incompetence, because the Government utterly failed to foresee, then to get to grips with the dislocation caused by the application of a new formula—rigged, as it happens, to drag money to Labour metropolitan areas; confusion, because the Government sought desperately to bail themselves out by ordering the passporting of education funding, while all the time the Secretary of State for Education and Skills, whose blundering had caused the problems in the first place, sought to blame everyone except himself for the mess; panic, because the Government threw money at this year's settlement without sorting out the inevitable problems that flow from the Secretary of State's pre-emptive strike by prescribing the distribution of schools funding from Whitehall; and now, intimidation as the Government try a combination of cash and confrontation to bludgeon councils into setting a council tax increase in "low single figures"—or is it a "reasonable" increase—accompanied by an increasingly histrionic letter-writing habit that suggests that even the Minister has scant faith that the settlement will stand up as reasonable in its own right?

[Mr. David Curry]

The Government are right to feel panic. Last year's incompetence has led to massive council tax rises because the Government decreed additional spending, but failed to provide for it in grant. The council tax increases were the direct consequence of the Government's miscalculations, as the Audit Commission made clear. So now we are back—with a vengeance—to crude and universal capping. Even the Deputy Prime Minister mocked himself—at least it saved us the trouble—when he talked yesterday about "exercising his sophisticated view" in implementing capping, and could hardly conceal his smile.

Capping has an interesting pedigree. The Minister quoted my reference to Procrustes when I was doing my job, as he is doing his. That reference was double-edged, which is why I used it, and it turned out to be right in the end. In June 1993, the now Secretary of State for Foreign Affairs said:

"The Labour party is wholly and unequivocally opposed to the capping of a council's budget. It is an abuse of central power, it demeans democracy, it undermines the right of local people to decide what services they are ready and willing to pay for, it is in breach of one promise after another from the Conservative party, it serves no economic purpose, and it has not worked in its own terms."—[*Official Report*, 9 June 1993; Vol. 226, c. 385.]

That statement continues to be true. Everyone learns in retrospect. The Government had 13 years in which to learn, but they failed to do that.

Does the Minister remember his perorations about the new freedoms for councils that perform well? Is he aware of the sheer effort and energy that go into preparing for comprehensive performance assessment inspections? Does he remember the praise that he heaped on councils that were rated excellent, while encouraging those that were merely good to make one last heave? Does he know that, of the councils that received threatening letters from him and had a CPA inspection, nine were rated excellent: five Conservative, three Labour and one without overall control—Hartlepool—and 15 were rated good: five Conservative, two Labour, two Liberal Democrat and six without overall control? Does he remember that, in December 2002, the Deputy Prime Minister promised that excellent and good councils would be exempted from reserve capping powers?

We are now in the perverse position whereby councils that are rated excellent are awarded freedoms, but may be capped, while poor councils have no freedoms, but may not be capped. That is not the only perversity. On the first day of the new financial year, the Department removed controls on capital but enforced controls on revenue through capping. I understand that it is called the new localism

Sir Paul Beresford (Mole Valley) (Con): Does my right hon. Friend agree that it is curious that whenever the Minister mentions capping, he refers to one of his favourite Tory councils? It is an excellent council, which he keeps threatening with capping, but charges the lowest average council tax in the country. It is Wandsworth.

Mr. Curry: It will be interesting to note whether the Minister takes into account the absolute level of council tax when he determines his capping criteria.

There is a third perversity. The Government have created turbulence and introduced the famous floors and ceilings to control it. However, there are two sets of floors and ceilings. The interaction of floors and ceilings for the general grant and that for education expenditure means that, for some local authorities, the entire grant increase must go to education. Those authorities are: Richmond, East Sussex, West Sussex—which has a princely total grant increase of £6,000—Windsor and Maidenhead, Southend and Bromley, which last year had to increase education spending by more than the increase in the entire grant for all purposes.

Mr. Raynsford: I am sure that the right hon. Gentleman would like to correct the impression that he gave that West Sussex received a total grant increase of only £6,000. That is not the case. He is referring to the supplement as a result of the Chancellor's pre-Budget report. The increase to West Sussex is much larger.

Mr. Curry: The bonus that West Sussex received was, for the reasons explained, a princely £6,000.

The distribution is skewed. London faces a £247 band D precept from Mr. Livingstone. After the distribution of £340 million in central grant, the increases after passporting are 6.6 per cent. for Labour councils, 6 per cent. for Liberal Democrat councils and 2.5 per cent. for Conservative councils. Labour councils have got nine out of 10 of the highest settlements and Conservative councils have got seven out of 10 of the lowest settlements.

We do not even know how capping will work. Is reasonableness a criterion? Are low single figures a criterion? Yesterday, the Minister said that he had written to 54 authorities that were rumoured to be planning increases of more than 5 per cent. He also said:

"That is not necessarily an indication of the level at which we will cap".—[*Official Report*, 4 February 2004; Vol. 417, c. 746.]

What is the level? The word on the street is 7 per cent. There is a host of questions to be asked. The Minister said that he will cap police authorities, but at what level? It is all very well saying that the Chartered Institute of Public Finance and Accountancy has given advice on the reserves to be constituted by fire authorities, but the wonderfully magic word "prudent" is attached. What is a prudent level of reserves for fire authorities?

Will the Minister relate capping to grant increases? Will he recognise the impact of floors and ceilings? Will he take account of the absolute level as well as the percentage increase of council tax when considering whether to cap? Let us consider a council such as Runnymede in Surrey. It currently charges £85.10 at band D, which makes it the second lowest in the country, against an assumed national average of £181.56. That council proposes to charge £100.44—an increase of 17.5 per cent.—partly because of the hit caused by the calculation of council tax benefit. It has written to the Minister to confess. It has put its hands up, but it will leave its precept as one of the lowest in the country. Can it expect a letter or is it a special case?

Andrew Bennett: On the question of the cap, I accept all the problems that the right hon. Gentleman has outlined for the Government, but where does his party stand? Would it have a cap if it were ever in government?

If not, would he go round the country to justify the council tax increases of 9 per cent., 10 per cent. or higher in most local authorities?

Mr. Curry: If we were in government, we would not have got into this mess in the first place. We would not have rigged the formula, we would not have betrayed the excellent councils and we would not have imposed the burdens on local government that this Government have.

Does the Minister recall that the figure for Kent to which he objected was in a council document that reproduced the Treasury's estimate of the increase in council tax as a yield of 7.3 per cent.? In fact, that was wrong because the Treasury's figure for the assumed yield from council tax is an 8.2 per cent, increase, which is rather higher than low single figures.

Now we hear, at last, that the Minister might be going to cap Ken. We look forward to seeing the Livingstone letter. The planned increase is still 9.9 per cent., as the Minister said, so perhaps the Government have overcome their fear that the Mayor of London's pledge of allegiance to the Labour party is so qualified that he has to be handled like cut glass. It should not be a difficult letter to write, just a standard draft. The Deputy Prime Minister could even top and tail it, and could perhaps finish with a few words saying what personal pleasure it gives him to see Mr. Livingstone once more embraced in the bosom of the Labour party.

The settlement is much better than last year's, and of course councils should budget as tightly as possible and constantly seek to eliminate waste and duplication. However, there is a problem with local authority inflation and the constant demand for the delivery of new services, without the assurance of the long-term funding to support them. Public service pay is rising at a rate of some 5 per cent. a year, and 60 to 70 per cent. of local authority costs are on pay. For example, we have seen pay increases in the fire and rescue services. We also know that demand is increasing. There is not an hon. Member in this House who has not seen people at his surgery concerned about problems in social services relating to care of the elderly, threats to places in residential homes and local authorities' difficulties in funding those care home places, particularly with the new standards that are being applied. That is a major constituency issue for all of us. A home has closed near Skipton in my constituency, and the only alternatives offered are miles away in Bradford and Lancashire, too far for any relatives to visit. People in their 80s, towards the end of their lives, have been displaced into a completely alien environment.

Mr. Michael Jabez Foster: The right hon. Gentleman clearly states that increased pay is an issue for local authorities, but fair pay for local government workers is important. Would he find the answer in restricting that pay, and not providing fair pay to people who work in the public sector?

Mr. Curry: The hon. Gentleman has entirely missed the point. Local authorities depend substantially on Government grant—we know that, although we all wish that it were otherwise and are trying to work to alter the situation. But while that is the case, and while local authorities are therefore subject to national pay negotiations, the money has to be raised somehow. If it is not raised by grant, it comes from council tax. That is the point. It is a matter of record that public service pay is rising by some 5 per cent. a year, and that that is a significant burden on local authorities.

There are also the rising costs of child protection—after the Climbié case—the mounting cost of adoption and fostering, and the rising cost of domiciliary care. I am sure that all hon. Members find that that is another persistent issue in their surgeries. Social services are almost always the main sufferer where education pre-empts other spending in circumstances in which the total grant is inadequate.

Mr. Dennis Turner (Wolverhampton, South-East) (Lab/Co-op): What does the right hon. Gentleman have to say about the excellent revenue support grant settlement that Wolverhampton has had? It will delight the council tax payers, who will be asked to pay only a very reasonable increase. One can think back to the years of the Conservative Government, when council tax increases were much higher. The right hon. Gentleman was partly responsible for that.

Mr. Curry: Some cities have benefited substantially from the reallocation of the formula, and Wolverhampton is perhaps one of them, but many others have not, and still face real difficulties. That is my point. I am not making a crude and universal condemnation. This is a very sophisticated condemnation of the way in which the Government have distributed the funds.

Mr. Raynsford: Given the right hon. Gentleman's very sophisticated analysis of the pressures on local government and the costs, will he now tell the House whether he agrees with the settlement that we propose or whether he would increase it?

Mr. Curry: I have made it absolutely clear that we shall oppose the settlement because of the mess that the Government have got themselves into, the way in which the formula has been applied, the betrayal of the excellent councils, despite a pledge given by the right hon. Gentleman's own boss, and the additional burdens imposed upon local authorities. I have spelt that out for the second time. I would do it again, but I do not think that it is necessary.

We also have the increase in environmental services, in waste collection—

Mr. Steen: I am sorry to stop my right hon. Friend in mid-flow, because we are much enjoying his speech. His colleagues on the Conservative Benches thoroughly agree with what he is saying.

My concern, and that of my hon. Friends in Devon, is the actual cash amount that Devon people have to pay in council tax. They are running out of money, and cannot pay it. Does my right hon. Friend agree that one of the problems is that because council tax has been allowed to run away with itself, and has increased and increased, people can no longer afford the services that the county council says they have to pay for? Does my right hon. Friend also agree that what is important now

[Mr. Steen]

is to reduce the staffing levels in councils right across Devon? In this way, council tax could be reduced at a stroke.

Mr. Curry: I agree that if there is clear evidence of waste it should be eliminated, but I do not agree that the council tax has run away with itself. The Government have imposed the increases in council taxes. This is not a self-induced mechanism. The Government have failed to match their requirements by grant.

We have the increases in environmental services, and we are all in favour; we want to see the landfill directive implemented. We want to see the UK get over its catastrophic record in recycling, for example.

There is also simply the business of being in business: pensions, insurance, utility bills, the implementation of single status. Those are all new, major burdens on government. They are not invented. There is remorseless pressure because of increased demand, compounded by inflation.

District councils often get the thin edge of the wedge, because the increase is below or near the level of inflation pretty well across the board, so the services that are often most visible to local people—street cleaning, lighting, local roads—are likely to suffer. They have also been the ones hit by the council tax benefit difficulties.

Sir Paul Beresford: Does my right hon. Friend anticipate that in the winding-up speech the Minister's response will be that every local authority has an inflation increase? But, of course, that is an inflation increase on last year, when many local authorities, particularly in the south and south-east, were savaged, unlike Wolverhampton and other urban Labour boroughs in the north.

Mr. Curry: I do not know what the Minister will say, but clearly we do not have long to wait, so we shall soon discover.

What will happen next year? Is the £340 million extra a one-off or is it a recurrent payment? If it is not a recurrent payment, if it is not in the base for next year—and the Government keep warning of the tight spending round—it must be found locally, and that looks like 2 per cent. on the council tax simply to start from the same place.

So the problem is that this is a dishonest settlement. It pretends to be much better than it is. It is distorted by the ordering of the distribution of school funding by the Government. It will have an inevitable consequence of tightening the squeeze on social services. It is disfigured by the threat of crude and universal capping, because this is a Government back to their bullying, hectoring, prescribing, dictating worst. This settlement must be opposed.

5.13 pm

Mr. Bill O'Brien (Normanton) (Lab): This debate is of paramount importance to local government.

I declare my interest, as the chairman of SIGOMA—the special interest group of municipal authorities—in the House of Commons. Our aim in SIGOMA is to present to Parliament the interests of municipal authorities, including metropolitan authorities, outside London and the effect of Government policies on the services provided by our authorities affecting our constituents. My right hon. Friend the Minister is aware of our role, and I ask him to take note of the points that I and other members of SIGOMA may put in the debate.

Funding is of paramount importance in providing the services that I have mentioned, and the formula for allocating funds is what the local government finance report is about. I shall address some of the areas of concern expressed by members of SIGOMA. The report covers the year 2004–05, and sets out the amount of grant to be paid to each local authority and other specified bodies for the coming year.

First, I record my appreciation of my right hon. Friends the Deputy Prime Minister and the Minister for Local Government, Regional Governance and Fire, for the support given to local government since 1997. Under the Tories, for 18 years, local government suffered tremendously from cuts in finance that reduced services, as has been made clear tonight. The devastation of 18 years left a blight on many local authorities from which they are still recovering. Under the Tories, industries such as mining, steel, glass and railways all suffered, which created vast areas of deprivation. Local government had to address and provide for that deprivation. My right hon. Friend the Chancellor has recognised the problem of deprivation and has helped the local government wards that have been identified as the most seriously deprived. The Government and local government have worked together in delivering improved services to deprived communities, which is appreciated. Revenue funding, however, is still a real issue to be addressed, as the report demonstrates.

The formula spending share, which was introduced in 2003–04, recognised to some degree the need for a new formula, which helped each local authority to assess how the calculation for major services was arrived at. That is addressed in section 4 of the report. What the report does not show is the definition of poverty in the 21st century, and we are requesting that there should be improvements to the weightings given in the deprivation indicators in the formula. The needs in relation to individual problems and circumstances cannot be identified in the formula, so the requirement for freedom for local authorities to deliver those services through targeted grants is the way forward. We are asking for more freedom to be allowed to local authorities to face the way forward in terms of help for individual needs.

To some degree, the delivery of services to the most deprived communities has been successful with the neighbourhood renewal fund—the NRF. My question to my right hon. Friend the Minister is what will happen when the NRF comes to the end of its life? Crucial services will be lost, and much of the progress and improvements in those areas will fade away if funding is not maintained. We need to ensure that adequate resources are provided at the crucial level of funding through the NRF. I ask for that to be addressed in the winding-up speech tonight.

A further concern that I want the Minister to take seriously is population decline. In many metropolitan areas, we have witnessed population movement, which impacts on education, social services and the main, core

services provided by local authorities, which in turn creates deprivation and a vicious circle. Because population decline requires certain services to be maintained, that puts heavy costs on local authorities.

In relation to data loss and the census, which was touched on by my right hon. Friend the Minister, SIGOMA estimates that the loss to local authorities owing to data change is £85.6 million—as per the analysis of change data issued by the Office of the Deputy Prime Minister. We accept that there is a loss in that regard, and I hope that it will be addressed. I know that my right hon. Friend referred to that issue, but I consider that it demands more attention.

A further point to which I wish to draw attention is revaluation. The current system has a basic premise that resources are distributed on the basis of need and will provide equal levels of council tax if authorities spend at FSS. Reference to that is made in annexe C. The current system is based on valuations 10 years out of date that bear no relationship to the current position. The relationship between the ability to pay and the level of council tax has diverged over the years, with the perverse result that council taxes are higher in the most deprived areas—the very communities that have a low tax base and cannot raise revenues to fund much-needed services. I ask my right hon. Friend to consider that serious situation. The lack of revaluation penalises SIGOMA authorities to the extent of about £270 million a year. Some compensation should be given for that loss of income.

SIGOMA members welcome the commitment to the introduction of revaluation in 2007 but I reiterate my plea for help for those authorities that will be penalised because of the lack of revaluation.

Block 6 of the report refers to environment, protective and cultural services. Interventions have referred to the effect of that block on services to local authorities. About 21 per cent. of household waste is recycled or composted but that figure must increase significantly to meet the landfill directive targets for 2010—by which year, 30 per cent. of household waste will have to be recycled. By 2015, the figure must increase to 33 per cent.

The Prime Minister's strategy unit report "Waste not, Want not" referred to a 45 per cent. increase in household recycling rates by 2015, with households taking part in kerbside collection programmes. If waste recycling targets are to be met, local authorities must be offered additional resources because while the proposed programme is important, it will cost money. It is vital that there is funding for that that follows the costs incurred as a result of the targets.

The final settlement block does not provide further support for the recycling block, as was requested by SIGOMA members. Pressures on that block will continue to be highlighted by SIGOMA, to achieve recognition within the current spending review. I ask my right hon. Friend, when he winds up, to give some indication of how the Government will address the extra resources needed under the environment, protective and cultural services block.

5.23 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): As the right hon. Member for Skipton and Ripon (Mr. Curry) said, a core issue is the Government's attitude to capping, now that we know the settlement. Despite many years of Labour opposing capping and the Government's new-found attachment to the new localism, they talk of little else. They seem obsessed with capping. Ministers spend their time browsing newspapers and surfing the web for any report on any draft budget from any council, anywhere, just so that they can write a letter threatening capping—talking tough.

As councils throughout the country set their budgets, they need to know what the House feels about the Government's obsession with capping. By voting against the Government today, we can send a signal to councils that they should stop looking to Ministers but look instead to their electorates. We can send a signal to the Government that the House rejects the return to the extreme centralism of the Conservatives and reasserts its belief in local democracy.

The Government's case is based on the claim that this is a generous settlement.

Mr. Raynsford: It is.

Mr. Davey: By one measure, it is a generous settlement. In terms of absolute figures and percentages, the settlement is far more generous than anything ever proposed by the Conservatives. The right hon. Member for Skipton and Ripon is on the dodgiest of ground. As a Conservative Minister whose settlements led to severe cuts in education and social services, and as a Minister who praised the council tax—as, indeed, an Opposition spokesman who still supports it—he has little to offer.

When referring to Procrustes, the Minister forgot to say what Procrustes did to people who were too short for the bed in his inn. He put them on the rack. That is where the right hon. Member for Skipton and Ripon and his party are when it comes to the council tax.

I am surprised that the Minister is using such a modest comparison to measure his generosity. He should be taking into account not just what Ministers are giving councils, but what Ministers are telling councils to do with the money. He talks continually about the revenue support side, but conveniently forgets the constraints that his Government are imposing on the expenditure side. The truth is that the Government are forcing councils to spend money on things on which they might not choose to spend it.

There is a long list. It includes the costs of unnecessary audit, inspections, comprehensive performance assessment and best value. Then there are the costs of supporting the plethora of central Government initiatives such as the local strategic partnerships, the work force remodelling exercise and the electronic service delivery targets for 2005. There are the national insurance costs, and the higher pension costs caused by the Government's policy.

Many of the costs may be linked to worthy Government objectives, such as the implementation of freedom of information legislation, the Disability

[Mr. Davey]

Discrimination Act 1995 and higher care standards. The point is that they should be subtracted from the Government's self-proclaimed generosity before they pat themselves on the back. Those are extra costs that must come out of the settlement. It is like being given a Christmas present that one does not really want: one is happy to have the bright new shiny Chinese wok or the lovely fondue set, but would have preferred the cash. That is the problem that the Government have got themselves into.

Our criticism of the Government's claim to generosity does not deny the increase in revenue support, nor does it argue for more. I hope that the Minister will accept from me that Liberal Democrats are not saying that he should have provided more cash. What we are saying is that he should have provided the cash without the massive accumulation of extra costs and responsibilities whose cumulative effect makes this a tight settlement.

Mr. Michael Jabez Foster: Will the hon. Gentleman give way?

Mr. Davey: I want to make some progress, as many Members want to speak.

Above all, the settlement should have been made without strings. It comes with more strings than an orchestra. On ring-fencing, passporting, targets and inspections, the Government have tried to tie down councils' freedom so much that they have ended up tying themselves in knots. The central problem for this settlement is the tangled relationship between capping and the Whitehall controls—or, more specifically, the disastrous collision between education passporting and capping threats. At the centre of that collision are the Office of the Deputy Prime Minister and the Department for Education and Skills.

I genuinely believe that the ODPM would like to give councils more freedom, but it has been told to keep council tax down, so it has offered a generous settlement. Then in charges the DFES, with its demands for all education cash to be passed on. Crash! No freedom.

Mr. Foster: Would or would not the hon. Gentleman's party insist on passporting?

Mr. Davey: We would leave it to the local education authorities. That is called local democracy. It is something in which this Government used to believe when they were in opposition.

What are councils to do, faced with this dilemma? Are they to obey the DFES and passport education cash, while risking the capping of the unavoidable increase in council tax? Or are they to obey the ODPM, keeping back some of the education cash and setting a modest council tax but risking legal action on the part of the DFES?

That is a dilemma for far too many councils. Let us take two, Labour-controlled Telford and Wrekin and Liberal Democrat-run West Berkshire. Telford is supposed to be a flagship Labour authority, judged excellent by the comprehensive performance assessment; yet last year it under-budgeted, set a lowish council tax and ended up borrowing. Now the day of reckoning has arrived: there is talk in Telford of a 13 per cent. rise. If that happens, will the Minister cap Telford? After all, it is an excellent authority and the Government promised to give excellent authorities freedom from capping—but, of course, they reneged on that. Telford will be a big test for the Minister's logic.

Then there is West Berkshire, another well-performing authority. Caught in the pincer of passporting and capping, it is obeying the DFES, and as a result looking at a double-figure council tax rise—simply because it obeyed central Government. For West Berkshire, the situation is even more galling. The ODPM says that it deserves more money, but it lost more than £3 million of what the ODPM said it needed last year, due to the ceilings. This year, the ceiling will cost it the £3.6 million that the ODPM says it is now due. With that cash, its council tax would indeed be in low single figures.

Mr. David Rendel (Newbury) (LD): Does my hon. Friend realise that in a way, the situation is even worse than he suggests? The very fact that the Government have imposed a ceiling on West Berkshire indicates that it was underfunded for many years under the previous formula. So there is now a big backlog of necessary expenditure, towards which not a penny is being offered.

Mr. Davey: My hon. Friend is exactly right. Such councils are having huge problems. The effects of passporting, capping and ring-fencing are combining with that backlog and creating real problems.

We have arrived at a truly bizarre situation. The Government admit that a given council deserves more cash, but they take it away to fund the settlement's floors. When the council tries to adjust its budget by spreading its remaining cash fairly across its services, it is told that it cannot do so, and that much of the cash should go to schools. Then, when it tries to raise its council tax to do what it has been told, it is capped. No wonder the Audit Commission said that the Government's council tax system is fundamentally flawed. Frankly, that was an understatement. What are councils supposed to do if such a dilemma is the fruit of a generous settlement?

The truth is that, although this settlement may be generous when measured against the Conservative record, it is far from generous when measured against the new Labour world of controls and caps. For the Minister's sake, I repeat: we are talking about more generosity not in terms of cash, but in terms of freedom—freedom for councils. Ironically, by granting such freedom he would set himself free—free from the burden of having to cap councils.

Let us look a little more closely at the Minister's dilemma: his stance on capping. He has been talking tough, but he has been sending out totally mixed messages. That is probably because, in reality, he is engaged in a large and complex poker game. First, we are told that the Government want low single figures. What does that mean? Well, 5 per cent. and under would seem to be the obvious message. But then we get the statement about "single figures". What does that mean? Many in local government think that that means 9.9 per cent. or less. Yet when many Labour councils are

struggling to get under 10 per cent., we hear on the local government grapevine that some councils might get away with increases in the mid-teens. What are we to make of all this?

What of fire authorities? Many suspect that it is in respect of fire authorities and police authorities that we will see the highest rises, and for a multitude of reasons. There is the pay settlement, which is hitting rural fire authorities, with their retained firefighters, particularly hard. There is also the pension problem, which gets worse every year, the up-front costs of the modernisation agenda, and the cost of the new combined fire authorities building up their reserves. And there is the perhaps most bizarre centrally imposed cost pressure of all: fire authorities being forced to hike the council tax to comply with new accounting rules imposed by the centre, yet if they comply with them, they get capped. That is truly byzantine.

What is the Minister's intention for the fire authorities? He says that he will meet them tomorrow, but it is a shame that he could not share with the House what he is going to tell them. Will he cap them? Will he require districts to re-bill when he has capped them, at a cost probably equal to the "overspend" of the fire authorities? That would mean council tax payers' money going on re-billing, not fire protection. This is bizarre.

When one appreciates how ridiculous this mess has become, it is perhaps possible to understand why Ministers are obsessed with capping. It is the last hiding place of the Whitehall control freak. If Ministers cap, they are capping their own mess. That is why Liberal Democrats say, "Scrap it, don't cap it."

I want to ask the Minister several specific questions about this year's settlement, the first of which relates to the extra cash provided in a panic by the Chancellor in the pre-Budget report: the £340 million sticking plaster. There is some concern that that money has been taken directly from the NHS budget. Will the Minister assure the House that that is not the case, and instead come clean and tell us where the extra cash came from? If he cannot, there is an even greater need to ask my second question about the £340 million. There is a view that that sum has not been built into the baseline budget for next year for the ODPM and for councils. In other words, it is not just a sticking plaster, but one designed to come off in a year. If that is the case, it is a serious charge, for the £340 million is equivalent to 2 per cent. on council tax, and if the cash is effectively time-limited, we are witnessing the stealthiest council tax rise of all. It is in there, but it is being deliberately delayed to get the Government through the June local elections. I thought that they had tried every trick in the book, but it looks like they have invented a new one.

What about licensing? The Government promised that the new responsive licensing would be self-funding and that the Department for Culture, Media and Sport would design a mechanism. Will the Minister confirm that today? We still do not know what the mechanism will be, which is serious. The Minister is urging councils to be prudent, but should a prudent council provide for the contingent liability that the Department for Culture, Media and Sport, when it comes to licensing, might not be able to organise the proverbial in a brewery? When will that other Whitehall silo get its act together for the ever patient, always subservient local government?

I would like the Minister's assurance on a final matter. His excuse tonight might well be that we should all wait for the balance of funding review. He might argue that he sees all the problems and understands the difficulties, but that we should all be patient because the matter is in hand. He is a well-respected, well-liked Minister who listens. He may persuade some of us sometimes, but he needs to provide reassurances—and I seek two tonight.

First, can he give the House a categorical assurance that education funding will not be centralised as a way out of the balance of funding problem? No. 10 advisers have worried about that problem, but will the Minister resign if school funding is taken away from local authorities, which would be a disgrace?

Secondly, we need to know more about the timing and status of the review's conclusions. The Minister said at ODPM questions yesterday that the review would report in the summer. Does that mean before the summer recess, during the recess or when we come back in September? The Minister appears not to know, so we would like some clarification. When we get the report, what status will its recommendations have? Will it lead to the reform of council tax through the legislative powers of the Local Government Act 2003? Will it lead to this Parliament producing more legislation, or will it just be a contribution to the Labour manifesto? We need to know how quickly the Government are going to deal with this appalling problem.

The Minister may not want to be definitive in answering those questions tonight. I understand that, but given that he seeks the House's support tonight, he could at least share some of his current thinking with us. With the council tax system and the current settlement so badly flawed, the Minister should be charting his path out of this quagmire for all to see. Otherwise, we can have no confidence in this policy, no confidence in the settlement and no confidence that the Government have a clue about what they are doing.

5.37 pm

Mr. Jim Marshall (Leicester, South) (Lab): May I tell my right hon. Friend that I am not criticising him when I point out that in a debate of less than two hours, only 20 minutes is provided for Back-Bench Members? Surely we would all, including my right hon. Friend, agree that that is totally unacceptable. I suggest that my right hon. Friend and other Front-Bench Members make representations to the appropriate quarters so that in future years we can have a fuller and more representative debate than we are having this evening.

I did not participate last year, but usually in these debates I have a go at the Government for failing to provide sufficient resources for the city of Leicester. The Minister will be pleased to hear that that is not my intention tonight; indeed, I intend to put the boot into the city of Leicester. As the Minister knows, the Labour party lost control of Leicester last year and a Lib-Dem/Tory council took its place. In recent weeks, we have seen the consequences of the Leicester electorate's decision. Despite a reasonable settlement—higher than 5.5 per cent.; lower than 6 per cent.—which will safeguard social services and education, the people of

[Mr. Jim Marshall]

Leicester are now threatened with a council tax increase of 14 per cent. and savage cuts in voluntary sector provision.

Mr. Streeter: I am following the hon. Gentleman's remarks closely. I am glad that the people of Leicester have had a fair and reasonable settlement this year. However, for the past two years fair settlements like that have been paid for largely by people in the south of the country. Why should the people of Plymouth—a deprived and challenged community itself—pay for the people of Leicester?

Mr. Marshall: If the hon. Gentleman had listened to my speeches in recent years, he would have heard me complain that Leicester had not received sufficient funds. I am making an exception this evening, for the reasons that I gave earlier.

The people of Leicester are now being threatened with a 14 per cent. increase in council tax, and savage reductions in the provision of services by the voluntary sector. If it is imposed, the increase in council tax will be totally unacceptable. It will adversely affect social cohesion and increase social exclusion in the city, and have an adverse impact on Leicester's good race relations record.

The new leaders of Leicester city council cite two reasons for the proposed increase. The first will not surprise anyone, especially those who listened to the speech by the hon. Member for Kingston and Surbiton (Mr. Davey), the Liberal Democrat spokesman. The leaders claim that the financial situation left by the previous Labour administration rendered such an increase inevitable.

Anyone who has looked at the books will accept that that is simply untrue. The leader of the Labour group on the city council will set out an alternative budget in the next few weeks that would achieve a substantial reduction in the proposed level of council tax but without the swingeing cuts in the voluntary sector.

I have some sympathy with the second claim made by the new leaders of Leicester city council. They argue, as I have argued in the past, that Leicester has been historically underfunded ever since it returned to unitary status. That underfunding has been exacerbated every year. The city council now claims that the city is owed £20 million. I have been asked—as have my right hon. Friend the Member for Leicester, West (Ms Hewitt), the Secretary of State for Trade and Industry, and my hon. Friend the Member for Leicester, East (Keith Vaz)—to speak to Ministers to try and get that money returned.

I do not have any great faith that the money will be returned, but I should be grateful for an assurance from Ministers that they will look into that claim again. I hope that, in future years, assessments can be made to take account of that historical underfunding.

I do not believe that the difficulties faced by Leicester city council this year are an order of magnitude different from those faced in previous years. In discussions that I have had with the council's leaders, it has become clear that there are legitimate questions to be asked about proposed levels of financial provision for certain services. There are big arguments about whether the proposed level of reserves, the allocation of millions of pounds to parks for unspecified reasons, and the proposed level of expenditure on maintenance, are necessary.

That is not an exhaustive list of the questions being asked, but it is illustrative: it shows that, if there is political will in the new city council leadership, proposals can emerge that would be acceptable to council tax payers in Leicester, and lead to a substantial reduction in the proposed level of council tax. I urge the city council to follow that lead.

What concerns me most of all, however, is the proposal to cut expenditure in the voluntary sector from £11 million at present to £9 million over the next two years. If that £2 million reduction is carried out, it will impact on the whole city and all groups in the city, and no section of the community in Leicester will be unaffected: women's groups will be affected; children's groups will be affected; mental health organisations will be affected; and ethnic minority groups will also be affected.

In my view, the reduction is a mindless attack on those groups which have done so much in Leicester to improve social cohesion, tackle social exclusion and improve race relations. To be parochial, the closure of Goldhill adventure playground and Braunstone adventure playground in Leicester, West will inevitably lead to more young people on the streets, with a possible attendant increase in social problems. The threatened closure of the Saffron resources centre will remove one of the key players in improving the life chances of the people who live on Saffron Lane estate in the outer city of Leicester.

The biggest cuts will be made in Highfields, which is the crucible of the multi-racial, multi-ethnic population of the city. If the cuts are carried out, one must fear for the continuing development of Leicester as a good multi-ethnic community. The cuts are short-sighted and fail to recognise the value for money provided by the voluntary sector in Leicester. The damage done to our city and its development as a multicultural city will be irreparable. I hope that the cuts can be stopped and that the new leadership of the city council eventually sees the light and realises the futility and stupidity of its current proposals.

5.47 pm

Mr. Eric Pickles (Brentwood and Ongar) (Con): At this point, I would normally comment on speeches by Back Benchers, and it is a matter of some regret that I cannot comment on speeches by my hon. Friends because they have been denied an opportunity to speak—they have, however, made a number of telling interventions.

I can also say to the usual channels that Her Majesty's Opposition take the view that half a day is sorely inadequate to debate one quarter of public expenditure, and I hope that we will now see—

Mr. Michael Foster (Worcester) (Lab): Will the hon. Gentleman give way?

Mr. Pickles: Yes, of course. We have plenty of time.

Mr. Foster: I know that the hon. Gentleman cannot comment on contributions by Conservative Back Benchers, but perhaps I can help him. A leading Conservative Front Bencher told a group of Worcestershire head teachers that he believed that the area cost adjustment should be scrapped. Does he agree with that position?

Mr. Pickles: Why did I take the intervention? I must have been mad.

We must restore confidence in the system by which the grant is allocated, because the system is shot. The speech by the hon. Member for Kingston and Surbiton (Mr. Davey) was immensely naive on one point: he asked whether central Government would take over education; they have. They absolutely control education and passporting is the final straw. It is the final measure that gives them complete control over education. Education authorities receive a sum of money which they pass over to schools, and sometimes they must find extra money because the Government have not allocated sufficient funds. The nature of passporting has completely skewed the organisation of local government finance. It means that there is practically nothing left in many authorities for care for the elderly, children in need, cleaning, or even for mundane things such as dustbins. Nor is there anything left for rodent control, about which the Prime Minister talked with such knowledge and passion yesterday.

We heard from the Minister his usual honeyed words about how adequate the whole settlement is, but we have been there before. As early as November, he said how generous the settlement was and that there was no reason why councils could not continue to improve services while sticking to a reasonable council tax increase. However, within a couple of weeks, the Chancellor of the Exchequer found it necessary to put in the additional sum of £340,000—*[Interruption.]* I am sorry—I mean £340 million.

Perhaps we should not be surprised, because the Minister said the same things last year. But we now know that last year council tax went through the roof. The average council tax rose by 12.9 per cent. on band D properties, which was the biggest increase in the history of the council tax. Previously law-abiding citizens refused to pay the council tax increases and old-age pensioners were dragged before magistrates courts for non-payment. Senior police officers warned of a breakdown in law and order.

The same formula that distributed the grant will also be used to distribute the extra top-up. My right hon. Friend the Member for Skipton and Ripon (Mr. Curry) made great play of the mere £6,000 that will be given to West Sussex. Put into context, that means that the good folk of West Sussex whose property is in band D will receive the princely sum of 2p off their council tax bills. By any stretch of the imagination, that is penny-pinching.

My right hon. Friend was also right to point out the discrepancy between Conservative and Labour authorities. After passporting is taken into consideration, Labour authorities have received, on average, an increase of £6.6 million, but Conservative authorities have received an average of £2.5 million. We all know who will get the blame. Last year, most people blamed the councils, but this year we know from ICM that the people blame the Government. The independent Audit Commission blames the Government. The blame lies firmly on the shoulders of the Government.

Mr. Raynsford *indicated dissent.*

Mr. Pickles: It is true. The Audit Commission says that burdens from central Government increased local authorities' costs and that changes in the allocation of funding hit many councils hard. It dismisses the Government's claim that the high rises last year were because the councils were not up for re-election.

The level of council tax has reached a high that even this Government find unacceptable. Council tax has been used for a purpose that it was never intended for. It has distorted the whole system of local government. Rather than scrabble around for a new form of taxation, the Government should remove the distortion. They must stop using council tax as a stealth tax to bring in public expenditure by the back door.

I shall conclude with some apposite words from the Minister. On the subject of capping, he said, in this very Chamber:

> "We see a sad and sorry picture of the imposition of centralised diktats by Ministers who cannot possibly understand the intricacies and detailed implications for local communities".—[*Official Report*, 24 June 1992; Vol. 210, c. 346.]

This is indeed a sad and sorry settlement.

5.54 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): We have held a short, intense but important debate on the financial settlement for local government next year. Many Members have had the chance to intervene on my right hon. Friend the Minister for Local Government, Regional Governance and Fire, and many of them spoke in support of their local area. However, I noticed that no one asked for less money to be given to their council.

Many Members asked for unreasonable council tax increases to be capped, or to be dealt with. I have looked back at some of the debates when the Conservatives were in power; the Tory Government, who deliberately failed to recognise the problems of deprivation, boasted that tax increases under Tory councils were the lowest. Today, it appears that, on average, Tory councils, with the Liberal Democrats close behind, are planning to set higher council tax rates than Labour councils. Of course, they will try to pin the blame on the Government, but local people know better. They know that every council has received consistent, above-inflation support for its services every year since 1997. They know that Tory councils are to blame for high council taxes.

The right hon. Member for Skipton and Ripon (Mr. Curry) was ambivalent about capping when he responded to an intervention from my hon. Friend the Member for Denton and Reddish (Andrew Bennett); he refused to say whether he would cap councils in future.

[Phil Hope]

Given the right hon. Gentleman's record in government, that is strange, as he was one of the most ruthless, across-the-board, capping Ministers this country has ever seen. He knows that Tory councils cost us more, and that if ever they got back into government a Tory Government would cost us more.

What emerged from the right hon. Gentleman's contribution was the way the Tories would find the savings to stop those rises. We heard it: cuts to public services. That is the answer that the Tories came up with. Basically, the right hon. Gentleman said that public sector pay was too high, so all our public sector workers in local government know that their pay would be cut if the Tories ever came back to power.

Mr. Curry: The hon. Gentleman disfigures entirely what I said. I said that public sector pay was rising at 5 per cent., and when I was asked whether I wanted to cut it, I said "no" and that the Government had to finance it because it was a cost on local government. That is what I said.

Phil Hope: Those of us with a history of representing workers in the trade union movement all know what it means when we hear a Tory Minister talking about public sector pay going too high.

The hon. Member for Totnes (Mr. Steen), who is no longer in the Chamber, did not actually focus on public sector pay, but on public sector jobs. He said that the only way to reduce the cost of local government is to reduce the number of public sector workers in local government. Not only will the Tories cut their pay; they will also cut public sector jobs. Of course, the hon. Gentleman is only backing up his leader, who believes in small government. And what does that pledge mean in practice? A 20 per cent. cut in public sector spending across the board. That would be the impact of a Tory Government in charge of local government.

Mr. Streeter *rose—*

Phil Hope: From the hon. Member for Kingston and Surbiton (Mr. Davey), we discovered that the Liberals are opposed to important new developments, such as local strategic partnerships, which do much locally to bring local agencies together and improve public services. It appears, however, that the Liberal Democrats will scrap those partnerships, along with other interventions we have made, such as the comprehensive performance assessment, which are driving up standards in local government. As a result of inspections and the support, such as the CPA, that local government enjoys, councils' performance improves year on year. The hon. Gentleman should tell his Liberal Democrat friends in local government, who are often the greatest enthusiasts—

Mr. Streeter: On a point of order, Mr. Deputy Speaker. As you know, I have been unable to put the point that I came into the Chamber to make, and as you also know, no Conservative Back Bencher has been able to speak—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I think that the hon. Gentleman, probably from understandable frustration, is distorting what a point of order should be. I cannot accept that.

Phil Hope: The hon. Member for South-West Devon (Mr. Streeter) intervened twice during the speech of my right hon. Friend the Minister and made his points then.

It appears that the Liberal Democrats are opposed to passporting, too—as, it seems, is the right hon. Member for Skipton and Ripon, who is opposed to the passporting of money for education. That is interesting in view of the comments about Cambridgeshire made in February 1997 by the right hon. Member for Suffolk, Coastal (Mr. Gummer), who was then in government. He said that the Conservatives had concentrated on education because

"the majority of people feel that it should be a priority . . . If a local authority does not passport through the money, as is provided for, it will be for the electorate to ask it whether it shares their priorities".—[*Official Report*, 3 February 1997; Vol. 289, c. 678.]

The right hon. Gentleman wants to see money going to education—or he did then—but his right hon. and hon. Friends on the Opposition Front Bench no longer do. It always amuses me when Conservative MPs ask for more money, even though their Front-Bench colleagues would clearly cut it.

Let us contrast the Tory record with that of a Labour Government who believe in helping communities to help themselves. At the centre of that belief is our commitment to support local authorities in doing the job that local people rightly expect them to do.

It being four hours after the commencement of proceedings on the police grant report motion, MR. DEPUTY SPEAKER *put the Question forthwith, pursuant to Order [2 February].*

The House divided: Ayes 244, Noes 160.

Division No. 46] **[5.59 pm**

AYES

Abbott, Ms Diane
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, rh Donald *(Swansea E)*
Anderson, Janet *(Rossendale & Darwen)*
Austin, John
Bailey, Adrian
Baird, Vera
Banks, Tony
Barnes, Harry
Barron, rh Kevin
Battle, John
Beard, Nigel
Begg, Miss Anne
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Blunkett, rh David
Boateng, rh Paul
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burnham, Andy
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony

Cook, Frank *(Stockton N)*
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Cox, Tom *(Tooting)*
Crausby, David
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, Geraint *(Croydon C)*
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dobbin, Jim *(Heywood)*
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gapes, Mike *(Ilford S)*
Gardiner, Barry
George, rh Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Jane *(Reading E)*
Grogan, John
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Havard, Dai *(Merthyr Tydfil & Rhymney)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Heppell, John
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hope, Phil *(Corby)*
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Hutton, rh John
Iddon, Dr. Brian
Illsley, Eric
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Kevan *(N Durham)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S.
Kidney, David
King, Andy *(Rugby)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Laxton, Bob *(Derby N)*
Lepper, David
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McDonagh, Siobhain
McDonnell, John
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mahon, Mrs Alice
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Meale, Alan *(Mansfield)*
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Murphy, Jim *(Eastwood)*
Naysmith, Dr. Doug
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
Palmer, Dr. Nick
Perham, Linda
Pickthall, Colin
Pike, Peter *(Burnley)*
Pond, Chris *(Gravesham)*
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Ryan, Joan *(Enfield N)*
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheridan, Jim
Short, rh Clare
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Soley, Clive
Spellar, rh John
Squire, Rachel
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stuart, Ms Gisela
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, David *(NW Leics)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
White, Brian
Wicks, Malcolm
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, David *(Telford)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Nick Ainger and Charlotte Atkins

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baldry, Tony
Baron, John *(Billericay)*
Barrett, John
Bellingham, Henry
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burnett, John
Burstow, Paul
Butterfill, Sir John
Cable, Dr. Vincent
Calton, Mrs Patsy
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Conway, Derek
Cormack, Sir Patrick
Cran, James *(Beverley)*
Curry, rh David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Doughty, Sue
Duncan, Alan *(Rutland)*
Duncan Smith, rh Iain
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
Gidley, Sandra
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Grieve, Dominic
Gummer, rh John
Hammond, Philip
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heath, David
Hoban, Mark *(Fareham)*
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Jack, rh Michael
Jenkin, Bernard

Johnson, Boris *(Henley)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Kirkbride, Miss Julie
Lait, Mrs Jacqui
Lamb, Norman
Leigh, Edward
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Moore, Michael
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Öpik, Lembit
Osborne, George *(Tatton)*
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion
Rosindell, Andrew
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Taylor, Ian *(Esher)*
Taylor, Dr. Richard *(Wyre F)*
Taylor, Sir Teddy
Teather, Sarah
Tredinnick, David
Trend, Michael
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Watkinson, Angela
Whittingdale, John
Wiggin, Bill
Wilkinson, John
Willetts, David
Williams, Roger *(Brecon)*
Wilshire, David
Younger-Ross, Richard

Tellers for the Noes:
Mr. Mark Field and Gregory Barker

Question accordingly agreed to.

Resolved,

That the Local Government Finance Report (England) 2004–05, HC 276, a copy of which was laid before this House on 29th January, be approved.

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Deputy Speaker. You will know that strong representations were made at last week's business questions that today's important business should not be taken on the shortest day of the week, especially as the business for the week was light. As you know, both last Thursday and this Monday the business did not carry and the time was not used. Could you bring that to Mr. Speaker's attention so that he can use his influence to bring it to the attention of the Government and the usual channels, and try to protect the interests of Back Benchers for the future? You will know, Mr. Deputy Speaker, that not a single Conservative Back Bencher was able to speak in the important debate on the local government settlement.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Further to that point of order, Mr. Deputy Speaker. Is it not bad enough that the Government scheduled business in a way that allowed very little time for it? They compounded that felony when the Minister for Local Government, Regional Governance and Fire spoke for an excessively long time. Twice, therefore, the Government managed to squeeze out Back Benchers, from their own party as well as Opposition parties. Can nothing be done to protect the House and Back Benchers from such activity by the Government?

Mr. Deputy Speaker: Order. The original point of order is not strictly a point of order for the Chair, but it is certainly a matter of concern for the Chair, whose interest is to protect the interests of Back Benchers. The hon. Member for North-East Hertfordshire (Mr. Heald) and the right hon. Member for Bromley and Chislehurst (Mr. Forth) will know that the Chair does not organise the business of the House. The House's agenda and the time allocated for it are usually determined through the usual channels. There is a difficulty, because when a time limit is imposed, which Mr. Speaker has been encouraged to do by the Modernisation Committee, Back Benchers take a cue and intervene on Ministers. If Ministers are generous in taking interventions, time on a day when there is at most half a day for business is very severely curtailed for Back Benchers. I am sure that Mr. Speaker will read *Hansard* and the points that Members have made. In essence, the matter must be resolved by amicable negotiation through the usual channels.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9)(European Standing Committees),

TRANS-EUROPEAN TRANSPORT NETWORK

That this House takes note of European Union Document No. COM (03) 132, Commission Communication on developing the trans-European transport network: innovative funding solutions and interoperability of electronic toll collections systems and draft Directive on the widespread introduction and interoperability of electronic road toll systems in the Community; and endorses the Government's approach to discussions on this document.—*[Paul Clark.]*

Question agreed to.

Local Government Finance (Mid-Dorset and North Poole)

Motion made, and Question proposed, That this House do now adjourn.—*[Paul Clark.]*

6.16 pm

Mrs. Annette L. Brooke (Mid-Dorset and North Poole) (LD): I am extremely pleased to be able to make points directly to the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Corby (Phil Hope) on behalf of my constituents. He will no doubt have heard all the previous debate and might be thinking, "Not more of the same." However, week after week, I receive letters from constituents who are extremely worried about future council tax increases; it is certainly the biggest single issue that is raised with me.

The second biggest issue is the provision of services locally, whether people are waiting to be rehoused, need better support from social services, want to know why the revenue funding per school pupil is much lower than in neighbouring Hampshire—about £100 per pupil—or why we do not have a more visible and accessible police force. It an important part of my representative role to tell the Minister about my constituents' deep concerns.

I should like to start by outlining briefly some of the characteristics of my constituency, which includes parts of four principal council areas—Poole unitary authority, East Dorset district council, Purbeck district council and Dorset county council. There are four parish councils and two town councils and area committees within Poole unitary authority, as well as the Dorset police and fire authorities. About two thirds of the population live in the urban area, but two thirds of the land area could be classed as rural.

From afar, my constituency would be judged an affluent area. The current level of unemployment is less than 1 per cent., so why do I stand up every year in the House and argue that my constituents have had a bad deal? In previous debates, I have focused on pensioners and I must make some further points today, bearing in mind that more than 20 per cent. of the population of Mid-Dorset and North Poole are of pensionable age.

The area has the characteristics of a low-wage and high house-price area, as was confirmed last May, when the Joseph Rowntree Foundation published a report entitled "Can Work—Can't Buy" on the affordability of homes in different parts of the country, taking into account the cost of living and wages. The report concluded, according to the press release, that

"the asking price for modest homes in Purbeck, East Dorset or North Cornwall demands almost as big a share of the typical pay packet for local workers under 40 as higher priced homes in the fashionable London boroughs of Westminster, Camden and Islington."

Areas such as Poole and Purbeck feature on the list of the least affordable areas in England, because the relatively low local rates of pay place home ownership beyond the reach of young working households, even though local house prices are lower than those in London and the south-east. Of the 40 authorities with the highest house price to income ratios, seven out of the 40 are in Dorset. Purbeck is sixth on the list.

On Monday this week, I was pleased to be able to attend the opening of Jobcentre Plus in Poole, and I was very impressed by the services on offer. Having been invited to play with the job-search machines, I printed details of a few local jobs: "Branch advisers, 37.5 hours a week, £11,500 to £13,000 per annum"; "Production labourers, £5.50 per hour"; "Sales adviser, £3.87 to £5.22 per hour"; "Waiting staff, up to £5 per hour, depending on experience". Those examples are taken from just a preliminary look through what was on offer. There were plenty of jobs, but the problem was the salaries—although the picture is mixed, because wages are considerably higher in the public sector, IT and financial services.

To put those characteristics in people terms, I should like to quote from some letters that I have received over the past week. Mr. W writes:

"I understand that the council tax bill for Dorset is likely to be increased by a staggering 7 per cent. I feel that I must put on record my concerns with regard to such an increase, firstly we are told by Government that inflation is running at around 2 per cent. I myself have a fixed income and have no way of increasing it, so that I have to balance my affairs which is increasingly difficult when taking into account massive rises in local taxation".

Mrs. D says:

"Having been to several of the council tax public meetings I can see the County and District Councils have got a really difficult task to set the budget without losing too many services. The government formula does not appear to distribute funding in a fair way throughout the country. Despite being confirmed by the Audit Commission as an excellent authority, Dorset County Council's grant is one of the lowest in the country. How can it keep up its high standards? In addition there is talk of increases being capped at 5 per cent. This would surely terminate important services, I am particularly concerned about proposed cuts in the Outdoor Education Service, young people will be deprived of a valuable and integral part of their education".

This is from Mr. C:

"I wish to add my voice to the many from Dorset who will be encouraging you to speak up for this lovely County. What a good place it is to live in? What a good County for its services. But we urge the Government to reward us with higher grants to encourage our Council and enable our older citizens to pay their Council Tax and live!"

I shall not read too many letters, because my mailbag is enormous, but I must point out that the letters I receive from pensioners reflect even deeper worries about how they will cope with paying their council tax.

On Saturday, I made a home visit to a family with three children living in a two-bedroomed first-floor flat with no garden—an East Dorset Housing Association property. The husband is a fully qualified social worker earning £18,000 per year. It is impossible for the couple to raise a big enough mortgage even to part buy/part rent a three-bedroom house in the area. The housing association has said that rehousing may take five years: the couple are desperate, but what can they do? The combination of the low wage economy, high house prices and a shortage of affordable housing is producing the saddest and most insoluble cases in my constituency. The couple went on to tell me how their standard of living would be further eroded by a big increase in council tax. Many constituents come to my surgery on manufacturing wages of around £13,000, in fear of what is ahead of them.

I believe that my constituents are suffering for the following reasons: there is inadequate funding for services from central Government; the shortfall in

[Mrs. Annette L. Brooke]

funding puts extra pressure on the council tax, which is unrelated to the ability to pay; and the shortage of affordable housing forces young local people to move from the area or, in some cases, be trapped in unsuitable accommodation for long periods. The local councils cannot be judged as inefficient. Last year, Dorset was judged excellent, and Poole only one point less than excellent.

Last year, in line with national trends and because of the implementation of the new formula, council tax increases were in double figures. This year extra windfalls, such as levying the council tax on second homes at 90 per cent., mean that council tax increases will be considerably lower. However, in an ideal world, the bulk of the second home council tax would have been used to support more affordable social housing. Instead, a large proportion is being used to keep the council tax down. In addition, Dorset county council is considering some drastic cuts in services. As well as outdoor education, which I mentioned earlier, a day centre for those with mental disabilities and libraries may be closed. Support for bus services may be reduced and day centres may be closed for one day a week. Any such cuts inevitably hit the most vulnerable residents.

Dorset county council receives both the lowest formula spending share and the lowest revenue support per head of population of all county councils. Council tax payers have to pay for 45 per cent. of spending, compared with 32 per cent. in the average county council. Dorset is the ninth lowest spending county council per head of population this financial year and cannot be judged as a high spender. It faces specific spending pressures in social services as a result of having the highest proportion of older people of all county councils.

Some of the problems that face Purbeck district council include financing the continuing deficits of the superannuation scheme and increasing responsibilities and demands from central Government. The 3 per cent. increase in Government grant is welcome, but it is simply not enough. The council cannot implement its recycling plan because of the additional costs that are likely to take the council into capping. Similar issues arise in East Dorset, including concerns about the cost of the new licensing regime.

The main additional expenditure for East Dorset is recycling, and it has plans for phased implementation. However, as in much of Dorset, recycling facilities are already good and the county therefore starts from a high base of 18 per cent. The Government have set new targets for East Dorset of 40 per cent. The council estimates that it will cost an extra £1 million to extend recycling to 40 per cent. of the district, but there are no additional grants or funds to help attain such a target. At a cost of approximately £30 per household, the district council faces a problem of phasing and spreading costs and implementation over a long period.

Poole is in a better position this year, and I hope that that is partly as a result of my previous representations. The Liberal Democrats ran the council efficiently until May last year. Windfall gains this year mean that the new administration will not face the previous year's tight budgetary constraints. However, the council tax increase is likely to be considerably more than the rate of inflation.

Concern remains about low funding for education. Poole primary school funding is the lowest in the country, despite the fact that there are deprived areas. One ward in my constituency is in the lowest deprivation quartile and there are pockets of deeper deprivation in the area. Earlier this year, a group of Poole head teachers met the Minister for School Standards, and I hope that he is dealing with some of their concerns. The head teachers were pleased with his attention to their anxieties.

Much uncertainty has been created in all councils because they do not know the position on capping. That is unhelpful for budgeting.

The overall increase in central grant of less than £2 million is wholly inadequate even to meet unavoidable costs such as pay and pension changes. It does not tackle the problem that Dorset police, who receive the second smallest amount of central funding per head of the population, remain underfunded in comparison with other forces. Consequently, Dorset's police expenditure is low; it traditionally spends the lowest per head of population of all but five forces. The police element of the council tax may increase by 9.7 per cent. Dorset is an efficient force, but so much more could be done with better funding. Residents expect a better service when they are asked to pay more.

The change to precepting status for Dorset fire authority, as for the other combined fire authorities, brings new responsibilities and duties, about which we have heard this afternoon, such as the need to provide for reserves and balances. To meet an increase of no more than 5 per cent. in the precept, Dorset fire authority would be able to set a budget only on the basis of present policies, while making a contribution to setting up a general reserve. It would have to bring to a halt progress on the Government's modernisation agenda and, after taking account of transitional funding, would still need to make further cuts of £1.25 million. Those cuts are equivalent to 50 whole-time posts, which is 16 per cent. of the whole-time establishment, or 167 retained posts, which is 50 per cent. of the retained establishment. The limited transitional funding does little to meet that agenda or the pay award, and it is totally unrealistic to expect rural authorities such as Dorset to find evidence-based savings to repay the transitional funding in the time suggested.

Dorset fire authority has asked me to represent its serious concerns to the Minister and the Deputy Prime Minister. It recognises the need to limit the burden on council tax payers, but believes that it is unrealistic to expect combined fire authorities to deliver a modernised fire service, and move to precepting status, with the limited funds allocated in this year's grant settlement. My residents are faced with a grim prospect: either a hefty increase in one part of their council tax or unacceptable cuts in services, with implications for safety and lives. I am pleased to hear that there is a meeting tomorrow, and I hope that my representations on behalf of Dorset fire authority are therefore timely.

We have unfair funding and an unfair tax. The Government could address the formula by revisiting the idea of resource equalisation, or by revisiting area cost

adjustment to take on board high house prices and low wages. The forthcoming year will be the second year of the new formula, and I should like the Minister to look at those important possibilities for following years. It would make an enormous difference to my constituency if the area cost adjustment could take into account high house prices, and be applied to my councils.

I am sure that the Minister can predict that, before I sit down, I shall suggest amendments to the council tax system. Council tax should be scrapped and replaced with a tax related to the ability to pay. Local income tax was recommended for this country in 1974 by the Layfield committee. Baroness Thatcher, aided by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), chose to introduce the poll tax. The people revolted over that, as they are now doing over council tax. Even a 5 per cent. increase is unacceptable to those on low or fixed incomes. It is still more than twice the rate of inflation, and will mean the erosion of living standards.

Nationally, the poorest 10 per cent. pay more than four times more in council tax than the richest 10 per cent., as a proportion of their income. The poorest 20 per cent. of pensioners pay nearly six times more than the richest 20 per cent. of non-pensioners, as a proportion of income. The time has come to axe that tax. Local income tax operates successfully in the United States, Sweden, Switzerland, Norway, Japan, Finland and Denmark. Why should it not do so here?

6.33 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): I begin by congratulating the hon. Member for Mid-Dorset and North Poole (Mrs. Brooke) on securing this Adjournment debate and giving us the opportunity to consider further—perhaps in a slightly calmer atmosphere—the impact of the local government finance settlement on her area. She mentioned her concerns over Leeson house outdoor education centre at Prime Minister's questions this week. As the Prime Minister said then, although we recognise the value of outdoor education, it is for each local authority to decide its priorities and make its allocations.

The hon. Lady finished her contribution this evening by mentioning the Liberal Democrat policy of a local income tax. There are serious questions to be asked over the idea of replacing the council tax, which is a good, workable tax, with a local income tax. Although the council tax is perhaps beginning to reach the end of its life as a tax on its own, to sweep it away with one alternative would be to miss out on the opportunity of considering a range of ways of improving the funding of local government and the balance of funding review. Some Liberal Democrat leaders in the Local Government Association who take part in the balance of funding review are looking at a range of measures to improve the balance of funding for local government. The hon. Lady can visit the Department's website to see the kind of options that are being explored.

The hon. Lady will know that, earlier today, the House approved the local government finance settlement for the next financial year, and that we have increased the grant to local government by some 30 per cent. overall in real terms—that is, above inflation—since 1997. This is the seventh successive settlement to give an above-inflation increase to councils. In this case, it gives an overall increase for next year of no less than 7.3 per cent. We have also reduced ring-fenced grant from some 13 per cent. to 11 per cent., reversing the trend on the ring-fencing of grants to local authorities.

I should like to pick up on the issues that relate particularly to Mid-Dorset and North Poole. Of the local authorities in the hon. Lady's constituency, Dorset county council will receive an increase of 6.3 per cent. on its £185 million grant next year—an increase of £11 million—and Poole borough unitary authority will receive an extra £3 million, an increase of some 4.3 per cent. East Dorset district council will receive £3 million in grant, an increase of 3 per cent., while Purbeck district council will receive £2.7 million in grant, also a 3 per cent. increase. All those figures have been adjusted to take account of the changes in responsibilities, and so on, between the two years, so they are on a like-for-like basis. They represent significant increases above the rate of inflation that will enable the councils to improve the quality of their services and to keep the council tax down.

The hon. Lady read out some very clear messages from her constituents, and I think that most hon. Members will have received similar letters telling us that the public are unhappy with the unreasonably large council tax increases of recent years. We share her concern about that, as those increases hit those on fixed low incomes particularly hard. We were very disappointed that the average council tax increase for this year was 12.9 per cent. In our view, that is unsustainable.

Mrs. Brooke: Would the Minister accept that the Audit Commission said that the reason for the large increases in council tax last year, particularly in the south-west region, was the implementation of the new formula?

Phil Hope: I regret that I cannot accept that entirely. The Audit Commission gave a very balanced view of the reasons for this year's council tax increases, which included the turbulence that has taken place in relation to this year's funding and the fact that some local authorities took the opportunity to put up the council tax because we had not given as clear an indication as we are now doing that unreasonably large increases would be capped if they continued. We have said that continued year-on-year increases in council tax on the scale that we have seen will be unacceptable to voters—including the people who have written to the hon. Lady and to me—and, frankly, to the Government.

We know that the electors will make their views clear through the ballot box, but the Government will, if necessary, use their capping powers. We do not threaten capping lightly. We would prefer councils to answer directly to their electorate for their decisions, but we cannot stand aside if they continue to impose unreasonable increases. That includes all local authorities, including those categorised as excellent or good in current or future comprehensive performance assessments. Everyone is on notice that we will consider capping excessive council tax increases.

Given the generous grant settlement for next year, and the scope for efficiency improvements, our view is that local authorities can and should deliver council tax

[Phil Hope]

increases in low single figures next year. We are looking at proposed council tax rises very closely. I am pleased that initial indications suggest that many local authorities have listened and are planning increases in low single figures. However, some have not listened, so we remain prepared to use the capping powers if necessary.

The hon. Member for Kingston and Surbiton (Mr. Davey), who speaks for the Liberal Democrats on these issues, seemed to make it clear in the debate this afternoon that he does not support capping. If the hon. Lady is as concerned as I am, from the letters that she has received, about what councils might do if they do not behave reasonably, she might like to have a word with her Front-Bench spokesperson and to try to convince him of the wisdom of the Government's approach.

We understand the concerns of the people of Mid-Dorset and North Poole, particularly the pensioners and others on low incomes. We believe that those on low incomes should be helped, and we have a system of council tax benefit. However, the problem is that so few people on low incomes—particularly pensioners—are aware of their right to this money. Many seem to be put off by the stigma of claiming a benefit or by the length of the form. Some 1.4 million pensioners are not claiming the council tax benefit to which they rightly have a claim. Central and local government need to work together to do more to ensure a higher take-up of that benefit. We shall see whether any other improvements can be made to the system.

The hon. Lady raised the question of education. I know that there is concern in Poole and Dorset that the authorities are among the lowest funded on a per-pupil basis, but the new formula funding system is based on evidence suggesting that authorities with significant deprivation and additional costs of recruiting and retaining staff need to spend significantly more to make proper provision for their children.

The new formula uses up-to-date data, and strikes a proper balance between the basic amount of funding per pupil, which is the same everywhere, and top-ups for pupils with additional educational needs and top-ups for areas with high costs for salaries, recruitment and retention. The needs of sparsely populated areas are also properly reflected in the formula. This concerns a point that the hon. Lady made, because Dorset is a rural area.

The main reason why Poole and Dorset have a lower level of funding for pupils than many other authorities is that they do not attract as much funding as other authorities through the additional funding for deprivation and area costs. On the measures for deprivation, both Poole and Dorset have well below the national average numbers of children of families in receipt of income support, which is the most heavily weighted deprivation factor. They also have a below-average number of children with English as a second language and those from low-achieving ethnic groups.

The hon. Lady pointed out, and I appreciate, that Poole and Dorset do have some deprived areas. It is for the local education authorities, through the local funding formula that they use, to ensure that the additional funding that they receive to reflect that reaches those schools in their areas that most need it.

I turn to social services, where we think there has been a good settlement this year, demonstrating the Government's commitment to helping councils to care for the more vulnerable and needy members of their local population. Both authorities are two-star social service authorities, with the structure in place to improve further. The extra resources and the funding spending shares should enable them to do just that.

The hon. Lady also raised the question of funding for recycling and waste management. In the last two spending reviews we have substantially increased the environmental, protective and cultural services, known as the EPCS, block of finance, which includes waste management services. We increased that provision in the block by £1.1 billion over the three years in the strategic spending review 2000, and in the spending review 2002 we increased it by a further £671 million over the then three years.

There has been extra funding for East Dorset and Purbeck. The national waste minimisation and recycling fund in round two meant that Purbeck district council received a grant of £104,560 for this financial year, 2003–04. East Dorset district council received a grant of £492,760.

Mrs. Brooke: If Purbeck has been granted some extra money, would you expect the recycling scheme to start this year?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sure that the hon. Lady does not expect me to deal with those matters. She should use the right parliamentary language by now.

Phil Hope: It will, of course, be a matter for the authority itself to use wisely and sensibly the money that the Government are providing, to get on and get it spent to make the schemes happen. The extra money has gone to those local councils in addition to the formula grant that they receive. It is one of a number of extra grants that put extra cash into a local authority, relieving the burden on the mainstream funding and providing the extra funding needed to provide those new services, and to achieve the new targets that I think everybody believes should be achieved in the delivery of better services.

East Dorset district council will also benefit from Dorset county council's partnership bid, which was awarded £2,196,380 for this financial year. These are substantial sums of money provided by the Government to assist local authorities to achieve the sorts of targets and improvements that we wish to see. The hon. Lady has rightly raised the question of recycling and waste management, and I hope that she does not find it unreasonable for me to point out the extra resources that have been provided for those local authorities.

The hon. Lady also mentioned the fire service and the meeting that will happen tomorrow, during which I am sure her comments will be taken into account. We recognise some of the difficulties, and we have written to all the fire authorities. One of the particular problems has been that of creating reserves in the new, separately precepted, combined fire authorities. We have explained in writing that those authorities do not need to create

those kinds of reserves in year one, all in one go. If their precept is designed to do that, it is not necessary—it can be spread over a period of three years, thereby relieving the pressure in relation to such a high fire precept.

Finally, the area cost adjustment was mentioned. Before, a crude system was used, in which London was shown with a series of a concentric circles, and the areas further away from London received a bit of extra help in their grant. We have scrapped that, and we now have a new system of area cost adjustment, which is more sensitive to local circumstances. It recognises that high-cost areas can exist outside the south-east, and that variations exist within London and the south-east. As the hon. Lady was explaining, the difficulty in her area is that wage levels, which are the issue, are low. The point about the area cost adjustment is that it is designed to help local authorities to deal with their problems of recruiting and retaining teachers and the extra costs that they face as a result: the cost of supply cover for vacant posts, which is generally higher, the cost of employing a permanent member of staff, or the costs of recruiting and advertising for staff.

The problem for the hon. Lady is that in refining the area cost adjustment, we have targeted the allowance at those authorities with the greatest recruitment and retention difficulties, which do not include Poole and Dorset. Her authority does not therefore benefit from the area cost allowance, which is more refined but which will benefit others. The result of that is that the coverage of the adjustment for area costs has been extended so that it now includes 99 authorities, as opposed to 59. I appreciate that it does not help her solve her problem, but it has made life better for those authorities—

The motion having been made after Six o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at thirteen minutes to Seven o'clock.

House of Commons

Friday 6 February 2004

The House met at half-past Nine o'clock

PRAYERS

The Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

[SIR ALAN HASELHURST *in the Chair*]

Orders of the Day

Carers (Equal Opportunities) Bill

Order for Second Reading read.

9.33 am

Dr. Hywel Francis (Aberavon) (Lab): I beg to move, That the Bill be now read a Second time.

I am proud and privileged to present to the House my Carers (Equal Opportunities) Bill. In doing so, I believe, as everyone does in the House, that the personal is the political. At the outset, I should record my appreciation of the great cross-party support that I have received, as represented by my excellent Bill team, and the enormous support outside the House, in particular from Carers UK and Carers Wales, which have been a constant source of encouragement and professional guidance, representing as they do the voice of 6 million carers in this country.

Over the past two months, I have benefited from discussions with the Under-Secretary of State for Health, my hon. Friend the Member for South Thanet (Dr. Ladyman), the carers Minister, and his officials. I know he has some issues and concerns, and I look forward to his response today. I have also benefited from encouraging support from Jane Hutt, the Welsh Assembly Minister for Health and Social Services, and her officials.

On 25 June 2001, in giving my maiden speech, I spoke of a journey of hope, from social exclusion to social justice, for people with disabilities and their carers. I made a pledge in that speech to work on their behalf. I begin on that personal note because my wife and I were carers for over 16 years of our son, Sam, who had Down's syndrome and who died nearly seven years ago. In common with millions of carers, the experience profoundly changed our lives.

The day after the private Members' Bill ballot was 5 December—national carers' rights day. On that day, I met a group of young parents of children with disabilities, through the Neath Port Talbot carers enablers project. I saw in their faces and heard in their voices the same mixture of anxiety and hope that Mair and I experienced nearly 24 years ago. Those parents are beginning a journey of hope. We need to give them the resources of hope to sustain them on their journey.

That moment with those young carers confirmed for me what we had felt for a very long time, and I am sure that many in the House today share this feeling: carers need a life beyond their caring responsibilities. That is what the Bill seeks to achieve.

Carers UK defines carers as those in society who look after family, partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. That is the definition for the purposes of the Bill. There are 6 million carers in the UK, amounting to 12 per cent. of the population. Heavy-end carers—those providing more than 50 hours of care per week—have increased in number to 1.25 million. My own local authority area, Neath Port Talbot, has 22,000 carers. They account for the highest proportion of carers in any local authority area in the UK. Similarly, Neath Port Talbot has proportionately the greatest number of heavy-end carers in the country. In part, that is a legacy of the heavy industries in my locality.

I believe that a society is defined by the way it cares for its carers. I believe, too, that the labour of love provided by carers defines that society. Today, we are acknowledging that carers should have equality of opportunity to have a decent life in our society. We are building on the firm foundations provided by many national and local carers' organisations as well as recent legislation supported by many parties and successive Conservative and Labour Governments.

My Bill is not an exercise in a top-down central Government approach. It has grown from previous enabling legislation and the hopes and aspirations of carers, carers' organisations and statutory bodies, particularly in health and education. This growing tide from below—from outside Parliament—was summed up for me in an e-mail I received this week. I shall quote a substantial part of it:

"I very much support this Bill.

I am a carer of my son who was diagnosed with a mental illness and has been in hospital care for over 5 years. From the start of that period I have had great difficulty in getting information from the statutory services or any consideration of my needs as a carer in support of my son. In helping my father-in-law to care for his wife who suffers from dementia, it is my experience that the needs of the carer within social services are only considered as they directly affect the care of the user of the service . . . The cost of this legislation, if any, will be more than offset by the benefits to the people accessing services. I am also a member of the Board of Directors of a Primary Care Trust and I know that within my own Primary Care Trust there is support for the needs of carers and the PCT would support the aims of this Bill and Clause 5 in particular. Our Board also includes a member of the local district council who also supports the needs of carers. I hope you are successful in getting past the Second Reading and beyond."

In my constituency of Aberavon—as elsewhere—we are blessed with a wide range of excellent carers' organisations, a supportive council for voluntary service, and in Neath Port Talbot county borough council, a progressive local authority. That can be replicated in many parts of the country with organisations and sectors supporting the Bill.

Ms Debra Shipley (Stourbridge) (Lab): In my constituency, the Government have made money available for various matters related to carers. Unfortunately, the money for the last couple of years has been used mainly for researching projects. Carers have told me that they are concerned that that money

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may be freed up within the council for it to spend as it wants and will not necessarily be targeted directly at carers, who obviously need it. Does my hon. Friend support my calls for any money for carers to go specifically to carers, rather than being dissipated across the council?

Dr. Francis: My hon. Friend makes an important point, and I support her on it.

The roll of honour of local carers' groups in my constituency includes the epilepsy support group, the autistic spectrum disorder support group, Crossroads, the council for voluntary service, with its enablers project and parents and carers forum, Age Concern, the cancer carers group, the Down's Syndrome Association, and SNAC—the special needs activity centre. SNAC plays a special role for local young carers in providing play, recreational and educational support services for all children and young people with special needs and their families. In many ways, its work captures in microcosm what this Bill seeks to achieve across the whole of England and Wales.

I now turn to the purpose of my Bill and the principles that underpin it. For the first time, it looks beyond the specific needs of carers as carers, and asks how we ensure that the health and well-being of carers is enhanced by securing equal opportunities for them beyond their caring responsibilities?

For me, the Bill seeks to tackle three problems. The first is the lack of opportunities that carers may have because of their caring responsibilities. The second is the lack of information that carers have about their rights. The third is the lack of focus on their health and well-being.

Linda Perham (Ilford, North) (Lab): In relation to what my hon. Friend said about availability of information, the Redbridge carers support service has written to me to say that it has contact with nearly 800 people in my constituency who are missing out on benefits, services and other support because they have not had the information. I know that there is existing guidance under previous legislation, but I hope that the Bill will improve on that so that information is available for carers.

Dr. Francis: My hon. Friend is absolutely right. The Bill addresses that question centrally.

The three problems that I have mentioned are simple but vital matters which, if overcome, would make such a difference to so many carers. Most of the change is about attitude and culture. It is about valuing carers and their role, not hiding them away, pretending that they do not exist, or feeling that because they are caring away we do not need to worry about their health or their well-being.

Before I start to go through the clauses, I want to set out the position that carers' rights have reached today, and pay tribute to the many Members of the House and Members of the other place, from all political parties, who have furthered carers' rights. First, there was the Carers (Recognition and Services) Act 1995, another private Member's Bill, which was promoted by the Minister for Pensions, my hon. Friend the Member for Croydon, North (Malcolm Wicks). That Act established for the first time in law the principle that a carer could request an assessment of their ability to care. It gave all carers that right, irrespective of age—whether a young carer aged 11 caring for a parent with mental illness, the parent of a child with severe disabilities, or a woman looking after her elderly parents. The Bill went through with Conservative Government support.

The second important piece of legislation was the Carers and Disabled Children Act 2000. With Labour Government support, it was guided through the House by the former Member for Stalybridge and Hyde, now Lord Pendry. It established the right for a carer to request an assessment of their ability to care even if the disabled person refused an assessment. It also gave local authorities the power to provide services to the carer, as long as they were not intimate services for the disabled person.

Mr. Andrew Dismore (Hendon) (Lab): I well remember the debates on that Bill, and I think that I spoke in support of it—on one of the many Fridays on which I come into the House. I recall that when I was researching for that Bill, I was staggered by the number of children and young people who are engaged in caring responsibilities. It struck me that we had to do a lot more to support that group of people. I am sure that when my hon. Friend comes to describe his Bill, which I wholeheartedly support, he will refer specifically to how to help young people and children who take on such amazingly difficult responsibilities.

Dr. Francis: It so happens that this specific Bill relates to children or young people over the age of 16, but my hon. Friend makes a very important point.

The Carers and Disabled Children Act 2000 opened up a new degree of flexibility for local authorities, which some, like Hertfordshire social services, have used to spend the carers grant. The Act also introduced vouchers for breaks, so that local authorities could have flexibility and direct payments for carers, so that they could buy their own services rather than have them provided for them.

Finally, there was the Community Care (Delayed Discharges etc.) Act 2003, which was improved by the Government, with the support of all parties, and gave carers new recognition at the point of hospital discharge.

What those Acts do not do is see the carer as a whole person. The previous Acts, landmarks though they were, do not recognise that a carer might have or need to have a life outside caring, and that they need to balance such family responsibilities. For example, both Acts talk about

"assessments of the carer's ability to provide and continue to provide care".

Any services have to be provided which will

"help the carer to care".

And carers must be upfront and know about their rights if they are to exercise them. Even provisions in the Community Care (Delayed Discharges etc.) Act 2003, important though they are, talk about providing the carer or patient with services that make it safe to

discharge the patient. Nowhere in current legislation do we establish the principle of equality of opportunity for carers.

We do not make it easy for carers to know about their rights, as we have heard. Nor do we view their health and well-being as important. And yet, as a country, we are thoroughly dependent on the support provided by carers. Their input has been estimated at a staggering £57 billion per year—equivalent to the spending on the national health service. In many ways, they are the alternative national health service.

I now want to move on to the detail of the Bill under each clause. The Bill, as we see from the title, focuses on equality of opportunities for carers, and this is achieved mainly under clause 1, which I will take a little time to explain. My aim in including this clause was to set a new principle for carers. We know from all our constituents that carers face multiple barriers in accessing the sorts of things that most people take for granted: work, leisure, learning and training opportunities. These barriers exist because of their caring responsibilities—because they are responsible, by default, for the care of a disabled, frail or chronically ill person. We know that they often cannot leave the house unless they feel that the person for whom they care is safe.

A few of the barriers that carers face in attempting to return to work include: the difficulty of finding alternative care while they attend courses or go to work; the need to make care decisions that directly and negatively affect the carer's ability to work or attend college; and stereotyping by social services, which do not always see carers as needing to have a life outside caring. Assumptions are made all the time that carers should not be working or be on courses, but should be caring for the disabled person.

Mr. Hilton Dawson (Lancaster and Wyre) (Lab): I am sympathetic to what my hon. Friend seeks to do, but I want to tease out a little more the point that it applies to young people only if they are over 16, which he made earlier in response to my hon. Friend the Member for Hendon (Mr. Dismore). A host of issues relate to children of all ages who take on caring roles in relation to parents and siblings. Can my hon. Friend the Member for Aberavon (Dr. Francis) say something about why the Bill does not apply to children under 16? Whether one regards it as in their best interests or not, such children often end up with substantial caring tasks.

Dr. Francis: I anticipated such a question and have been reflecting on the answer. The issues that my hon. Friend raises relate more to the Children Act 1989. Although I would like to have a revolution, what this matter is undergoing is more in the nature of evolution, and my private Member's Bill is tackling a very specific issue relating to adults. However, I endorse his point.

We know from research that the carers who provide substantial amounts of care are the most likely to be working part-time or to be out of work. Many have given up work in order to care. Carers have told me of their particular experiences, and in one case, a simple change to the days on which an older woman attended a day centre meant that her carer lost her job.

How would clause 1 help? As with similar duties in the draft Disability Discrimination Bill, local authorities would have to examine their policies and procedures to see whether they included barriers to carers' having the kinds of opportunity listed and whether, by changing their practice, they could remove those barriers. Clause 1 would make social services departments think very carefully about how their policies and procedures impacted on carers and their ability to access work and training opportunities. They would have to look at their assessment procedures for carers to ensure that they explored work and training issues, and internal training programmes for staff would have to emphasise the need for carers to have opportunities.

Clause 1(1) contains an important principle. We want to move away from seeing a carer as a client to seeing them as a person with a life that they need to combine with caring. Barriers for other groups are fully recognised, and it would be inconceivable to suggest that disabled people, women or people of a different racial origin should not have the right to equality of opportunity. The drafting of the clause draws heavily on several pieces of legislation, including section 14 of the Learning and Skills Act 2000 and the Northern Ireland Act 1998, as well as the draft Disability Discrimination Bill.

I do not believe that there would be significant costs attached to the provision. I have examined the explanatory notes on the draft Disability Discrimination Bill, which contains a much broader clause. Those notes say that most public authorities already carry out such exercises to comply with the Race Relations Act 1976. If similar disability legislation is forthcoming, the costs of the exercises that I have outlined this morning will be negligible, because they will simply be routine.

Local authorities have welcomed clause 1. Commenting on my Bill, the executive responsible for adults and community care in Surrey said that

"this is an important step forward in getting the full force of the law behind something that Surrey has been developing for several years."

Linda Perham: I am glad that my hon. Friend has mentioned costs, which are a concern, and perhaps concern the Government. However, does he not agree that the better health and employment prospects that might be realised by carers as a result of the Bill might well offset any costs?

Dr. Francis: My hon. Friend is absolutely correct, and I shall address that point several times during my contribution. The Association of Directors of Social Services and the Local Government Association have been in discussion with me through Carers UK. They believe that costs to them from the Bill would not be an issue because what it would achieve in changing the practice and culture surrounding carers, and in improving standards, would be much more significant.

If we take the approach of making services more flexible for carers who want to go into education or remain in work, we will do ourselves a favour economically, as my hon. Friend the Member for Ilford, North (Linda Perham) said. British Gas has written to me in support of the Bill, and has told me that it introduced positive employment policies for carers some years ago. It knows from carers in its work force just how difficult it can be to juggle work and care when

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there is not flexibility of services. One of its employees, Tony Camp-Bell, who works in Southampton, has said that one of the main reasons why he can remain in work is British Gas's flexibility, which has allowed him to adapt his working hours to fit in with his caring responsibilities. However, not all carers benefit from such enlightened employment policies, and they all need the assurance that their employment needs will be taken into account by social services when making decisions about support.

I understand that there are some concerns over clause 2. My main aim in including it is to ensure that there is a robust planning mechanism behind the provision of information for carers. I see it as important for local authorities to look at information provision for carers strategically and to work with health bodies to deliver that information. Such a mechanism could be an important conduit for information about benefit rights and forms of support that exist outside statutory provision.

Clause 2 is drafted to fit with the language used in the Local Government Act 2000. However, I understand that there are some concerns over the clause, which I am willing to discuss if my Bill is fortunate enough to proceed to Committee stage. Nevertheless, I remain keen for health bodies, in particular, to plan for and help in the delivery of useful information to carers. We would never let a nurse administer medication without knowing how to do that or how to deal with serious side effects. Why, then, do we let carers struggle on without such vital information?

Mrs. Angela Browning (Tiverton and Honiton) (Con): Clause 2 is very important. All too often, carers stumble across information simply by accident, perhaps because someone has said something, or they have happened to read about it. As Members of Parliament, when we come across such cases, we wonder why on earth someone who has already been in touch with that carer has not given them that information; however, there is no statutory requirement for that to happen. The hon. Gentleman is right to emphasise the possible cost difficulties, but there must be a way to make progress on this matter. Not getting information is one of the biggest problems for carers, who often find that information that could have helped them was out there, but that no one had the responsibility to tell them about it.

Dr. Francis: I am grateful to the hon. Lady for her support on that matter. I am sure that if she is a member of the Committee at the Bill's next stage, she will support me on that point.

Ms Shipley: Looking at the last couple of words of clause 1(2), "leisure opportunities", may I again mention to my hon. Friend the younger people whom some of our hon. Friends have already mentioned? I am sure that all hon. Members present, on both sides of the Chamber, are very concerned about those young people. Leisure opportunities for young carers are virtually non-existent and I feel that there are many places in your Bill where the needs of young carers could be introduced, perhaps in Committee. Will you undertake in Committee to consider the issue of leisure opportunities for young carers?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before I call the hon. Member for Aberavon (Dr. Francis) to reply, I would point out to the hon. Member for Stourbridge (Ms Shipley) that she used the second person, but these things have nothing to do with me. She started well, but then she slipped.

Ms Shipley: I apologise.

Dr. Francis: I would certainly wish to incorporate the valuable point that my hon. Friend mentioned.

The aim of clause 3 is to ensure that carers get information about their rights in a more consistent way. This would mean that, around the time of the community care assessment, a potential carer would be informed of their rights by word of mouth, or by a leaflet, for example. Guidance published under existing carers Acts states that carers should be offered information in this way. However, the evidence suggests that information about assessments is not provided systematically to carers. The most recent social services inspectorate report stated that it should be, however, and that is consistent with every other Government report on carers and information about their rights. It is also consistent with Carers UK's research.

The National Autistic Society told me that a major consequence of the failure to provide effective support for people with autistic spectrum disorders is the additional financial and emotional burden that falls on carers. Caring for a person with autism can place enormous pressure on a family. The society's 2003 report, "Rights in Reality", found that more than half the respondents were not aware that they were entitled to a carer's assessment from their social services department.

The provision in clause 3 has been tried and tested. The wording has been borrowed extensively from legislation that is already in force in Scotland and Northern Ireland—another example of the way in which devolution works. Effectively, I am seeking to extend the benefits of legislation that carers in Scotland and Northern Ireland have to carers in England and Wales.

I have considered the matter of costs carefully, and have received advice from the Scottish Executive. Many local authorities already produce information about carers' rights, use other organisations' materials, or use the Department of Health's leaflet. Many, but by no means all, publish information on their websites. Enough information on carers' rights already exists for local authorities to link to it easily. It is therefore unlikely that there would be any costs involved in the production of information.

As I have already mentioned, the Scottish Executive have already implemented similar legislation. This was supported by the Association of Directors of Social Work. The Executive concluded that the legislation was unlikely to lead to a large increase in carers' assessments. They based this on a report entitled "Focus on Carers", which found that only one third of carers wanted some practical support, and that most of this could be dealt with outside the statutory sector. Since the implementation of the legislation on 1 September 2002, monitoring systems have been put in place to track

progress and developments. To date there is no evidence to suggest that social work departments have been inundated with requests for assessments. Although the carers grant in England is no longer ring-fenced, spending will increase to £125 million, with further increases in 2005–06. In theory, those funds are available to improve services for carers and fund information programmes, even if the Government cannot direct local authorities as to how to use the funds.

What impact would the provision of information have on carers? The perspective of the carers whom I have spoken to is very clear. They rate information as one of their top priorities. They cannot understand why they are not told automatically about their right to request an assessment. Obtaining information about rights is the first step for a carer towards getting support at the right time, if they choose to do so. One carer providing more than 100 hours of care per week told me:

"Now I know what it is, I know that if I can't cope, there is somewhere I can go to ask for help."

I hope that this part of the Bill will lead to carers having more choices about how to live their lives.

I turn now to clause 4. The barriers to equal opportunities for carers span many boundaries. My aim is to ensure that social services, as the lead authority, get the support from other vital authorities in order for the Bill to work effectively. One problem that carers face is that they are often passed from pillar to post. Local authorities say that they find it hard to engage other authorities. The drafting of clause 4 is based on section 27 of the Children Act 1989, which organisations have found very helpful in terms of working together.

Mr. Dai Havard (Merthyr Tydfil and Rhymney) (Lab): I would like to return to the question of younger people. The Library research paper on equal opportunities for carers shows that there are 97,500 carers under the age of 16—that is the official figure. My hon. Friend has just touched on the point that social services have responsibility for such people, but in many cases these days, social services and education services are being brought together in local authorities because people are beginning to understand the point that he is making in the Bill that the co-ordination of different organisations that have worked in silos in the past gives them power without necessarily incurring a great deal of extra cost. I understand why some people are not caught by the Bill at present, but can he see a way in which his co-ordination arrangements could incorporate some of those people?

Dr. Francis: My hon. Friend makes an important point, and I would certainly support it in the continuing discussions that will take place on the Bill.

Housing has been highlighted as a vital issue. One case that came through Carers London highlights this point perfectly. A woman was discharged from hospital into unsuitable housing. Her son, who was ready to go to college, had to leave in order to help her to move around her flat. She has now been rehoused and he is considering going back to college, but this has happened only after a year of negotiation. My Bill could have helped the situation for that young man caring for his mother.

Clause 5 deals with the co-operation of local authorities and health bodies. There are two important principles set out in the clause. The first is the issue of working together. The second is the issue of focusing on the health needs of carers as a specific group. I want to ensure that there is good joint working—and shared responsibility for joint working—on aspects of this Bill. The Bill would create many good opportunities for good joint working. The NHS often does not see carers as part of its responsibility, although in some areas of good practice it does.

The second part of the clause focuses on carers' health. Statistics show that carers are more likely to suffer from ill health than non-carers. One Carers UK survey found that half of the carers providing 24-hour, seven-day-a-week care had suffered a physical injury as a result of their caring responsibilities. We have to ask ourselves how many of these injuries could have been preventable, had carers been given the right advice. Some carers have had to give up caring because their health has broken down. That is why I have included the second part of this clause, which would place a duty on health bodies to promote the health and welfare of carers.

Mr. Dismore: Does my hon. Friend's reference to health include safety as well? I know from my previous life as a lawyer just how many professional carers, such as nurses, still suffer far too many injuries—through lifting and moving patients, for example. Will the Bill ensure that carers who are not professionals receive the training that they need to be able to move the person that they are caring for without risk to themselves and, equally importantly, without risk to the person being cared for?

Dr. Francis: Yes, the Bill will give consideration to that issue. At present, the promotion of the health and welfare of the population is covered by section 22 of the National Health Service Act 1977. That provision is fairly broad, as it gives health bodies a duty to promote the health and welfare of persons. Clearly, this would include carers. However, this is translated as a duty of care to patients. That lack of specificity is causing carers a problem. Except in terms of good practice, the NHS does not generally regard carers as important or see why it should promote their health unless they are patients or become ill. My Bill seeks to change that.

Let me say something about costs. The activities envisaged in the clause include the provision of information for carers, moving and lifting training courses, anti-stress courses and health checks. I understand that some people fear that the clause duplicates existing provisions. I have canvassed a number of views on that, and would be willing to discuss them in Committee.

Let me end by referring again to the breadth of support and good will I have received, inside and outside the House and in the other place. It would be invidious to mention some organisations and exclude others, but I want to refer in particular to some of them simply to illustrate what they can do to enhance the health and well-being of carers in the future by means of the Bill.

I begin with employers. British Gas managing director Mark Clare has written stating the company's firm support for the Bill. I have also heard from

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BT on behalf of Centrica, HSBC, Listawood, the Metropolitan police, Nestor Healthcare and PricewaterhouseCoopers. Caroline Waters, director of People Networks, BT and chair of Employers for Carers wrote to me:

"We support the Bill as being beneficial to business and the economy, and would like to offer any help you believe would forward the Bill and improve the inclusively of the employment proposition."

I have also received warm support from representatives of local government—from the Local Government Association, the Association of Directors of Social Services and from my own local authority. Mr. Colin Preece, director of social services, has told me how much his team of care professionals have been encouraged by a Bill that gives proper status to carers in his locality. I have also received a very supportive letter from Mr. Sandy Blair, on behalf of the Welsh Local Government Association. He raised concerns relating to costs which I hope will be allayed by what I have said today and by subsequent discussions.

A wide range of national organisations supporting carers have expressed support, including the Alzheimer's Society, Crossroads—Caring for Carers, the National Autistic Society, Help the Aged and the Parkinson's Disease Society. I want to mention two others in particular. The Stroke Association's motto—"Caring for today, researching for tomorrow, working for change"—could be adopted for the Bill. Its parliamentary officer Peter Bainbridge wrote to me:

"The Stroke Association supports your Bill as it will ensure that the vital work of carers in England and Wales is recognised and rewarded and that support is given to help them lead a more fulfilling life beyond their caring duties."

The Children's Society, also supporting the Bill, raised a number of crucial issues faced by young carers in relation to their education.

I have received vital messages of support from a range of major educational and guidance bodies that would be critical in providing lifelong learning opportunities for carers through e-learning and flexible learning. They include the Open University—which has long campaigned for and worked with carers—the Guidance Council, the new NHSU and the adult learners' body NIACE—the National Institute of Adult Continuing Education—which sent an enthusiastic message of support. I should declare an interest as its most recent national vice-president. NIACE wrote:

"Lifelong learning can provide a chance for people with caring responsibilities to gain new skills and knowledge. Already carers saved the public purse millions of pounds a year and continuing education can help them become even more effective in their role. In addition, learning can help carers maintain their own employability for the future. Quite apart from that, educational opportunities can offer a much-needed respite break from the demands of care provision."

It went on:

"The adult learning advocacy body, NIACE, wholeheartedly supports this Bill. NIACE is aware of colleges, universities, local education authorities and voluntary organisations which have developed learning opportunities for carers. By giving local authorities statutory duties in this field, we can ensure that the best are joined by the rest."

The TUC recently highlighted the impact of carers lack of employment opportunities on economic inactivity in its report "Full employment—the next steps". Its general secretary, Brendan Barber, wrote to me:

"The role of unpaid carers in the UK is often undervalued. This Bill will ensure that important opportunities for carers to access lifelong learning are at least recognized. The TUC sponsors this Bill."

Given that this is an equal opportunities Bill, it was gratifying to receive support from the Equal Opportunities Commission, and from my friend Dr. Kevin Fitzpatrick, disability rights commissioner for Wales.

It is appropriate for me to conclude with the words of a carer at the public launch of the Bill. Lynn Coleman, from my constituency, spoke for all carers when she said:

"carers and their families are not making great demands. They just want an ordinary life outside of their caring role, something which is often taken for granted by many people. The people we care for, be they children, very young or older adults, they are special to us, but we still want the opportunity to have a life besides caring. With more information, appropriate specific childcare facilities, opportunities to work, lifelong learning and leisure, could be dramatically improved. This fulfilment would then mean that a carer can return to their caring role refreshed and ready to continue."

Those are modest requests, and it is our duty to respond to them. The Bill deserves to succeed; the Bill will succeed.

10.17 am

Mrs. Angela Browning (Tiverton and Honiton) (Con): I congratulate the hon. Member for Aberavon (Dr. Francis), and wish his Bill every possible success. We have seen legislation relating to carers in the past, but what strikes me is that although there is a process out there, it does not translate into action.

For those with responsibility for caring for someone—such as the hon. Gentleman—it is tempting to fill in the forms, tick the boxes and sit back and wait to see what happens. When my local authority started sending me—as a carer—forms asking me to identify my needs, which was certainly a step forward, on three occasions I wrote in large letters across the form, "If my son's needs were met, my needs as a carer would be much reduced." So much that affects carers is reflected by the package of care received, or not received, by the people for whom they care. Carers may spend years fighting to secure the package to which those people are entitled; that in itself adds to the stress and strain of the caring responsibility. I hope that as the Bill progresses we will not lose sight of the fact that the needs of the individual with a disability, or with other caring requirements, must not be overlooked.

I entirely agree with what the hon. Gentleman said, particularly about information, which I mentioned briefly in an intervention. All too often, we encounter what is almost a jobsworth attitude. I do not think that that is necessarily because the people involved with a carer or the person being cared for are themselves uncaring or inconsiderate; but everything has become so compartmentalised. The health professionals who deal with the family will have one set of responsibilities—clearly, they are to the fore—but we need a much more holistic approach.

Whether we are talking about the individual concerned or the carer responsible for that individual, we should consider the term "well-being", which, although somewhat nebulous and difficult to enshrine in statute, I hope we all understand. What matters is the well-being, in a holistic sense, of such people; indeed, that term encompasses many aspects of the Bill. They need little windows of opportunity in their daily lives to do all the normal things that everybody else does.

The House will be aware that I have a particular interest in autistic spectrum disorders. I recall talking to a group of young parents whose children suffered from autistic spectrum disorder. We discussed the issues that concern parents of children with autism, and the services available to them in my constituency. One young mum said, "It is so difficult, because of course, with autism, you can't take the child into an unfamiliar environment." Parents cannot simply drop such children off with grandparents or others who might look after them for an evening, while they go out for a meal. Indeed, it is quite difficult having strange people coming to the house to baby-sit, because such children need familiarity and people who understand them.

The conversation with that young mum was really rather moving. She said that her mother-in-law came to stay, and that the autistic child actually got on quite well with her. The mother-in-law baby-sat one night, in order that the parents could go out for a meal. It was the first time that they had been out as a couple on their own for nine months. She said, "We went out to dinner, and we sat there with a lovely meal in front of us. We looked at each other and, frankly, we just did not know how to start a conversation with each other." To me, that encapsulates the concept of "well-being" as it affects that family. For younger parents in particular, who, in addition to that caring responsibility, have other children to look after, the pressure on their marriage is enormous. Social services, health professionals and everybody who comes into contact with such people in making carers assessments need to look beyond the obvious needs and consider the question of well-being in a more holistic way. We all know that family breakdown and the pressures that people come under in such circumstances can lead to major crises. At that point, the statutory services have to intervene to give support.

I hope that the hon. Gentleman's Bill can reach out and ensure that an overarching look is taken at carers' needs, informing carers of their rights and looking at matters in a very practical way, as he outlined so well. In terms of the needs of those who have the opportunity to work for one or two days a week, the practical details of the carers' needs should be dovetailed. For example, if someone has the opportunity to attend a day-place for one or two days a week, we must ensure that that marries up with the carer's needs on those specific days.

The fact is that, if we consider carers' needs from a practical point of view, this is not rocket science; it is simply common sense. Indeed, it is rather sad that we need to introduce a Bill to try to implement measures that ought to be implemented as a matter of course. After 12 years as an MP whose constituency casework involves a wide range of disabilities and the needs of the frail and elderly, I am still shocked to discover that a carer has not been made aware of a particular benefit, service or support group. The hon. Gentleman mentioned a very impressive list of charitable bodies, which we all recognised, that support the Bill, yet I often encounter people who have been diagnosed with Parkinson's or Alzheimer's, only to find that they have not even been given the name of their local support group. The provision of such information does not have huge resource implications; it would not cost the NHS or social services budgets an arm and a leg. The problem is compartmentalisation in respect of individuals who have a particular job to do. They do that job, but they do not think outside the box and consider that such information would be useful. I hope that the Bill will address the practicalities of overcoming that problem, which can indeed be overcome.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Everybody respects my hon. Friend's personal experience of this matter, but does she agree that providing support for a family so that break-up does not occur constitutes not an expense for the state, but a great saving? Moreover, it is also a lot better for the individual being cared for.

Mrs. Browning: My hon. Friend is absolutely right. We come back to that rather nebulous phrase "well-being". Well-being does not present itself as being of critical and urgent importance. All too often, in terms of the services that we provide—including those that carers themselves need—unless there is a crisis, nobody feels that they need do anything, but unless we look at this issue differently crises will increasingly occur. Apart from the resulting human misery, the cost to the public purse is enormous, as my hon. Friend suggests. We should do anything that we can to avoid such situations occurring in the first place.

Of course, the difficulty is that social services and health authorities work to national budgets. It is a big leap forward to say, "Spend a little bit today to avoid spending a huge amount two or three years down the line," because such a view does not focus on this year's budget, and it is this year's budget that people concentrate on. That is how the funding structure works at both national and local level, which makes it even more difficult to take a holistic view, and to take into account well-being.

As the hon. Member for Aberavon mentioned, the statutory services—nursing, say—have very clear guidelines for very good reasons. For example, there are now clear rules for professionals who have to lift somebody who is in bed, or assist them in getting in and out of bed. Those are common occurrences for carers, but one is not allowed to lift someone in and out of bed alone: two people must be present to do the job. But as we all know, desirable though that is, at home it is a practical impossibility. That creates a huge health risk for the carer concerned. Often, very elderly people have to look after even older relatives. It is really quite frightening to see people who are themselves frail lifting others in and out of bed unaided.

There are practical things that could be done to help. Apart from instructions on the safest way to assist somebody in and out of bed—for the patient's sake and that of the carer—there are practical measures such as turning sheets. Such sheets are put into the bed, and help a carer swing the person round and get their legs over the side of the bed. It is very simple: it is a large sheet of plastic that eliminates the need to take the initial weight

[Mrs. Browning]

as one lifts somebody in and out of bed. There are many such devices, but such information is never disseminated to carers; again, it seems to be reserved for the professionals. There is a lack of thinking outside the box.

All these initiatives could make a huge difference, but we should note that, at its heart, this Bill is an equal opportunities Bill. It is important to recognise that, as extraordinary as it sounds, there are people who are working as carers—sometimes for many hours a week—who do not realise that they are carers. My own son is 32, so I have been his prime carer for 32 years. It has become a way of life and one has dealt with the situation for many years, almost since day one, so one does not think of oneself as a carer. Caring simply becomes an integrated part of one's family's way of life.

I remember, on being elected to this House at the age of 45, attending some of the excellent meetings that we have had with the Carers National Association. It asked me to do something. Its people said to me, "As you are a carer yourself . . . " That is absolutely true: I was 45, but I had not realised until they said it that I was a carer. It is something one does; it is part of one's way of life. Others, of course, do not have that experience, but subsequently become carers. With elderly people in particular, there is a deterioration in health and well-being, either mental or physical, and frailty creeps up on them. It is obvious when someone has a stroke or accident, leading to a significant change in their circumstances. The caring role is clear, but it is still important that those needs are addressed.

All too often, however, many people—particularly the elderly—are caring for someone who is getting frailer and frailer by the year, so the caring need becomes greater and greater, but they do not realise that they have a caring need themselves. It almost becomes a way of life. In those circumstances, the statutory bodies that have contact with those people—GPs, district nurses, Benefits Agency staff—should think outside the box.

I hope that, in the context of the Bill, those people will see that they can do something extra that will make a difference. What is the Bill all about? It is about making a difference for the better. It would be wrong for me, a carer, to say that carers expect the state to do everything—of course we do not. We love and cherish the people we care for, and we always will. Whatever the state does or does not provide for us or the people we look after, we will always have that loving care for them. My gosh, though, in many cases, help can make a big difference to the quality of life and the ability to carry on caring where people might otherwise feel that they could not cope any more.

I wish the Bill Godspeed. I hope that it will gain support—I am sure it will—on both sides of the House. I shall do everything that the hon. Member for Aberavon asks to assist him. He hinted that he had invited me to serve on the Committee.

Dr. Francis *indicated assent.*

Mrs. Browning: I am flattered and very happy to say, "Yes, please".

10.32 am

Mr. Tom Clarke (Coatbridge and Chryston) (Lab): It is always a great pleasure to follow the hon. Member for Tiverton and Honiton (Mrs. Browning), who speaks with personal knowledge of these issues. We all know of her interest in autism and how she has put her experience to good use, not only in her own circumstances, but to the advantage of many people, including those who will be affected by the Bill.

I am sure that the hon. Lady would want me to begin by sincerely congratulating my hon. Friend the Member for Aberavon (Dr. Francis) on introducing an excellent and comprehensive Bill, which has remarkable support. I also congratulate him on his outstanding speech and the clarity of his presentation, so that no one was in any doubt about what the Bill is designed to do or its impact on carers in his own constituency and throughout England and Wales.

In warmly congratulating my hon. Friend, may I, in the spirit of non-partisanship that we experience in the House on Friday mornings when we debate private Member's Bills, briefly explain why a Scot should be present this morning firmly supporting a Bill that applies to England and Wales? First, I am a Member of the United Kingdom Parliament and I accept my responsibilities as such. Secondly, I have for some time had an interest in the issues that my hon. Friend has raised in his excellent Bill, which dovetails with my Disabled Persons (Services, Representation and Consultation) Act 1986, to which I shall return. I want to see carers in every part of the UK enjoy the respect and support to which I believe they are entitled. In that spirit, I fully support my hon. Friend's Bill.

My hon. Friend was generous enough to refer to the Scottish Executive, and he, like me, welcomes their consideration of the Bill, which they broadly welcome. Carers UK argues in one of its papers that in Scotland we are perhaps a little ahead of where the Bill can take us, and that might be true. Equally, it has been argued that if the Bill were enacted—we all hope that it will be—it would take this House a little ahead of Scotland. I do not object to that and think it is a compliment to how we deal with our constitutional affairs. I welcome this House building on best practice introduced by the Scottish Executive in legislation for England and Wales. If we go further than the Scottish Executive and they want to emulate us, then that is better still. That is why not only Carers UK but Carers Scotland and, interestingly, Carers Northern Ireland strongly support the Bill.

The Bill is very good because it takes on board the problems and challenges that carers face—every hon. Member knows about those problems. It is about equal opportunities because many carers are being unfairly denied opportunities, and it seeks to put that right. The duty to promote equality of opportunity for carers takes us to many fields. I was delighted when my hon. Friend the Member for Aberavon referred to lifelong learning, which is extremely important. We, as a society, should not sit back and say that carers should simply focus on the disabled person whom they are looking after without taking on board the fact that carers are also entitled to a life for themselves. Carers may have responsibilities in their families and communities, and they certainly have responsibilities in their own relationships, and every clause of the Bill endorses that view.

The duty to tell carers about their right to an assessment is, of course, extremely welcome. Hon. Members have already said that every carer does not necessarily know about that right, but they should. I have always wanted the rights of people with disabilities and carers to be assessed. I welcome the clause that provides the duty to plan information delivery for carers to local authorities.

Like my hon. Friends, and as somebody with a local authority background, I welcome the priority that most local authorities give to those matters, and it would be wrong to say otherwise. There are, of course, resources problems, but in my experience, local authorities have been taking their responsibilities seriously during the past decade, and the Bill seeks to give them statutory help in ensuring that information delivery—what carers can achieve and the help that they can obtain—is made available to carers.

The Bill refers to the duty to promote and safeguard the health and welfare of carers, which is profoundly important. Over the years, I have been slightly distressed by the view taken by consultants in the health service in various parts of Great Britain. Some, but not all, of them have said that measures of this kind add to what they would describe as "bureaucracy" within the service. Nobody would deny that there is a lot of bureaucracy within the NHS, but anything that gives the health service the right to recognise the problems of health care for carers, including the inevitable stress and mental health problems, and allows our health service to deliver, take on board and respond to the pressures on carers is right for not only carers, disabled people and families but the health service. It costs a lot of money if carers reach a point at which they simply cannot cope any longer, because that places even more demands on the limited resources of the health service. Therefore, I welcome that aspect of my hon. Friend's Bill.

The Bill also refers to the duty on local authorities to work with social services and other departments. Experience shows the wisdom of including such a provision in the Bill. We tend to think that such issues are a matter for social services in England and Wales, and for social work in Scotland. However, the needs of carers can be interdepartmental, because they can include housing or education. How often do people come to our surgeries and tell us that all they want—all that represents happiness for them—is a walk-in shower? There then follow numerous letters and telephone calls. We all want to see cross-departmental co-operation, with a one-door approach, that would lead to happiness for people in such situations. The Bill will assist in that, and it is right that, helpful and positive as local authorities are, that should be brought to their attention in statute.

My hon. Friend referred to the reports that he has received of the Bill's reception. I was not surprised and nor was he—and I think that the House will welcome this intervention—to discover that on the issue of employment, several organisations, but principally the TUC, have welcomed his Bill. Given that we have accepted that carers have the right to feel that they, too, can seek employment or training, or to earn more money than they do at present, the TUC should be congratulated on its progressive thinking. For example, there are problems in some areas of the country in our manufacturing industries. The carers themselves clearly support the TUC—and, by implication, the Bill—on the issue of employment. Carers UK has written to Members of Parliament about the Bill, and it says:

> "According to research by Carers UK, 6 out of 10 carers providing substantial amounts of care, had given up paid work to care . . . In the same research, 7 out of 10 carers found themselves financially worse off since becoming a carer."

That is profoundly unfair. The document continues:

> "A recent Social Services Inspectorate Report shows that carers stress the value of being able to go out to work . . . 80 per cent. of carers are of working age."

Let us consider the advantages to the carer and to the disabled person of the carer having a job. In some cases, it might be a part-time job, but it still means that the carer can talk with colleagues or confide in friends at work and return to the home rejuvenated and able to take on the task of caring renewed and refreshed. The task of caring can be enhanced if the TUC case for more training and employment opportunities for carers is accepted.

I also welcome the views of the Employers' Forum on Disability. My hon. Friend gave the names of several companies that see the need for the Bill and accept the sheer common sense of ensuring that carers have an opportunity to work, and to contribute to and enrich society.

Perhaps because of my own experience of Bills of this nature—although my hon. Friend brings the situation up to date—I turn to the issue of implementation. I know that my hon. Friend the Minister is sympathetic and will almost certainly reply positively to the representations of my hon. Friend the Member for Aberavon, but I wish to offer my hon. Friend the Minister my support in his efforts—which I know that he will make the minute the Bill is enacted—to ensure that it is implemented, clause by clause. My hon. Friend the Minister will understand why I say that. I do not wish to dwell on my Act—the Disabled Persons (Services, Consultation and Representation) Act 1986—because it was introduced a long time ago, but even today, only half has actually been implemented. I have been told by Secretaries of State from various Governments that they have introduced legislation that transcends my Act. I did not take that view at the time, and I do not do so today. Therefore, if the Bill is enacted, the campaign for implementation—led, I suspect, by carers themselves—will proceed apace. We want to see the health service, local authorities, employers, and everybody who can make life that bit better for carers, exercising the responsibilities contained in the Bill.

The Bill is, above all, about people, and the presentation of it by my hon. Friend the Member for Aberavon certainly underlined that. We can all tell stories of moving cases in our constituencies that demand a practical response. Mencap is among the many organisations supporting the Bill and has done a fine job on the issue. It recently published a document called "Breaking Point", and the leaflet that advertises it includes some case studies. For example, we can all think of constituents in circumstances similar to those related in "Mandy's story", which reads:

> "The day I reached breaking point, I broke down in front of my kids. I told them, 'I just can't take this any more. I have to go.' Can you imagine how scared they were?
>
> I was ready to walk out on them all. I had hurt my back lifting Natasha, and I just physically and mentally could not go on."

[Mr. Tom Clarke]

Happily, that lady received help, although it might not have been sufficient or have matched the help that she will get when the Bill is enacted. The leaflet also tells "Emily's story":

"One morning my husband turned to me and said, 'You know caring for Duke is going to be a lifelong commitment, and I just can't do it.' He said it was him or Duke, our disabled grandson. The day I had to make that choice was the hardest day of my life."

I know that the House is very keen that people should not be placed in a position where they are forced into making those choices, into tearing relationships apart, and that, to the contrary, we want to give positive support to those carers, who have, as has been said, saved the Treasury so many billions of pounds in seeking to do what they all seek to do in a loving relationship.

Before I conclude, I should like to ask the Minister how he considers that the impact of direct payments is influencing the way in which we, as a society, are dealing with the problems of carers. If it is not possible for him to reply this morning, he may wish to write to me. When I was leading for the Opposition and facing the right hon. Member for Richmond, Yorks (Mr. Hague), I had the pleasure of working on the various stages of the agreeable Bill that became the Community Care (Direct Payments) Act 1996. That measure was widely welcomed. Thanks to that legislation, even setting aside the role of social services and the NHS and the other public bodies, if people, particularly those living in rural areas, where there is still a great deal of poverty—very often, as we know, poverty and disability equate—felt that those services were not readily available, direct payments gave them the chance to purchase that package of care. All the evidence is that the legislation is working, and working well. I simply ask the Minister, when he gets the opportunity, to tell us his Department's thinking in terms of its impact on carers, because they were very much in our mind during the passage of that legislation.

Given that in supporting the Bill we are arguing for access for carers to health services that are necessary, to support that is necessary from local authorities and others and to leisure, work, education and those vital learning opportunities, I want to end by referring to a family in my constituency, in the mining village of Crowood. Mary and Albert have a son, Gerry, who is now approaching his fifties. Albert had spent most of his days as a miner. In the last decade or so he has developed a fairly serious heart condition. Gerry attends an adult training centre. But when Albert requires hospital treatment, it becomes very difficult indeed for the necessary respite care to be provided so that Mary can visit Albert in hospital and so that that little family unit can continue in as normal a way as possible.

My hon. Friend the Member for Aberavon has told me that many of his constituents are present today, and I think that we all welcome that. When my own Bill was passing through the House I invited Mary to come and listen to some of the proceedings. While she was here, she showed me her arm, and I saw that from her shoulder to her fingertips, the whole arm was absolutely black as a result of years of lifting and caring for Gerry. It is for people and families like that that I welcome the Bill today. I again congratulate my hon. Friend on his vision. I know that many people will rightly continue to call it Sam's Bill. It deserves success and I am sure that my hon. Friend will achieve just that.

10.53 am

Tony Baldry (Banbury) (Con): I congratulate my hon. Friend the Member for Aberavon (Dr. Francis) on introducing the Bill and compliment him on the way in which he did so. He said in his introduction that it was a journey of hope. I suppose that most of us, during the time we are privileged to be here, entertain a genuine hope that wherever we sit in the House, we can help take people from social exclusion to social justice, and I am very happy to be able to support the Bill.

Carers are essential to the community. Carers look after family, partners or friends who are in need of help because they are ill, frail or have a disability. The care that they provide is unpaid. Without carers, social services would be under even more strain. But without being given every opportunity to access their rights, carers are put under considerable strain themselves. The Bill would remedy that. I understand that the Government support much of this excellent Bill and I very much welcome that. I understand that the Opposition also support the Bill. I understand that the Government want some further qualification of clause 5 and other minor parts of the Bill, and that Ministers have said that they will consult on those over the next six weeks. As we have heard, the Bill seems to command universal support from all those concerned, including employers, from HSBC to PricewaterhouseCoopers, the Local Government Association and very many others, who have signed up to support the Bill drafted with the help of Carers UK.

As the right hon. Member for Coatbridge and Chryston (Mr. Clarke) tellingly said, if the Bill passes into Committee it is crucial to consider carefully how it might best be implemented. As he said, all too often we see private Members' Bills enacted only to have the frustration of their not being implemented, and our constituents do not always fully understand that. I hope that the Minister will be able to address that point when he responds, because implementation is crucial.

Carers are growing in number. The 2001 census found that there are now some 6 million carers throughout the UK. That is a staggering 10 per cent. of the population—12 per cent. of the adult population. There are about 1,000 carers living in north Oxfordshire and I suspect that my constituency is pretty typical of most constituencies. In Cherwell district it is expected that there will be a 50 per cent. increase in the number of people aged over 65 by 2021—something like 15 per cent. of the population—and retirement age is the point at which many of us will move towards being increasingly in need of some form of care. But of course, as we have heard in today's debate, caring is not only about the elderly. Far more attention must be given to caring for children and, for that matter, carers who are children.

In anticipation of the debate, I got in touch with the Banbury carers centre, an excellent carers centre, which started to be funded a number of years ago with money that came in part from the Princess Royal Trust for Carers. I asked whether the staff of the centre would help me. I prepared a questionnaire, and on my behalf they

sent it to 1,000 people in the constituency who they knew to be carers. It was an enormous survey, so that people were able to respond in total anonymity, and of the 1,000 questionnaires sent out, 200 were responded to. That was a pretty good sample of those known to be carers.

I had asked 15 questions. I asked the carers for whom they were caring, what contact they had with social services, what information they received from social services, whether anyone at any point explained to them their rights as carers or explained to them community care legislation, and finally whether there were any other issues of concern to them as carers locally. So that was a pretty extensive survey, of a large number of carers with a fairly typical experience of caring.

What struck me about the responses to every question was their unanimity. To almost every question, I got the same response from practically everyone who replied. I of course point out that some carers strongly supported the work of Oxfordshire social services. Carers who did get some help from the authorities praised the quality of that help. However, the reality is that fewer than 2 per cent. of the carers who responded to my questionnaire had received any, or adequate, help from social services, and even in the cases where carers had said that they received good help from social services, it was often to assist them in getting the benefits to which they were entitled from other agencies. That at the very least suggests that even those carers fortunate enough to have the help of social services were failed by other parts of the system.

It is likewise fair to suggest that the minority of carers in receipt of help from social services to cover all—I emphasise, all—of their needs are looking after a relative with many, varied and complex needs. For example, one carer explained the excellent help that Oxfordshire social services were giving to his 80-year-old wife, who is suffering

"advanced stages of Lewy's Body Dementia, breast cancer; has had four mini-strokes, cannot walk and has to be fed and taken around in a wheelchair".

Of course that is the sort of case where only social services could help, and they clearly have a statutory responsibility to help.

Carers locally are telling me that when social services do not have a clear statutory responsibility to assist, they are left on their own. No one explains any of their rights to them. No one gives them any information about taking a break; no one from social services tells them how they might look after a relative or friend coming out of hospital; and no one offers to explain community care legislation to them. Carers' rights are not explained to them. That is what 98 per cent. of typical carers under a typical local authority told me.

Given such an overwhelming thumbs down for social services' communication, my next question of how readily information was received became somewhat academic. I was particularly perturbed by the lack of information given to carers about basic benefits to which they could well be entitled, and especially the carer's allowance. It is extraordinary how most carers found out about the allowance. Usually they were told by relatives, friends; sometimes by their GP. Some of them read an article about the allowance in the press or spotted a leaflet in their local post office. One carer, whom I knew, even heard about it from another mother on the maternity ward. Very often, carers find out about the allowance because they are told by a fellow carer. As my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) said, all too often carers have to brief other carers.

That makes some sense, but I am truly staggered that only one person out of the 200 who replied to the questionnaire told me that they had received information about the carer's allowance from the local social services. That means that a carer is as likely to learn about the allowance when giving birth in hospital as she is from the local authority. These are carers who are known to the carers centre in north Oxfordshire, not carers who are almost forgotten and left on the fringes of society, as some must certainly be.

Somewhat disturbingly, three carers who responded asked, "What allowance?", "What is carer's allowance?" and, in capital letters, "Never heard of it." That carer's known to the carers centre are oblivious to the carer's allowance demonstrates the extent of the challenge ahead and the need for the Government to implement the measures in the Bill as speedily as possible.

It is clear from my survey that north Oxfordshire carers would know nothing about their rights and benefits if it were not for the carers centre and other local charities such as Mencap and Age Concern. That is not to say that social services do nothing. Oxfordshire county council has a number of online publications available to carers, such as the fair access brochure on benefits and the "better care, higher standards" booklet. These are good, clear guides but the problem is that they are only available online. They are not getting out to most carers. That was indicated by the fact that fewer than a dozen carers responded to my survey by e-mail. Many carers do not have internet access. That goes back to the social exclusion point that was made by the hon. Member for Aberavon (Dr. Francis).

Mr. Huw Edwards (Monmouth) (Lab): I am sure that we have all listened with great interest to the results of the hon. Gentleman's survey. Does he not think that the results demonstrate that there is a need for a national survey of the services received by carers to ascertain whether the pattern is nationwide?

Tony Baldry: I am sure that that would be welcome. I was genuinely surprised by some of the responses to my questionnaire. A national survey would be extremely helpful.

I note that on its website the county council stresses the importance of word of mouth. It is right to do so. Word of mouth is incredibly important. Surely it would be better, however, if carers were systematically given information about their rights, including their entitlements, so that they could make informed decisions and choices in their lives.

That brings me to the other crucial aspect of the Bill. The measure would ensure that social services and health bodies positively consider carers' health, in the broadest sense. It would ensure that carers are given more opportunities in leisure, education, training and employment. That is what all carers need. That was what almost all carers brought to my attention when I asked what other concerns they had about caring.

[Tony Baldry]

Two specific worries are especially prevalent. The first is that the carers allowance stops at retirement age. I have a handful of carers' comments. One says:

"Carers allowance is only paid until state retirement pension is received. The claimant remains eligible but no actual payment is made. Thus the older you become, the more help you need, the less you receive."

Another carer explains:

"We live in rented accommodation and after 17 years of retirement our savings are insignificant—therefore by caring for my husband at home I, and many like me, are saving the health services a great deal of money but because I receive a pension of £43 I am disqualified for carer's allowance."

That seems crazy. The idea that retirement diminishes someone's caring responsibility is absurd. The burden of responsibility often becomes higher and harder.

It is not only the elderly who are unfairly penalised when it comes to benefits. Parents at the children's respite care home in Banbury, Sycamore house, tell me that even those parents who receive the highest level of disability allowance for more than one child receive only one carer's allowance. It is set against the parent, not the child, even though it is the child who is really the beneficiary. Moreover, invalid carer's allowance is not even a mandatory benefit for parents with disabled children. It is monstrous that carers, and those for whom they care, are penalised if they have more than one care need. That is not even to touch on the staggering complexity of the benefit forms and the difficulty of negotiating the benefit system, which further penalises people.

The other central concern of carers is respite care. Respite care needs take many forms. One carer outlined

"the lack of respite care and long term planning, tailored to help in times of family emergency."

Another explained how

"there is not enough respite care available unless your child is so severely disabled they cannot do anything for themselves."

A more elderly carer told me that

"my main concern is that respite becomes less when my husband reaches 65 years old, which is this year. This will make things more difficult and may result in having to put my husband in residential care."

Surely at least allowing the opportunity, as the Bill does, fully to assess the availability of care in the home would be a better option.

Respite care is often about simply having contact with other carers and other organisations. One carer says:

"I would like to be contacted now and again to see if there's any help needed and not to be forgotten by everyone, feeling alone and isolated."

For other carers, it seems just about being able to take a break. As one puts it,

"if one can never leave the patient alone, one cannot get out at all, it is particularly difficult when one is nearing 79 and has bad health."

I sense that for other carers, respite is part of feeling more secure and more stable. One carer said to me:

"Our concern is respite care in this area. What happens to our son if anything happens to us? How do we go about finding help?"

That last comment is the crux for many carers and the reason for the Bill.

There are schemes such as "family link" in north Oxfordshire, which effectively allows for the exchange of respite care between families with severely disabled children. Yet some parents have ended up waiting four years to find a link family, which raises reasonable questions about the wider awareness about such schemes. There is also the bizarre situation with emergency relief, where carers must give one week's notice that they will require emergency respite care in the home. It seems somewhat strange that it is necessary to give a week's notice that there is an emergency. Overall, to get much-needed respite, carers effectively have to enter into some sort of bidding process whereby those who shout loudest are most likely to get it, not necessarily the neediest.

Many carers also have concerns over local health care, and especially being able regularly and easily to contact their GP. There are specific concerns in Banbury that I shall not take up because I know that many other Members wish to speak. For example, I shall not detain the House about the closure of a GP practice in the centre of Banbury.

Those working in local social services endeavour to do their best for local carers, but the reality remains that their resources are stretched to the point where often only the neediest get proper assistance. All carers need help.

It is to be hoped that the Bill will serve to indicate that every carer needs proper access to their rights as carers, to their benefits—such as the carer's allowance—and to full availability of respite care, wherever in the United Kingdom they are found.

Many local authority departments, such as education and housing departments, need to be more fully involved in carers' welfare. Only a proper assessment of all carers' needs will ensure equal opportunity. Much of that is about process and getting information to carers; it is not necessarily about placing additional financial burdens on local authorities. I very much hope that the Bill will get its Second Reading today, go speedily through Committee and be enacted, and that the Government will then speedily implement its provisions, because carers deserve the best.

11.10 am

Mr. Roger Berry (Kingswood) (Lab): It is a pleasure to speak in support of the Bill, and I congratulate my hon. Friend the Member for Aberavon (Dr. Francis) not only on his good luck in securing a high place in the ballot, which is always something to celebrate, but on his wisdom in choosing this Bill and the manner in which he presented it at the beginning of the debate. He deserves the warmest congratulations from all hon. Members.

I welcome the other speeches that we have heard so far this morning. I congratulate the hon. Member for Tiverton and Honiton (Mrs. Browning), my right hon. Friend the Member for Coatbridge and Chryston (Mr. Clarke) and the hon. Member for Banbury (Tony Baldry) on what they have said. Not only do I agree with every word that they have said—they have said some very important things—but I find therefore that the temptation now is for me to repeat some of the points that have been made already, so my speech may be slightly briefer than might otherwise have been the case.

At the latest estimate, just over 10,000 of my constituents are carers. As we will all know, they, like carers in every other part of the United Kingdom, are in a variety of circumstances. There is the 84-year-old man who cares for his wife, who has dementia. There is the single mother who cares for a child with multiple disabilities and is trying to maintain a part-time job, and there are young people—indeed, some are children—who have caring responsibilities. The scale of that caring responsibility has been referred to already.

We are in a society that often wishes to attach a monetary value to as much as possible, perhaps for good reason, and whether the figure is that carers provide £57 billion-worth of care annually—or £65 billion, or £50 billion—it is, as my hon. Friend the Member for Aberavon rightly said, a level of support and social care that is at least on the same scale as the total cost of the national health service. The extent of the support provided by carers is mind-boggling—to use a technical term—but that figure also suggests something very obvious as well: such social care could not conceivably be left to the market, even if that were desirable, which it is not, or, because of the cost if for no other reason, be provided in any way other than through the voluntary efforts of the 6 million or so carers throughout this country. That is the only way in which such care could possibly be provided, so the rest of society has an obligation to provide support for carers.

One of the tragedies of the current situation, which we all recognise, is that society as whole does not care enough for carers. We have that social obligation, and we must make further progress to do more. In recent years—since 1995—three Acts have moved us towards a recognition of the enormous value of caring in our society, and by the same token, persuaded us that we as a Parliament have a responsibility to provide that support on behalf of the rest of society. That was welcome progress, but my hon. Friend's Bill takes us the further, major step forward that is now required.

My hon. Friend and the hon. Member for Tiverton and Honiton both referred to the draft Disability Discrimination Bill. I hope that the House will endorse my hon. Friend's Bill with enthusiasm, but it is important that at the same time, the Government have produced that draft Bill to seek to complete that journey. I congratulate the Government most warmly on doing that, and on the specific content of that draft Bill.

My right hon. Friend the Member for Coatbridge and Chryston and I serve on the Joint Committee now considering that draft Bill, and it is important that we recognise the connections between securing equal opportunities for disabled people and securing them for carers. Of course that is not to say that there are not very many disabled people who do not rely on carers at all—very many of them live independently and are employed, and so on—but there are also very many who do rely on carers. In providing better rights for disabled people and access to transport, and so on, we are also providing a bit of respite for carers, who would otherwise have to provide that support. By the same token, the more we can provide help and assistance to carers, the more the family members and friends whom they care for will benefit, so we are talking about two closely related issues. I very much welcome not only the Bill, which is, of course, our primary concern, but the Government's proposals for disabled people's rights.

As all hon. Members know, perhaps from personal experience, and from our constituency casework and the research of Carers UK, the Princess Royal Trust for Carers and many other organisations—the hon. Member for Banbury has done his own survey—many carers do not receive the support that they need. That point comes out time and again—so why is it so difficult for carers to secure that support? As the hon. Member for Tiverton and Honiton said, the first reason why many carers do not receive the support that they need is that they do not regard themselves as carers; they simply get on with the job.

For many years my father cared for my mother, who has dementia, but he still does not regard himself as having been a carer. People can be in their 70s or 80s, spending every waking moment looking after someone, and they just get on with it. They do not regard themselves as carers. So with the best will in the world, it is not just these debates that pass those people by, but however active carers organisations and local authorities are—and very many are—if people do not regard themselves as carers, all this talk about assessments, services and financial support, and all the literature on carers that might be available, passes them by.

Every year roughly 2 million people will cease to be carers and 2 million will become carers. In the next 12 months, 2 million people will become carers. If a large number of them do not appreciate that they can gain access to some support, it is hardly surprising that they will find themselves struggling on without the support to which they are currently entitled. The first problem is that many carers do not regard themselves as such—they do not self-identify.

The second point is that, as I have said, many carers do not appreciate the fact that support is available or that they have rights to have an assessment. They do not appreciate the fact that they might be able to secure financial benefits or support from social services departments, NHS bodies and so on.

The third point is that the available support is often inadequate. That is no reflection on many of the people who work for the NHS and in social services departments. I know many people in my constituency who work for the local authority social services, the mental health care trusts and other NHS trusts, and they are dedicated public servants. They know what public service is all about and are doing their level best to ensure that as far as possible, carers get the support that they need, but there is a systemic problem. We cannot rely on a few people to ensure that carers secure equal opportunities. That must be embedded in the whole structure of the work of local authorities and the NHS. So the Bill should be warmly welcomed.

The local branches of the Princess Royal Trust for Carers, Crossroads and so on are very active in Kingswood, and I have learned a lot about these issues from them. Carers and carers' organisations tell me that the first problem is information, because there is a need to ensure that carers know what they are entitled to. Surveys suggest that only between a quarter and a third of carers have an assessment—that is not very many. Surveys also show that half of those who have not had an assessment do not realise that they could have one. I have no doubt that everyone who speaks will refer to the

[Mr. Roger Berry]

need for information—not because we cannot think of anything else to say, but because it is such a central matter.

If carers do not have basic information, they do not get to first base, because they simply do not know what support is currently available. The Carers (Recognition and Services) Act 1995 and the Carers and Disabled Children Act 2000 made progress in that direction, but the Bill must be especially welcomed because clause 3 would give local authorities a duty to inform carers of their right to an assessment of their ability to provide care. That provision is absolutely essential to the Bill. I also welcome the fact that clause 2 would create a duty to ensure that carers were informed of services provided by local authorities. If the Bill goes through, there should be a step change in the information provided to carers—that is the first thing that needs to be done.

Something like 75 or 80 per cent. of carers are of working age, and many juggle their employment and caring responsibilities. Handling the stress and pressure caused by that is often difficult. That was the theme of last year's carers week, because many carers are of working age and the situation gives rise to several specific issues. Hon. Members rightly talk about the importance of child care. We talk about spending more on child care and the need to ensure that proper child care is available so that parents who wish to work have that opportunity, not only for their own benefit but for that of their families, the economy as a whole and the wider society. We should consider employment opportunities for carers in the same way.

If it is right—as it is—to address the inadequate provision of child care because it is a reason why many families cannot earn a decent income through employment, how much more true it is that the lack of opportunities for carers to have a part-time job, or a full-time job, is a major reason why carers and those for whom they care may be living on low incomes? It is important to address the employment problem, so I warmly welcome the fact that clause 1 would give local authorities a duty to have regard to providing services likely to encourage participation by carers in education, training and employment.

The other key provision in the Bill addresses carers' health needs. We all know that carers often find that their caring responsibilities put their own health at risk. The Princess Royal Trust for Carers carried out a survey in spring 2002 that showed that 85 per cent. of carers found that caring had an adverse impact on their health. Not only are caring responsibilities and the problem of raising money to support the family there, but your own health—I apologise, Mr. Deputy Speaker, I mean the health of carers—is also under enormous pressure, for obvious reasons, so that should be addressed. I warmly welcome the fact that my hon. Friend's Bill would do that, and thus support the essential provision in clause 2 that would require NHS bodies and local authorities to co-operate to promote the health and welfare of carers.

Good local authorities and good NHS bodies are doing much of that work already, but many are not. Even the good ones are not doing enough. The Government deserve congratulations on their national strategy for carers—the first such strategy ever published. I argue that the Bill is not only consistent with the Government's national strategy, but absolutely essential if the strategy is to have the required impact. As my right hon. Friend the Member for Coatbridge and Chryston said, implementation is everything. The national carers strategy, which has already been warmly welcomed, will be welcomed even more enthusiastically if measures such as those in the Bill ensure that we can deliver on what we have promised. Carers UK says that the Bill will make a real difference to carers—I am sure that it will. It should thus have the enthusiastic support of the Government and the House.

11.25 am

Hywel Williams (Caernarfon) (PC): I congratulate the hon. Member for Aberavon (Dr. Francis) on his good fortune in securing his slot in the ballot and on introducing the Bill, which I am pleased to see. He is a historian by profession, so he will know, although perhaps other hon. Members might not, that he and I share the name of a great reforming king of Wales: Hywel Dda—Hywel the Good. In the early mediaeval period, he codified Welsh laws and brought forward elements such as more equal rights for women, which he did slightly earlier than we managed in this place. He also brought forward an interesting idea on criminal responsibility whereby not only criminals, but their families and extended families, were responsible. That form of community policing might have commended itself to the Home Secretary had he been in the Chamber. The hon. Member for Aberavon and I share the name, and he clearly follows in a glorious tradition—I congratulate him on that.

Being Welsh, I suffer, as does the hon. Gentleman, from the classic Welsh question when one is introduced to someone whom one has not met before: "Who are you?" and "Who are you, really?"—the second question that is always asked. I suffered, as I am sure he has, from my mother joining me when I was meeting somebody of some standing, such as a poet, a teacher, a preacher or a musician, and saying, "Tell him who you are—exactly." So, let me tell the House that the hon. Gentleman is not only the Member for Aberavon, but the son of Dai Francis, the inspiring and inspired leader of the National Union of Mineworkers in Wales. During the 1970s and 1980s, he showed many others how to appreciate the value of industrial trade unionism. He also had wider interests because he was committed to equal rights and human rights throughout the world. In that sense, the hon. Gentleman is truly tad y mab—the son of the father, or perhaps these days, to put it more correctly and prosaically, the child of the parents.

I am pleased to support the Bill as a social worker in the 1970s and a social policy and social work teacher. I am pleased that its aims and intentions are clear. Some time ago, I had the opportunity to write a bilingual training package on community care in Wales called "Gofal: Gofal yn y Gymuned"—"Gofal: Care in the Community". We had to wrestle with the complexities of the law on community care while preparing the package, and I shall illustrate that by mentioning a small example of the difficulties that we had. By the way, I am glad to see the prominence that the hon. Gentleman gives to the fact that the Bill will apply to England and Wales—its application in Wales will be welcome.

My small example is that of LACs and WOCs—some hon. Members will be familiar with them, but others will not. A LAC is a local authority circular and a WOC is a Welsh Office circular, or at least it was when we had a Welsh Office. The problem was that not all LACs were WOCs, and some WOCs were slightly different from the equivalent LACs. Working our way through that minefield was a nightmare. I hope that when the Bill is implemented, which I hope will happen very shortly, we will not face similar problems with LACs, WOCs or their modern equivalent.

The Bill is admirable for addressing the wide range of carers' experiences of life, taking into account social, educational, training and employment factors. It is high time that carers are not seen one dimensionally as just carers and nothing else. The hon. Gentleman said that his aim was to address the attitude of public bodies, local authorities and health authorities. I am full of admiration for his determination to do that. As a teacher, working with people and learning how to deal with other people in the "people business", as we used to call it, I worked with knowledge, skills and attitudes. Knowledge is dead easy to teach; skills are more difficult to teach; attitudes are almost impossible to teach. It is very difficult to change people's attitudes. I commend him for attempting to do that. If we get the attitude straight, a lot of the other stuff follows. That is a good thing.

What is the other stuff that is involved? It means giving people who have caring responsibilities greater opportunities in education, training and so on, and providing proper information. I began as a social worker in 1974, 30 years ago this year, I regret to say; it is a long time ago. I remember trying to persuade people of the virtue of the attendance allowance, which had just been introduced. A great deal of publicity surrounded it and a lot of information was available on it. I started working in the Rhymni valley, which had a large number of people with disabilities who could benefit from attendance allowance, as it was then, and the provisions of the Chronically Sick and Disabled Persons Act 1970.

One example comes to mind of a lady whom I saw a number of times. She was a carer, looking after her daughter with Down's syndrome. I realised that Mrs. Parry did not get up from her chair during my time with her. She sat propped up in it during our interviews. Eventually, I asked her whether she had any difficulty. She said, "My hips have gone completely; they are shot. I can scarcely walk." I asked her how old she was. She said, "I was 66 last week." Hon. Members will know that that fell just outside the age limit to apply for attendance allowance for her daughter. That was in 1976 or 1977.

In terms of the provision of information, I was dismayed to find only three or four weeks ago that an older couple of my acquaintance did not know enough about the attendance allowance to claim it, although they had a right to receive it for several years. Those people are highly educated, well informed and well connected within the local community. There was no reason why they should not know about it, but they did not and had missed out on many thousands of pounds and the help that the attendance allowance would have given them. I cannot put enough emphasis on the need for proper information to be provided. The benefit of information on all aspects of people's lives when they have caring responsibilities is important.

As for the focus on health and well-being, I have a personal reason for supporting the Bill warmly. My late father and my mother have cared for my brother for 31 years following a serious road traffic accident. He still lives at home. My mother is in her early 80s and has been a carer all those years, since the early 1970s, but would never see herself as such. She had to be persuaded to identify herself as a carer. She wanted nothing to do with us after that, but she accepted that she was a carer. Her health now needs attention, but she still devotedly cares for Geraint, my brother. The focus on her health and well-being is important and will become increasingly so. I welcome that element of the Bill most warmly.

The hon. Gentleman said that he was open and happy to discuss aspects of the Bill should they cause any controversy. He is most courteous and I am sure that he would be happy to do that. However, I encourage him not to discuss them too much. Let us get the Bill through the House quickly and in its entirety, as far as that can be achieved, and implemented quickly, as other hon. Members said. It is an honour to support the Bill. I commend it to the House.

11.36 am

Jane Griffiths (Reading, East) (Lab): I add my voice to those hon. Members who have congratulated my hon. Friend the Member for Aberavon (Dr. Francis) on taking this opportunity to introduce this very important Bill, which I hope and trust will have the Government's support. I know that it has the support of hon. Members on both sides of the House.

In supporting the Bill, I want to highlight briefly some of the problems faced by older carers. All our constituencies have a large number of people who are members of the first generation of parents who have cared for their children with disabilities, who are now adults. Those parents are reaching retirement age and although they may not have health problems of their own, they anticipate that they will have them and are fearful for the future of their adult offspring when they are no longer around to take care of them.

A family in my constituency, John and Irene Flen and their daughter, Lisa, who has Down's syndrome, are in exactly that situation. The parents have retired, although Mrs. Flen was not able to work for most of her adult life because of her caring responsibilities. When Lisa was born, Mrs. Flen was told, as was common at that time some 40 years ago, "It's a Mongol. Put it away and forget about it. Have other children." Like many others of their generation, Mr. and Mrs. Flen did not do that. They were told that Lisa would live perhaps only a few years, but she is 40, she is fine and she is a good friend of mine. People like Mr. and Mrs. Flen—there are many of them and their numbers will not diminish as we all live to a greater age—have had their opportunities for work, education, personal development and even holidays curtailed drastically because of their need to care for their sons and daughters. That is why the Bill is so important.

Some hon. Members said that the Bill should not be necessary because what it is trying to achieve is common sense. The hon. Member for Tiverton and Honiton

[Jane Griffiths]

(Mrs. Browning) said that, and she was right, but unfortunately it is necessary. There are statutory duties on local authorities and public bodies of various kinds, but a change in attitude enshrined in law is what we need for a better future for carers and for those for whom they care.

When local authorities perform their statutory duties, they comply with the law, but because of the way the law stands there is a tendency for them to talk about adults with learning disability as though they were all the same. Some adults with learning disability are able, can work and live more or less independent lives. A great many, however, cannot and will never be able to. That puts carers in a dilemma. Some will want to promote their offspring going to work and leading an independent life while others know that that will never be possible for their offspring. They feel that they are treated as just one mass of people whose needs are all the same—they are not. Equality of opportunity, if it is to mean anything, is the recognition that each person is an individual, has individual needs and is different from each other person—their starting point in the world is not the same as the person next to them. That is why the Bill is so important. I implore the Government to support it, and I hope and trust that they will do so.

11.40 am

Mr. Paul Burstow (Sutton and Cheam) (LD): I add my congratulations to the hon. Member for Aberavon (Dr. Francis) on his success in the ballot, his wisdom in selecting such a subject as the basis for a Bill, and his diligent drafting to get it to where it is today. I appreciate the level of work in negotiations and discussions of the nuances of the text and how Government lawyers and others look over that. That process is ongoing and I appreciate the hon. Gentleman's hard work.

I come to this debate not only to respond from the Front Bench on behalf of the Liberal Democrats, but with the honour and privilege of being one of the Bill's sponsors. That might indicate my party's general approach to the Bill: we support it and hope that it will secure support from the Government and ultimately make its way on to the statute book. I agree that it is important not just to progress this legislation to enactment but to ensure that it is implemented, rolled out across the country and leads to the changes in attitude and culture to which hon. Members, especially the hon. Member for Reading, East (Jane Griffiths), have referred.

As has been said, the Bill is about the health and well-being of people; it is about stepping back and recognising that when one looks at a carer, one should see first the person and identify their needs as a whole rather than trying to isolate their role as a carer. The latter is not possible, yet all too often we have tried to make that distinction. The Bill is about the culture and attitude in organisations, and the way in which society values and regards carers. It is about knowledge and information. Such knowledge is all too often held in the wrong places or by people who do not appreciate that it is their duty to share it with carers, their families and others. This is all about ensuring that people have access to that information, and that in turn they can access the services and support to enable them to realise their full potential and to enjoy a rounded life in which they feel able to continue to discharge what they see as their responsibility to care for a loved one.

The Bill is one of a number over the years that have sought to drive forward and widen the rights of carers. That process began with the Carers (Recognition and Services) Act 1995, which established for the first time the right to an assessment. However, that right was coupled with the right of the individual who needed care to seek an assessment. In effect, the Bill blocked the opportunity of carers to receive a separate assessment once the individual receiving care services chose not to have a local authority assessment. That anomaly was rightly sorted out by the Carers and Disabled Children Act 2000, which decoupled the requirements on the assessments of carers and of those receiving care services.

The Bill rightly goes on to recognise one thing that we missed when scrutinising the 2000 Act: the need to place a duty on organisations that carry out the assessments and others to tell people that they are entitled to such assessments. The hon. Members for Tiverton and Honiton (Mrs. Browning) and for Reading, East rightly asked why on earth we should have to include such a provision in a Bill. As today's speeches have shown, it is necessary to create a clear duty to tell people of their entitlement so that a real difference can be made to their daily lives.

I agree with many of the comments of the hon. Member for Tiverton and Honiton, and I want to pick up her point that we are not talking about rocket science or things that necessarily add greatly to expenditure from the public purse. We are talking about doing things differently in service provision and the way in which organisations are configured and operate. Ultimately, we are talking as much about saving money as we are about spending it. I will come to how the Bill could result in profound savings and make a difference to quality of life.

It is right to state clearly that we must support carers in their caring role, but that we must go beyond that. As has been said, carers are undoubtedly the backbone of our care system. The 2001 census revealed that there were 5.9 million carers. The Carers UK report, "Without Us", which used an Institute of Actuaries model, came up with the savings to the rest of us in society made by that caring: £57 billion. It is worth bearing in mind that the estimate by Carers UK back in 1993, on the previous occasion that such a figure was produced, was £34 billion. Therefore, in the space of eight years, the estimate of the value of carers' contributions in this country has risen by 70 per cent., which is much more than the rate of inflation. The cost of alternative care has risen by 42 per cent. over the same time. The proportion of care provided by carers has substantially increased over that period; it has more than doubled.

I shall not dwell on this point today—perhaps it is a matter for other debates—but it is interesting to note that more home care hours are provided today to fewer households. I cannot help but wonder whether there is some relationship between the fact that informal carers are caring for more hours and the state is caring for fewer people in their households for fewer hours. That is an interesting correlation. I am sure that the Minister

will assure me that it is not a statistical one on which we can rely, but it certainly seems to feature in carers' minds. They do not always get access to the services because of eligibility criteria that often have regard for the fact that there is a carer in the household, which results in the downgrading of the need of the person receiving care and they do not receive quite as much

In addition to the census figure, the Carers UK report, "Could It Be You?" estimated that at some point three in every five people will end up as a carer of a person with a long-term medical condition or disability. The study concluded that, on the basis of existing public policy on community care and so on, by 2037 nearly an extra 3.5 million carers will be needed to cope. That suggests that there will be 9.6 million carers in this country by 2037. On the basis of the £57 billion saving, and let alone any effect of inflation, carers will be saving the country £92.7 billion by that year.

I want to talk about why the Bill can make a difference to the health of carers. There is mounting concern about the health and well-being of carers, particularly among the young and old who are vulnerable in their own right. Carers UK research, "Ignored and Invisible", found that half of carers surveyed had suffered a stress-related illness and that half had suffered a physical injury. According to the Office for National Statistics, those caring for 50 or more hours a week are twice as likely to become permanently sick and disabled and twice as likely to describe their own health as poor.

According to data in the 2001 census, 9,000 children aged five to 15 provide at least 50 hours a week, and a further 18,000 provide 20 hours or more a week. As interventions on the hon. Member for Aberavon revealed, there is a need to explore in Committee how we ensure that children who are carers are properly supported and how we might make the Bill more applicable to their needs by dealing with the interrelationship of legislation on carers and the Children Act 1989.

More than 1 million people aged 65 and over provide care and 382,000 of them are providing care for more than 50 hours a week. Less than a third of those people provided a heavy burden of care, and they did not regard their own health as very good. More than a quarter, or 103,000, rated their health as not good, and 44,000 people over 85—I could not believe that figure, and checked it again today—provided 50 hours or more of care a week. That is a stunning number of people who, at that stage in life, may be afflicted by their own problems, disabilities and ailments. What view would the Government take if 9,000 children aged five to 15 worked outside their homes for 50 hours a week or more? Education Ministers would rightly protest about the effect on their academic education, and others would rightly campaign about their welfare. Surely, that is an unacceptable burden to place on children. Whether it is the young or the over-65s who are working as carers, if they were in paid employment, they would be breaching the European working time directive. There would and should be an outcry about the numbers who are shouldering that heavy burden of more than 50 hours of care a week.

Caring, as has already been said, can seriously damage people's health, and the Bill offers a practical way of addressing that health consequence. At present, as has been said, the NHS is not very good at identifying and meeting the needs of carers, whom it treats as just the friends or relatives of the patient. However, the dynamics of the relationship between the carer and the cared-for is far more complex than a simple dependency. It is about interdependence between the carer and the cared-for at psychological, social and biological levels. I therefore hope that the Bill will enable the NHS to focus clearly not just on patients needs but on carers needs, and will ensure that in health promotion activities carers are given proper priority. The need for training in, for example, lifting, should be properly addressed.

The national priorities guidance of 1998 gave GPs the task of identifying carers by April 2000 although the target was reset to 2002 because of data protection problems. This is one of the few issues affecting carers about which I have not asked a written question, so I wonder whether the Minister would save me the trouble of tabling one by telling us about progress towards that target. It would be extremely useful if he could do so.

I have minor concerns about some clauses, which I hope to explore further in Committee. Clause 1(1) refers to "social services functions". The hon. Member for Kingswood (Mr. Berry) asked whether we needed to take a systemic approach to the problem and embed within local authorities a view of carers' needs and welfare that may extend beyond social care and social services departments. Why does the Bill simply refer to "social services functions" in respect of promoting equal opportunities for carers? That issue needs to be considered, and we need to explore in Committee the way in which clause 1 interacts with clause 2.

The hon. Member for Stourbridge (Ms Shipley) made some important points about leisure opportunities, and I know of the need for such opportunities from my experience over the past few years of shadowing carers in my constituency, thanks to the local carers centre in Sutton. I met a woman called Jenny who has a 10-year-old son called James with attention deficit hyperactivity disorder and autistic spectrum disorder. She has struggled to get services, but is now reasonably happy with those that are provided. However, she has a second son, Lewis, who is in infant school. Lewis is an informal carer—he supports his mother, makes her laugh, and looks out for his older brother. Jenny told me how isolated she feels, particularly in school holidays, when it is difficult to manage the play needs of both children and find something appropriate for them. Consequently, school holidays are difficult. The centre identified the need for regular supervised holiday activities to be available for the child with autistic spectrum disorder but also for Lewis. I hope that such provision will be made when the Bill is rolled out across the country. Clause 4 refers to the role of the local education authority. We also need to consider the role of children's trusts, and examine the way in which they will interact with the new legislation in fulfilling children's needs. I therefore look forward to the opportunity to examine the Bill in more detail.

I should like to draw the attention of the House to some good practice because, as been said, we must make sure that the rest catch up with the best. My local authority, the London borough of Sutton, has worked with and for carers since about 1986, and was one of the first local authorities in the country to produce a carers strategy, which it has recently revised and updated. Next week, on 9 February, it will launch its revised and

[Mr. Paul Burstow]

updated multi-agency strategy, which has been drawn up by professionals, but has also sought to involve and consult carers themselves. I should like to put on record my appreciation for the work that the Princess Royal Trust for Carers does to support carers centres throughout the country.

My locality has been blessed with an effective carers centre since 1994. It has helped to change the lives of many hundreds of people by providing the information that we have discussed today. I was struck by some of the words in the carers plan that it produced. For example, one carer said:

"When life is difficult, well meaning people will offer kind words and flowers, but what I really need is practical help and solutions".

Those poignant words from a Sutton carer are included in the plan. At the end of the day, we are offering important and perhaps useful kind words, but we are not necessarily delivering change—change will be a consequence of the Bill being enacted. Life changes when people become carers. Things that they took for granted stop, and it is hard suddenly to find that one's husband or wife needs support, but can themselves no longer provide as much support as they once did. No matter how deep the love that binds people together, caring 24 hours a day, seven days a week grinds people down. The price that carers pay goes unrecognised.

The hon. Member for Kingswood made a crucial point about self-identification. Many people do not identify themselves as carers, as the hon. Member for Tiverton and Honiton said. In my constituency, there are 16,000 carers, but only 3,000 on the register. Three thousand carers show up on the radar, but the rest do not. The Bill must help people to recognise that they are carers, and ensure that local authorities and other agencies take the necessary steps to seek them out. If we do not do so, the health bill and the consequences for society will be huge. I applaud the hon. Member for Aberavon for introducing the Bill, and hope that we can turn fine words and rhetoric into practical action and a tangible change in the quality of life for all the carers in this country.

11.58 am

Mr. Wayne David (Caerphilly) (Lab): Like other Members in the House, I warmly welcome the Bill. I am delighted that it has cross-party support and pleased that, outside the House, support has already been given by a wide range of opinion across a range of organisations: British Gas, HSBC, PricewaterhouseCoopers and the National Institute of Adult Continuing Education, which have all been mentioned. Significantly, Jane Hutt, the Welsh Assembly Government Minister for Health and Social Services has also lent her support. I note what has been said about the Bill following the good example of what has happened in Scotland and Northern Ireland.

From my own experience, I am very conscious of the fact that my mother cared for her mother, who had senile dementia for many years. She looked after her mother with great care and attention, but, inevitably, a strain was put on her and the whole family. My father cared for my mother for a number of years and, in a sense, after losing my father the year before last, I have become a carer now, although—this point has been made—I seldom think of myself as filling that role.

I have to say, however, that what I am doing is nothing compared to what my hon. Friend the Member for Aberavon (Dr. Francis) and his wife did for many years with their son Sam. For 16 years, they gave him love and a great deal of care. I know that from my contact with the family. It is entirely appropriate, therefore, that the Bill has become known as Sam's Bill. I pay tribute to my hon. Friend for bringing forth the legislation and for consulting so widely with so many people. I very much hope that the Bill commands a consensus in the House and has the wholehearted support of the Government.

It is true that carers have rights and they get support, but often that is more apparent than real. For example, under current legislation, although carers have the right to an assessment, that assessment does not always happen. When it does, it often does not take account of carers' wider needs and considerations, such as their broader need with regard to employment, training and lifelong learning.

Therein lies the importance of the Bill, which will change things for the better in three important ways: first, carers will be given more, better and systematic information so that they can make well-informed choices about their lives; secondly, carers will be considered by social services departments and by the health service; and, thirdly, assistance will be given to carers so that they have more opportunities in leisure, education, employment and training.

It can be difficult to understand how such a Bill will materially affect and improve people's lives. I want to show by way of example what might happen if the Bill is enacted. I shall quote a hypothetical case study from Carers UK, which cites in a briefing, which I know all Members have received, the example of a parent with a disabled child. This is the carer speaking:

"I tried to talk to"

social services

"about going back to work but they said my situation was just too difficult. They would not even discuss it with me. I was at the end of my tether after one particularly bad week and was close to losing it. Whilst I was sorting out yet another problem with our benefits at the Citizens' Advice Bureau I found a leaflet about the local college that had all sorts of courses for people like me—no confidence, nothing to offer! And they were on at times when I can sort out a bit of care for Danny"—

the son—

"and they are fairly flexible so that hospital appointments and the like wouldn't get me thrown off the course. I really look forward to studying and I cannot believe how my life has changed . . . I feel I've got all sorts of opportunities and I feel like I'm worth something. Danny too, gets more out of me because I'm happier, and I feel like I have a life too, outside of my caring."

That is a graphic example of what could happen to so many people if we show political commitment across the House, and if the Government have the will, to turn the Bill into law.

It is also worth pointing out the fact that the Bill is required for economic reasons across the country as well as for personal reasons affecting individuals. The TUC has said clearly that it will bring economic benefit to this country, citing the fact that some 80 per cent. of carers are of working age. That is a large number of people who are potential employees. However, it is also important to point out the fact that, although the Bill

presents economic opportunities, it will not impose extra costs for any authority, whether it is a local authority or indeed national Government.

Many Members have spoken eloquently about the Bill. I have found this a particularly moving debate, and have been struck by how much common agreement exists already on both sides of the House. I hope that the Bill will receive the endorsement of the House today, that it will proceed to Committee, and that it will eventually reach the statute book. I sincerely hope that it will be implemented effectively, as Members have said, and that due credit will be given to my hon. Friend who has brought it forward as a private Member's Bill.

12.5 pm

Mr. Paul Goodman (Wycombe) (Con): It is a pleasure to follow the hon. Member for Caerphilly (Mr. David), who followed me when I made my maiden speech and was very kind about it. He spoke from his experience today, and now I have a chance to follow him.

First, I congratulate the hon. Member for Aberavon (Dr. Francis) on introducing this Bill. He has great expertise and interest in the needs of carers, as we all know, and he set out the case for the Bill extremely methodically, thoroughly and comprehensively. I follow him in paying tribute to the work of Carers UK and carers organisations everywhere, including the South Bucks Carers Association, which is currently based in my constituency, which does so much to help the efforts of carers in Buckinghamshire, and is making special efforts to reach ethnic minority carers in Wycombe.

The Bill has the support of the official Opposition in principle. I want to make it clear to the hon. Member for Aberavon now that we will provide whatever support we can in Committee to help to get it on to the statute book. I say that unreservedly.

Before turning to the details of the Bill, I want to revisit briefly the background against which it is set, about which many Members have spoken knowledgeably.

The statistics relating to carers are awesome. Some 7 million people in the UK are looking after someone who is frail, sick or has a disability—some 10 per cent. of the population. More than 300,000 people become carers every year, and as the hon. Member for Sutton and Cheam (Mr. Burstow) reminded us, three out of five people will become carers during their lifetime. According to Carers UK, the support that carers provide is worth £57 billion a year, which is more than we spent on health in 2001–02, as the hon. Member for Kingswood (Mr. Berry) pointed out. Apparently, carers save each taxpayer some £10,000 per head.

Those are necessarily dry, cold and abstract statistics, but behind the statistics is a moving human story, to which all Members who have spoken have alluded, which tells us a lot about the way we live now. Life spans are increasing, and as people live longer they are increasingly prone to disability. It is a striking thought for all of us that if we live long enough, we will probably gain a disability of one sort or another. At the other end of the life cycle, more children with disabilities are surviving for longer because of improved medical care. And families, who must deal and cope with those needs, for a whole complex series of reasons, are smaller and more fragile than they once were.

Several hon. Members, including my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning), have referred to the extraordinary strain that those responsibilities place on the well-being, as she put it, of carers. In particular, they place a strain on the larger number of carers who are women, and who may give up working in the labour market because they feel they have no choice but to do so. Later, they may feel that they no longer have the skills or the confidence to re-enter the labour market, whether when they want to do so or when they feel that they have no choice but to do so, for the sake of themselves and their families. If they do work in the labour market, they may feel that their employer does not always understand their needs.

Carers may feel bewildered about where to go for help and advice when a child with a disability arrives, or when a loved one becomes ill and frail. This has been a common theme in our discussion this morning. As the survey that my hon. Friend the Member for Banbury (Tony Baldry) conducted in his constituency showed, carers may well not know their rights under law, and may feel bewildered about how to deal with the interlocking and multi-faceted problems that they face, particularly in regard to respite need.

Even the most dedicated carer is bound to feel in need of a break from time to time, when faced with the prospect of caring unceasingly for another person. The hon. Member for Sutton and Cheam suggested that the responsibilities that carers undertake out of love can grind a person down. Even the most dedicated carer can sometimes feel that that is happening. My own experience, as a constituency Member of Parliament, of talking to carers in my area has taught me that taking a break from caring is one of the most frequent desires that they express. The carer is often in need of care themselves.

It is no wonder, therefore, that according to the Carers UK report, 55 per cent. of carers reported significant health problems, while 43 per cent. reported that they had sought medical treatment for depression, stress or anxiety since becoming a carer. According to the "Missed Opportunities" report, only 32 per cent. of carers have been assessed by social services, and of those, 57 per cent. did not receive any extra support. Nearly 50 per cent. of carers had not been informed that they had the right to an assessment.

These interlocking problems are clearly illustrated by a single observation made to me by the South Bucks Carers Association. The point was first made in this debate by my hon. Friend the Member for Tiverton and Honiton, and it has been echoed round the Chamber throughout our discussion. It is that carers do not always like being called carers, because they feel that caring is something that comes as naturally to them as breathing. The hon. Member for Kingswood (Mr. Berry) was right to say that the formidable responsibilities that carers face cannot altogether be sloughed off on to the market. Nor can they be sloughed off on to the state or the rest of civil society. There has to be a partnership between the three, based on equal opportunity. That is where the Bill comes in.

The Bill seeks to provide solutions to some of the problems that have been aired in the debate, and the official Opposition support it in principle. However, we shall want to make a number of inquiries in Committee about the detail of the provisions. Those inquiries will be

[Mr. Paul Goodman]

based on the following argument. There is general agreement among all the main political parties that Britain is over-centralised; localisation is now the buzzword. The House would presumably agree, therefore, that new statutory or regulatory duties to be placed on local authorities or other bodies should not be undertaken without good reason. It is therefore important to ask, when examining the Bill on Second Reading, whether the additional duties that it seeks to place on local authorities and other bodies are necessary.

Clause 2, for example, seeks to ensure that provision for informing carers is written into the community strategies drawn up jointly by local authorities and health authorities. Some people might argue that there would be a danger, if the Bill were passed, of successive good intentions being written into community strategies to a point at which those strategies became overloaded or overburdened by the requirements of different sections of the community, and thus became unworkable. The official Opposition are not persuaded by that argument, because it seems reasonable to judge each potential addition to a community strategy on a case-by-case basis. The hon. Member for Aberavon made a good case for that this morning. We shall be interested to hear whether the Minister agrees with that assessment.

In regard to clauses 1, 3, 4 and 5, Carers UK has comprehensively set out the argument that

"there would also be some longer term savings through better health of carers, more sustained employment, and return to work for some carers."

We would be interested to know if the Government agree. It could be argued—the Minister may refer to this—that the various duties that the other four main clauses would place on local authorities and other bodies could incur extra costs. I am not convinced of that myself, but it should be considered in Committee.

Perhaps the Minister could provide us with any information he has about the impact in cost and other terms of the duty that local authorities already have in Scotland and Northern Ireland to notify carers of their right to an assessment. I think the hon. Member for Aberavon said that he had been told by the Scottish Executive that there were effectively no extra costs.

I will not follow the path trodden by the hon. Member for Caernarfon (Hywel Williams). He spoke of LACs and WOCs, bodies altogether outside my experience. I wondered whether in Scotland there might be such bodies as SOCs—but I will not go further down that path, Mr. Deputy Speaker, as it is one that you would not encourage me to tread.

We welcome the Bill unreservedly, and look forward to examining it closely in Committee with a view to supporting it. We believe that it offers the prospect of improvement in the lives both of carers and of those for whom they care, and of their being given the equality of opportunity that it seeks to confer.

12.16 pm

Mr. Huw Edwards (Monmouth) (Lab): It is a pleasure to speak in this debate, but I sometimes wonder whether such debates should be held on a Tuesday or a Wednesday evening, when I think many more Members on both sides of the House would like to take part. I had the good fortune to speak on the last private Member's Bill relating to carers, introduced by the former Member who is now Lord Pendry. It became the Carers and Disabled Children Act 2000, and it had cross-party support. I am delighted by the support expressed today by the hon. Member for Wycombe (Mr. Goodman) on behalf of the Conservatives, and the hon. Member for Sutton and Cheam (Mr. Burstow) on behalf of the Liberal Democrats.

I echo others in congratulating my hon. Friend the Member for Aberavon (Dr. Francis). He is an historian, and a person of great knowledge and erudition. It was a pleasure to sit with him recently on a plane travelling to Atlanta with the Welsh Select Committee. He told me first of his familiarity with Paul Robeson and his family; then he told me about Sam, his son, who sadly died at the age of 16, and had given him a lifelong interest in issues relating to carers and learning disabilities.

I have the honour to be president of the Chepstow branch of Mencap, and worked for Mencap nationally some time ago. I have worked with Lambeth social services, have had the pleasure of being a lecturer in social policy, and have been involved in the training and education of many people who have worked in the caring professions. I have a great interest in caring and in the carers' movement in my constituency.

I listened with some envy to some Members talking about carers' centres. Mine is a very rural constituency, where it would be almost impracticable to have such a centre in all the areas of population. The Bill will improve the information given to carers in a number of ways. We should note the fact that the internet is increasing access to such information.

I hear regularly from one of the carers in my constituency, Hermione David, who cares for her disabled husband and has done so for many years. Earlier this week she invited me to meet carers attending a pampering session. I have never been to a pampering session, and I could not go yesterday: I had to assure my constituent that I would be here to support the Bill and give all the assistance I could to my hon. Friend. There are about 9,000 carers in the Monmouthshire part of my constituency, and several thousand in the Torfaen part.

I have only been to Buckingham palace once. I went to a royal garden party. I was able to take two or three of my constituents, and I decided to invite representatives of the carers' movement. I took three, one of whom worked as a carers support worker. My own mother came as well. She lived in Neath, in the local authority area represented by my hon. Friend, and she too had been a carer, looking after her own elderly mother. I remember thinking, even when she was in her 60s, "If this goes on much longer, her own health will seriously deteriorate." It was at that point that I intervened and got social services to provide support for my mother in her responsibilities as carer for an elderly mother in her 80s.

I will never forget that Buckingham palace garden party. I stood for the national anthem at the end of that glorious afternoon, noticed that 9,000 people were standing to attention, and realised that that number represented every carer in my Monmouth constituency. Such is the massive number of people who are carers in this country.

Of course, none of us knows what the next telephone call will tell us; our whole lives could be transformed on hearing that somebody whom we are close to has had an accident or a stroke, or has developed a debilitating illness that will transform their lives—and ours. I am very pleased that services for carers have improved in my constituency. I recently attended carer support groups in Chepstow. Carers from Gloucestershire county council and others looked on in envy at what was happening in Monmouthshire, because services there have significantly improved. They have improved in recent years from a fairly low base, because local authorities did not have the legislative responsibility to provide support for carers.

It is to the credit of this House and previous Members of it that the rights of disabled people have developed significantly in recent years. There was the legislation to which the hon. Member for Caernarfon (Hywel Williams) referred. It was known as the charter for the disabled, and was introduced by Alf Morris, the then Back Bencher who became the first Minister with responsibility for the disabled. Since that legislation, access issues have been part of the country's natural vocabulary. Such developments have occurred because of legislation that this House has enacted.

In my experience, carers are often a most sceptical group. Such people often come to my surgeries to discuss pensions or operation waiting lists, but when I ask a few questions, I find out that the main frustration in their lives is not necessarily that they need that particular pension problem sorted out or that particular operation to be done quickly. The problem is that other responsibilities impede them; they are conscious that their inability to get the operation that they need, for example, is related to their responsibility as carers. The great thing about the Bill is that it recognises the roles and responsibilities of carers outside their direct caring responsibilities. To date, legislation has focused on carers' responsibilities as carers, and has not adequately recognised their social roles outside caring.

Hermione David wrote to me recently. She said:

"Alison Short our last chairperson"—

of the carers' group that she attends in Chepstow—

"lost her husband when she was 55. Too old for a career, but she was a seamstress and had eked out an existence since then until she receives her pension."

Recognising people's needs in terms of work, leisure activities, education and other aspects of their social roles is a key principle of the Bill. Hermione David told me:

"I totally dread the day that I may lose David"—

her husband.

"We lose our confidence completely and, as I have said, I feel locked in a bubble watching the world go by."

That is a sad statement from somebody who has worked very hard on behalf of other carers.

Carers whom I know are often very sceptical about the terminology that many of us use. We talk the language of equal opportunities, social inclusion, social exclusion and social justice, but that language may not come naturally to them. If ever there is a group of people who say, "I'll believe it when I see it," it is carers. However, I do believe that carers are now "seeing it". They are seeing assessments being undertaken, although perhaps not as quickly as they should. They are seeing the direct payments—payments that they are getting as a result of recent legislation on carers. They are seeing access to respite care, which might not have been there before.

I would have loved to be able to introduce the Bill that my hon. Friend is introducing. I have entered the ballot several times since I have been a Member of Parliament, but never come high enough to be able to introduce my own Bill. I did once have a ten-minute Bill—and nothing mystifies people outside the House more than what such a Bill actually is. I have to inform them that, sadly, they often last only 10 minutes—but at least the principle—that there should be a right to assessment and support for respite care, if the carer is deemed to be in need of it—was incorporated into the Bill that was introduced by Tom Pendry when he was an MP.

My hon. Friend the Member for Aberavon made some important points on what the Bill is about. He stressed the wider role and responsibilities of carers, their lack of opportunities, and the lack of information and focus on their health and welfare. Local authorities have statutory responsibilities for carers; health authorities and health trusts do not, as yet, have such specific responsibilities to be mindful of the health and welfare needs of carers. I am very pleased that the Bill will bring that about.

I congratulate my hon. Friend and thank other hon. Members for their contributions. It is noticeable that when hon. Members speak about this subject, they usually mention the experience of meeting carers in their own constituencies, and sometimes, as we have heard today, they speak about their own personal experiences. I wish my hon. Friend every success with the Bill and I am happy to offer him whatever assistance I can.

I sincerely hope that the Government will support the Bill. I was pleased and encouraged by the Prime Minister's response to my question last week and his recognition of the national carers strategy. Though he did not say it at the time, we should not forget that the Prime Minister's first reception when he took office was for carers. That was a significant expression of the Government's commitment to providing support for carers. I am glad that if we can get the Bill through, we shall have still more legislation on that subject. I wish my hon. Friend every success.

12.27 pm

Mr. Martin Caton (Gower) (Lab): It is a great pleasure to be called to speak in this excellent debate. When I sit down and the Minister rises to speak, I hope that he will give the green light, which will be a perfect finish to an important debate. If we can turn the Bill into an Act, it will bring real benefit to a section of our society that all too often in the past has been taken for granted.

First, I congratulate my close constituency neighbour, my hon. Friend the Member for Aberavon (Dr. Francis), on securing the silver medal in the private Member's Bill ballot and, more importantly, on introducing such a valuable legislative proposal as his chosen Bill. I also congratulate him on setting out so clearly the Bill's provisions and the benefits that it will bring.

My hon. Friend's personal experience and his total commitment mean that the Bill could have had no more appropriate or dedicated champion. Indeed, many of us

[Mr. Martin Caton]

recall that, when he entered the House in 2001, a major theme of his maiden speech was the need to improve the rights of carers as well as those of disabled people. He reminded us of the same principles in his opening speech this morning.

My hon. Friend has dubbed this legislation "Sam's Bill", after his disabled son, whom he and his wife, Mair, cared for until, tragically, he died at only 16 years of age. In common with my hon. Friend the Member for Caerphilly (Mr. David), I am one of only a few hon. Members who had the pleasure and privilege of knowing Sam. No one who met Sam could fail to be touched by his vivacity and warmth, so it is entirely appropriate that his name should be attached to a measure that is all about improving the quality of life for many people.

According to the 2001 census, 5.2 million of our fellow citizens are carers, although I am sure that my hon. Friend and other hon. Members are nearer the mark in talking about 6 million or 7 million. The numbers are underestimated for the very reason cited by the hon. Member for Tiverton and Honiton (Mrs. Browning)—that so many carers, like herself, do not regard or define themselves as carers, so when they were filling in their census form they omitted the section on carers. Even on the census figures, however, more than 850,000 people are dedicating more than 50 hours a week to providing care, as the hon. Member for Sutton and Cheam (Mr. Burstow) said. Many of those carers carry out their responsibilities despite not being in good health themselves. In fact, only 41 per cent. of those providing 50 hours or more of care per week are in good health.

There are various figures for the cost of replacing carer support, but I shall quote the Carers UK figure of more than £50 billion for England and Wales, because the Bill relates to England and Wales. As a society, we are completely dependent on that body of people, but until fairly recently their needs, views and ambitions have received little attention in public policy debates. To be fair, I must add that the situation has changed in the past decade, and especially since the current Government were elected in 1997.

Interestingly, a lot of the progress has, as today, come through private Member's Bills. Hon. Members have pointed out that the Carers (Recognition and Services) Act 1995 took us forward by providing assessments for carers, but in a fairly restricted way: first, the assessment was tied to the assessment of the cared-for person; secondly, the assessment examined only the carer's ability to continue to provide care. In 1999, the Government published their national strategy for carers, which identified many of the main issues that our carers were concerned about, including the barriers that local authorities still faced in providing help that would benefit carers as individuals.

Those issues were in turn picked up in Tom Pendry's Carers and Disabled Children Act 2000, which came into force in 2001. It requires local authorities to assess carers, at their request, without any connection being made with the person being cared for, to see whether they can continue to provide care unaided, and to identify needs that could be satisfied through its services. It also enables local authorities to pay carers and the parents of disabled children for services that they would otherwise provide, which is another important step forward.

The fact that we still have not gone far enough was revealed by separate surveys carried out by Carers UK and the Princess Royal Trust for Carers in 2002. The Princess Royal Trust for Carers report showed that only one quarter of carers surveyed had had an assessment, and that only half of those who responded even knew that they could have an assessment. Similarly, the Carers UK survey found that 32 per cent. of eligible respondents had had an assessment. Again, about half those surveyed were not aware that they were entitled to an assessment, and about one third of them did not even understand the purpose of such an assessment. Those results occurred despite the Department of Health having issued good policy guidance entitled "Ensuring Carers are aware of their Rights to an Assessment".

The Bill's objectives—ensuring that carers are systematically given information, including information about their rights, so that they can make informed decisions about their lives; ensuring that carers' health in its broadest sense is positively considered by social services; and helping to give carers more opportunities in leisure, education, training and employment—are, in the main, clearly shared by the Government. That is evidenced by various pieces of practical guidance issued by the Government, most notably by the Department of Health.

The Bill turns good Government advice that is not being followed across the whole of England and Wales into clear statutory requirements. There will be a new duty for social services to promote equality of opportunity for carers, particularly with regard to carers' health and well-being. They must examine the services that they provide to ensure that they include the necessary flexibility to allow carers to work, have a break and enter training or lifelong learning opportunities. Local authorities will have a duty to tell carers about their right to assessment, and they will be required to plan information delivery for carers. Health and social services will have a duty to promote and safeguard the health and welfare of carers, and all council departments will have a duty to work with social services to deliver the Bill's objectives, if they are requested to do so.

I am sure that I am not the only Member of Parliament who has been asked to visit a disabled or chronically sick constituent in their home to discuss home adaptation, benefits or other matters and had the door opened by a frail and stressed person whom one initially assumes is the cared-for person, only to find out as the conversation goes on that they are, in fact, the carer. Alternatively, I am sure that I am not the only MP to have had the door answered by a 16 or 17-year-old trying to get their mum's or dad's tea and do their homework at the same time. I am sure that we all feel at such times that something really must be done to help the carer as well as the cared-for. Sometimes, as the Member of Parliament or the councillor, one can help such individuals, but whenever I am involved in such a case, I cannot help thinking of the hundreds of similar cases in which help has not been provided. The Bill is designed to tackle those cases.

The Bill represents a cultural change from what has gone before. Importantly, for the first time, it considers the carer as a whole person, an individual. We are moving on from defining carers solely by the role that they have taken on in caring for someone else. Carers are people whose health, well-being, education, future employment prospects and opportunities for fun should be taken into account. Through the Bill, my hon. Friend seeks to do exactly that. We should support him. Let us turn Sam's Bill into Sam's Act as quickly as we can. Then, as my other hon. Friends have said, let us ensure that it is properly implemented.

12.36 pm

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): I am delighted to be able to respond to this debate on behalf of the Government. As several hon. Members have pointed out, it has been a very good debate—good humoured, with almost complete consensus and much good will on a issue of great concern to us all. My hon. Friend the Member for Aberavon (Dr. Francis) is right to bring it before the House in the form of this Bill.

I congratulate my hon. Friend. His support for carers comes not only from his constituency experience, but from his personal experience. He understands only too well the challenges faced by carers and appreciates their needs, because of his personal experience. If, through this Bill, we are able eventually to improve the lives of carers, it will be a special memorial for his son, Sam. I congratulate my hon. Friend on bringing Sam's Bill before the House.

There has been almost total agreement on the Bill today. I am delighted that there is such strong support for carers, and I hope that nobody doubts my own personal commitment to carers and to seeing their lives improved, as well as to legislation and measures to help them. However, it is my job as a Minister to bring some realism to many of the comments that have been made today. As I address the points that hon. Members have made and express the Government's concern about some parts of the Bill, I hope that nobody will doubt my personal commitment to carers or the Government's commitment to them.

The Bill and the debate are in the strong tradition of support for carers that has been expressed in the House previously through private Members' Bills. The House and the country should be in no doubt that the Government recognise the crucial role that carers play. We do not and must not take them for granted. Carers are vital to our communities. They enable people to stay in their own homes and remain independent for as long as they wish, and also to enjoy their lives. Carers' contributions, both to our society and to those they care for, need to be acknowledged and promoted.

When my hon. Friend introduced his Bill, he mentioned the many organisations and businesses that support it. I am delighted by that, because we will need their support to implement the Bill, if enacted. I was especially heartened when my hon. Friend mentioned some of the companies that are supporting the Bill, including British Gas and BT, both of which strongly support carers in their own work. Those companies have shown that imaginative support in the workplace can not only improve carers' lives, but improve their business opportunities.

We are rapidly approaching a period of full employment—as a result, I am delighted to say, of the Labour Government's work—which my right hon. and hon. Friends have dreamt about since becoming involved in politics. As we move into that period of full employment, competition for employees and for quality employees will become harder and harder, and companies that have imaginative and flexible work practices will be at an advantage to those that do not, and that includes those who have imaginative work practices in relation to carers.

Carers have huge talents. As several hon. Members have said, many people in the middle of their career suddenly find becoming a carer forced upon them. It is not their choice; they are obliged to become a carer due to their personal circumstances. These are people with huge talents, good qualifications and great experience, and it would be awful if they were to be lost to the work force.

Companies such as British Gas and BT can score by doing some simple things that do not cost very much but which encourage people to get back into the workplace. It can be as simple as ensuring that they have access to a private telephone line to make calls during the working day; it can be as simple as allowing flexible working hours, or allowing employees to take leave at short notice—simple things that make a huge difference.

Mr. Edwards: My hon. Friend has spoken about the contribution of companies such as British Gas, which sponsored the visit of carers whom I took to Buckingham palace some years ago, but does he feel that there is anything in the Bill that will allow companies to have flexible working hours; and if not, does he think that it might be possible to introduce such a provision in other legislation?

Dr. Ladyman: I am grateful to my hon. Friend for his intervention because I was just about to cover that point. The Bill does not help companies; what it does is to ensure that when councils and the health service are taking action to support carers, they consider how they can best plan those services to ensure that people can get back to work. My hon. Friend is right to say that if the Bill does not cover the need to help companies to take on carers, Members of the House and the Government will have to look at other ways of helping businesses to do those things. My colleagues in other Departments are very interested in exploring those opportunities and I am sure that they would warmly welcome any ideas that Members of the House have. Nevertheless, the Bill is a private Member's Bill and if such Bills are to get anywhere they must be fairly finely focused and fairly narrow in their intentions, so my hon. Friend the Member for Aberavon was absolutely right, when drafting and introducing the Bill, to keep it focused on a certain area of public service, instead of trying to make it too wide and thereby jeopardising its progress.

Although companies such as British Gas and BT have recognised the needs of carers and the benefits that they, as companies, can get from supporting carers, and although their support for the Bill is very welcome, they will not pick up the costs of the Bill, so the House—and the Committee if the Bill makes progress today—must ensure that we focus on those people who will have to pick up the bills, and on where the money will come

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from. When we are speaking to our constituents and to people who are lobbying for changes in service, we are all sometimes guilty of thinking that all that is necessary is to pass the legislation and ask the Chancellor for the money to pay for it. I fear that is not how it works. Hon. Members should realise that if this Bill is passed, the Chancellor will come to me and say, "I hope you have the money to pay for it."

Mr. David: I hear what the Minister says about costs, but many experts in the field have lucidly argued that there would be no extra costs. Would the Minister like to suggest at this stage what the costs might be?

Dr. Ladyman: If we consider the Bill in Committee, we shall be able to explore specific costs. Several Members have mentioned the experience in Scotland as a result of implementing legislation that is similar to the clause on the duty to inform. I was delighted to learn from the Scottish Executive that their legislation has not increased costs significantly. That is the sort of information and practical experience that we must have before us if we are to allow the Bill to go forward.

Mr. Berry: I appreciate the point that my hon. Friend is making. Will he ensure that when the Bill is considered in Committee—I assume that it will be—the costs of not implementing its provisions will also be duly considered?

Dr. Ladyman: My hon. Friend is right. There must be a cost-benefit analysis. All too often we are not good at doing that. As has been said, there will be huge cost benefits in correctly implementing the Bill.

Mr. Burstow: I shall add to the point made by the hon. Member for Kingswood (Mr. Berry). When, as we hope, the Committee is appointed and meets, will the Minister write to Committee members to set out the Government's estimates of both the costs and the benefits to inform our debates?

Dr. Ladyman: It will be my intention to put as much information before members of the Committee as possible so that we can have a proper, informed and constructive debate.

Mrs. Browning: When we talk about information and spreading it more widely so that carers are informed of key information, there is a danger that, with limited resources, and a requirement to spread information, a secretariat could be set up that would lead to the employment of many more people and a big advertising campaign that lasts all of five minutes, with the entire budget being spent on that. We should be looking at quite a low budget. There needs to be a little direction: who needs to know this, what is the information, where is it and how do we disseminate it. We do not need to employ umpteen new officials with offices and secretaries and all the rest of it. I could do it in a week for the Minister. It would be a little weekend job that I would do for nothing. In administrative terms, it is fairly straightforward and low budget.

Dr. Ladyman: I am sure that the hon. Lady will have many constructive suggestions for us in Committee. I shall listen to them all with care. I would not go so far as to say that I would have great confidence that she could do the work in a week. However, I am sure that she can help us to facilitate the process so that it is done much more quickly than otherwise would be the case.

I certainly agree with the hon. Lady that it is not a matter of taking on lots of managers and administrators, for example. It seems that she has missed one of the key things that it is necessary for us to do to implement the Bill. Many Members have talked about the need for implementation. I believe that the hon. Member for Caernarfon (Hywel Williams) was a social sciences teacher. We must ensure that all social workers who have to conduct carers' assessments and who will come across carers understand their duties. They must be trained so that when they encounter someone who has a care need, they automatically think, "If this person has a care need, they probably have a carer somewhere. Let's look around and find out who the carer is." We must not fall into the trap, which was mentioned by the hon. Member for Tiverton and Honiton (Mrs. Browning) and my hon. Friend the Member for Kingswood (Mr. Berry), whereby carers do not recognise that they are carers. If people do not recognise that they are carers, they will not ask for the benefits that are available to carers. If carers do not recognise that they are carers, we must ensure that social workers recognise it.

Mr. Burstow: The Minister is making an important point, which I endorse, about such recognition being incorporated in social workers' training. Does he agree that it is important that other professionals, especially those in the primary care team such as GPs, district nurses and health visitors, have such training and are tasked to do what he says? Perhaps he will answer the question that I asked earlier about whether the 2002 target for GPs to recognise carers has been met, or where we have got to with that.

Dr. Ladyman: The hon. Gentleman is right to suggest that training must extend across more professions than just social workers. It has to go right across the health service and include primary care trusts, health visitors and school nurses, for example. We can do a huge amount. Of course we are moving forward with the Green Paper, "Every Child Matters", and we must train people to ensure that we spot children who are carers—a subject that I shall return to in a moment.

It would probably not be a good idea for me to try to respond off the cuff to the specific question about the target, but I will write to the hon. Gentleman and put a copy of the letter in the Library so that everyone else knows exactly what progress has been made.

Mr. Caton: I am very interested in the concept of the cost-benefit analysis. Will my hon. Friend assure us that the analysis will be conducted as holistically as possible, rather than on a departmental basis. I agree with colleagues who do not foresee the Bill producing any extra cost. However, if the Government identify that there might be extra costs, either at local government or departmental level, will he weigh them against the benefits, perhaps in health terms, of getting people off some benefits and into employment?

Dr. Ladyman: My hon. Friend is right to suggest that such things need to be looked at holistically. We must

put into practice many of the notions of joined-up government that we all too often enjoy talking about, and we must ensure that those principles apply to our analysis of the benefits.

Mr. David: I thank my hon. Friend for his generosity in giving way again. I want to ask him a specific question before he moves on to other points. Reference has been made to the Scottish model, and it is important, in this post-devolution situation, to learn lessons from north of the border, but we will he give a commitment to the House to publish a short paper, summarising what has happened in Scotland and highlighting the lessons to be learned?

Dr. Ladyman: I do not know whether I can commit to produce a paper about what has happened in Scotland. I should have to ask my colleagues in the Scottish Executive whether they would be prepared to do that—it would be presumptuous of me to write a paper about their experience—but I am certainly happy to share with colleagues, especially those who may serve on the Standing Committee, what information we gather about the Scottish experience.

My hon. Friend the Member for Stourbridge (Ms Shipley) said that the carers grant will no longer be ring-fenced for next year. The ring fence will be removed for next year, but it is still a targeted grant. A very explicit memo explains to councils what the carers grant is intended to do, and we will back that up with inspections of councils to ensure that carers are still being cared for.

I have a confession to make. As many hon. Members will know, I have occasional Stalinist tendencies, and I worried very greatly about whether it was a good idea to reduce the ring fence for exactly the reason mentioned by my hon. Friend the Member for Stourbridge. I asked myself whether carers would not get the money that they were supposed to get in future; but, in the end, I concluded that the change was necessary if we are to trust local government, if we believe in localism and if we believe that it is right for local government to make decisions based on local priorities.

We recognise the fact that local government may be able to help carers in various ways at different costs, according to their local circumstances, and it is important that we put that trust into action and give them the freedom that they need to act on their own behalf. I think that, on balance, it was right to remove the ring fence, and we will wait with interest to discover what impact that will have, but I am confident from the discussions that I have had and the clarity of the targeting that carers will still be fully supported by the Government.

Hon. Members will know that the carers grant started in 1999–2000 at £20 million. It has risen to £50 million, £70 million and £85 million, and it is £100 million this year. It will be £125 million next year and £185 million the year after that. In 2002–03, the grant—it was £85 million in that year—provided no fewer than 2,140,632 breaks for 143,231 carers. Of those who benefited from the breaks, 49,694 carers were supported with breaks by children's services—that included young carers—and 93,537 carers of adults benefited. Some 31,082 carers also received services other than breaks.

Additionally, of course, we have the short break voucher scheme, which helps disabled people and their carers by delivering a service that offers flexibility in the timing of breaks and a choice of how support is provided. It gives service users and their carers an alternative to direct payment, which requires more administration and management on their part. I hope that hon. Members who mentioned ring-fencing will be reassured that significant extra money is going into the carers grant. It is still our intention that the money be spent on carers, but local councils will have the flexibility to decide exactly how to implement the system.

Several hon. Members raised the important matter of information, including my hon. Friends the Members for Ilford, North (Linda Perham) and for Kingswood, and the hon. Members for Sutton and Cheam (Mr. Burstow) and for Tiverton and Honiton. The Government continue to work with voluntary organisations and local authorities to ensure that the provision of appropriate and up-to-date information for carers is available in a variety of formats. The Department of Health is currently funding several projects through section 64 of the Health Services and Public Health Act 1968 to support the provision of information for carers. They include the Carers UK helpline, which is known as Carers Line, and carers online, which is the roll-out of standards for local information throughout the country. Ring Around Carers is a project that reaches out to hidden carers by using the power of local radio to help people to identify themselves as carers and then uses telephone conferencing as a way to bring carers together to discuss their experiences. That is especially interesting in the light of comments made by the hon. Member for Tiverton and Honiton. She said that carers often do not identify themselves as carers, so the project is one way of helping them to do that. Start Here is a project that is designed to provide accessible touch-screen information to people who need services and carers about a wide range of health and community services.

The Government have a dedicated carers' website at www.carers.gov.uk, which was launched in 2000 to provide a central point for information and signposting to relevant services. It now includes a discussion forum to enable statutory authorities to exchange information on best practice and innovation in carers' services. The Department of Health is closely involved with the office of the e-envoy in the development of the online government store, which will have a dedicated carers area that will create a one-stop shop for carers. Although the points that carers do not get the information that they need were well made—we shall come on to how we may improve that through the Bill shortly—I hope that hon. Members accept that we are doing some things to ensure that information is available and that we are trying to spread that information as widely as possible.

My hon. Friends the Members for Hendon (Mr. Dismore), for Lancaster and Wyre (Mr. Dawson) and for Stourbridge, and others, mentioned young carers, and it is important to take account of them.

My hon. Friend the Member for Aberavon correctly explained that the Bill focuses on carers of 16-plus. It is important to ensure that private Members' Bills are focused. If they try to do too much they will never make

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progress. That is not to say that the subject is not important, and the Government and the House will need to consider it further. I remind hon. Members that although carers' assessments apply only to 16-plus carers, a young carer can be considered as a child in need. Social workers assessing adults should be aware of the possibility that children in the house may be providing informal care and should take their needs into account.

The national strategy for carers sets down specific commitments to improve support for young carers, including improving the education of GPs, primary health care teams and social workers on the needs of young carers. Under the quality protects programme, the Government framework for the assessment of children in need and their families, published in 2000, indicates that young carers should not be expected to carry out inappropriate levels of caring, which have an adverse impact on their development and life chances. Services should be provided to promote the health and development of young carers while not undermining the parent. It is important to remember that such assessments are not optional for social services.

As part of a section 64 project, the Department of Health has funded the Children's Society to develop the young carers initiative. The key outcomes of the project are to consult young carers directly about their views and needs relating to current legislation and guidance, and, following that consultation, to develop a database and website strategy and to produce a practice guide and resource pack. We are also working with Connexions to help 13 to 19-year-olds and with other organisations to improve the range of services for young carers.

Mr. Burstow: I have listened carefully to what the Minister says about the Government's work on child carers. Does he, as a Minister in the Department of Health, have the policy lead on young carers or is it the responsibility of the Minister for Children in the Department for Education and Skills? If that responsibility lies with him, will he undertake to talk to his colleague in the DFES about its drafting of child protection legislation to ensure that that addresses some of the concerns raised?

Dr. Ladyman: My right hon. Friend the Minister for Children has the lead in respect of the delivery of social services and education services for children. I have responsibility for children's health. The needs of young carers fall into both our portfolios, which is why we work closely together. We meet several times a week and constantly discuss the cross-departmental issues in respect of children. Although a bit of the issue falls into both our portfolios, the hon. Gentleman can be assured that we are tackling the problem in a joined-up way. I shall certainly ensure that my right hon. Friend is aware of his comments. I know that she is aware of the needs of young carers.

The hon. Member for Tiverton and Honiton made some important points. She said that had her child's care needs been properly met, the burden on her as a carer would have been much reduced. That is true. I take that as a given and we should get that message out to the field. However, it must not be assumed—I know that she did not do this, although her words could have been read in such a way—that the only way to meet the needs of a carer is by addressing the needs of the cared-for person.

Mrs. Browning: The Minister is right. I did not intend to say that that is the only way to meet the needs of the carer. I was merely flagging up the fact that underlying the needs of carers are the needs of the cared-for person. If their needs are not properly met, the person who often carries the burden for that is the carer.

Dr. Ladyman: The hon. Lady is right. I heard her speech, and there have been few times when she has spoken in the House, especially on these issues, that I have not wondered why she is not on the Labour Benches rather than the Conservative Benches—no greater compliment can I pay her. She was right to encourage professionals to use their imagination and to think out of the box. We need to get that over to them.

My right hon. Friend the Member for Coatbridge and Chryston (Mr. Clarke), who apologised to me for being unable to return to the Chamber for the closing speeches, made several important points. While he was making them, I had a quick look in "Dod's" at his background and noticed that he has an interest in astrology. When he started asking me lots of questions about what the future holds, I was tempted to intervene to ask him to tell me. He was right to identify the need to address various issues such as how the legislation will work, what it will do and how much it will cost. I shall return to that.

My right hon. Friend also asked some specific questions about the impact of direct payments and the Government's attitude to them. I believe that direct payments can fundamentally overhaul the way in which we deliver all social care services, both to those who are cared for and to their carers. I have met people who have severe physical disabilities, those who have severe learning disabilities and others with moderate support needs who tell me that receiving direct payments instead of direct care has transformed their lives. We need to translate that to carers.

Carers have the option of receiving a direct payment. That takes us back to the point about training people who advise carers. It is a duty on councils to make a direct payment. It is their duty not just to offer a direct payment but, under legislation, to make a direct payment, and doing so should be councils' first choice. People are supposed to opt out of a direct payment scheme not opt into it, but very few local authorities seem fully to have taken that message on board and are therefore not making the option clear to people who use care services.

Mr. Edwards: My hon. Friend mentions the need to train people who advise carers. Does he therefore agree that it would be important to include as standard in all training and education programmes for social workers, doctors, nurses, occupational health workers and health visitors an element about the needs of carers, and information on the legislation, policy and duties on local authorities? What input can my hon. Friend have into those training programmes to try to bring that about?

Dr. Ladyman: We can do a number of things. For example, there is the Social Care Institute for

Excellence, whose job it is to identify best practice and to ensure that it is disseminated throughout the sector. We can work with that body. In a moment, I will talk about a number of specific issues that we have taken up concerning the roll-out of direct payments. We have established the direct payments development fund and built a number of other services around the scheme to try to get the message over and to help roll out the scheme.

In addition, we are in the middle of a series of national conferences, at which the Department of Health is explaining to people from local authorities and the voluntary sector their duties and best practice in making direct payments. I have recorded a speech for those conferences in which I express my support for direct payments. It is being played at all the conferences around the country, and I will be appearing live at the one in London—so they have that to look forward to. I have no doubt that the touts will already be out selling tickets. Therefore, our commitment as a Government to getting the message over cannot be doubted. We have set up a national direct payment steering group comprising representatives from across Government, local government and voluntary organisations, including Carers UK, to monitor, comment on, and have an input into national policy development, particularly the progress of the development fund. The take-up of direct payments in each local council is a key performance indicator this year, and has already proved to be a powerful incentive to local councils to think about direct payments more imaginatively. The performance indicator shows that in England in 2002–03—I apologise to my hon. Friends and all Welsh colleagues in the House, as I do not have the figures for Wales—an average of 23 people per 100,000 received direct payments. There was, however, considerable variation across councils, suggesting that many of them could make significant improvements. In 2002, there was a 400 per cent. increase on the previous year's take-up. Although we started from a low base, progress in driving forward the use and take-up of direct payments is improving all the time.

The hon. Member for Banbury (Tony Baldry) spoke about implementation, as did several other hon. Members. I was fascinated to hear the results of his survey, and I would be grateful if he gave me a written summary. A key tool for the Government in ensuring the implementation of both our existing policies and the Bill, if it is enacted, is the inspection and performance assessment frameworks. The hon. Gentleman mentioned, as did several other hon. Members, carer's allowance and funding for carers. He said that carer's allowance stops when someone starts to claim retirement pension. The explanation, of course, is that carer's allowance is a benefit to replace lost income. Someone who is caring is not working. Consequently, they lose income, so carer's allowance is provided. The state pension is also a benefit to replace lost income when someone retires. An enduring rule of the benefit system for several decades under Governments of all political persuasions is that people cannot receive two benefits for the same purpose. Hence, when someone takes up a state pension on retirement they lose their carer's allowance. The carer's allowance, however, is not the only support that we provide for carers.

Mr. Berry: My hon. Friend will appreciate that we have all heard that argument on countless occasions. We understand the logic, but it is simply based on the historical circumstances in which the carer's allowance was established. The issue is whether or not carers over 65 should get increased support for their caring activities, not least because if they did not undertake them it would be far more expensive for the Government to fund them.

Dr. Ladyman: My hon. Friend has made those points before, and I am aware of his feelings on the issue. However, carer's allowance is not intended to cover the costs of caring, which ought to be met by other means and benefits. If the costs of providing care for an individual are not being met, one needs to look holistically at the package of costs for both the cared-for person and the carer to make sure that there is not a net cost to the carer.

Mr. Berry: Would my hon. Friend therefore tell the House precisely what resources are available to the over-65s, and does he believe that they are adequate in any way for the task in hand?

Dr. Ladyman: It would depend on the level of care that was needed if someone was over 65, but an obvious resource is attendance allowance, which can be paid at both lower and higher rates, depending on whether the older person requires care at night.

In addition, older people with care needs are also entitled to a carers assessment and they are entitled, if they want to, to ask for those care needs to be provided for by a direct payment rather than as direct care. There are several different methods for ensuring that household income is maintained in that process. However, I encourage my hon. Friend to take up those issues with a Minister from the Department for Work and Pensions and leave us poor old Health Ministers alone.

Mr. Edwards: I am grateful for the advice that my hon. Friend the Minister has given to me and my hon. Friend the Member for Kingswood on taking up the matter with Ministers at the Department for Work and Pensions, which we most certainly will, but, significantly, the one thing that he forgot to mention—perhaps he is not aware of this—is that there is an element for carers in pension credit. One of the problems with pension credit, however, is that a lot of people do not realise that they are eligible for it. If they do not realise that they are eligible, many carers might not realise that they are eligible for the carer's element as well. Would it not be more helpful to have a better package overall to meet the financial needs of carers over 65, rather than the hotch-potch of different benefits, which many people are not aware of?

Dr. Ladyman: It is not that I am not aware of this matter, but that I was coming to it. I was about to point out the fact that those benefits are available and to link that to the Bill because, once again, we are dealing with

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one of the reasons why we need to improve the information flows to carers, whatever age they are—there is a panoply of benefits. My hon. Friend can argue that they are too complex and he can take that argument up with the Department for Work and Pensions, but, from our point of view and from the point of view of today's debate, I would argue that this matter highlights one of the reasons why we need to consider some principles that are behind the Bill introduced by my hon. Friend the Member for Aberavon. That will enable us to ensure that we are providing such information to people so that they can make a claim for those benefits to which they are entitled.

I suspect, for example, that if we were to do a survey of all our constituents and work out how many of them are entitled to attendance allowance but are not claiming it, we would probably be surprised by the number. The Department for Work and Pensions works had to try to encourage people to apply for attendance allowance, and in these areas my hon. Friend's Bill will be important in getting the message out.

Mr. Burstow: The Minister's hon. Friends have been, as he put it, getting at him slightly on the point about benefits. Will he reflect, perhaps after the debate, on the fact that one of his arguments for not doing anything on invalid care allowance for over-65s is, "Things have always been done this way."? Until quite recently, the Government were deploying that argument in respect of hospital downrating. Perhaps it is time for the same damascene conversion as has happened on hospital downrating, which would allow the over-65s to benefit from a worthwhile benefit such as carer's allowance.

Dr. Ladyman: My hon. Friends are not getting at me. They are championing those people who have support needs. That is what they always do, and I am delighted that they do it. The Government do not undergo damascene conversions either. It is just that we recognise that we cannot fix the entire world in a day, or even a year, so we eat the elephant a mouthful at a time. Hospital downrating is one of the issues that we came to as soon as we could. Each of the measures that we are discussing today—I have no doubt—will be reviewed in due course and improved as finances and opportunity become available.

For the information of the House, the number of people receiving carer's allowance has risen from 367,000 to 408,000 over the last five years, which is an 11 per cent. increase. That includes 20,000 pensioners. Expenditure has improved significantly as well, so the message is starting to get out there and people are starting to take up carer's allowance, but perhaps not at the rate we would like them to. We will continue to work on that.

The hon. Member for Caernarfon, who is a former social worker, also raised attendance allowance and the lack of information. I have agreed that he was right to do so. My hon. Friend the Member for Reading, East (Jane Griffiths) spoke movingly of her constituents. The notion that someone can be told on giving birth to a child effectively to put her away and have other children horrifies us these days, but that was the attitude many years ago. We have to move away from that attitude as dramatically and quickly as possible. She was right to highlight that experience.

The hon. Member for Sutton and Cheam mentioned home care, and he acknowledges that home care hours have increased, although I have recurrent discussions with him over the significance of targeting home care on fewer households. I continue to take the view that it is right to target it on the households where it can do most good. As a result of that approach, we have seen a 30 per cent. increase in the number of people receiving intensive home care and therefore being able to remain in their own homes and cared for by individuals there, rather than having to go into residential or nursing care. The facts speak for themselves, and show that that policy is working.

The hon. Member for Sutton and Cheam also suggested that carers assessments might discount the level of care provided to the cared-for person because of the presence of a carer. That is bound to happen, because the presence of a carer is taken into account when undertaking the assessment, but one purpose of the Bill is to ensure that while we take the carer's presence into account, we also take into account their needs. The presence of the carer should not cause a discount to the extent that the carer loses their own life, and cannot go out to work or to study. My hon. Friend's Bill introduces that important principle.

The hon. Member for Sutton and Cheam was right to raise certain concerns over clause 1(1), and we shall return to that in Committee because the provision needs to be properly focused.

My hon. Friend the Member for Caerphilly (Mr. David) mentioned a case study involving a carer who returned to study, and then saw herself as being worth something. What struck me about that story was not the fact that care had to be organised to enable that carer to return to study; it worried me that she did not think that she was worth anything until she was studying. We must get over to the people who provide care how much we appreciate them and how much they are worth to us and to the person for whom they care, as well as help them to expand their lives, for example, by returning to study.

I am delighted that the hon. Member for Wycombe (Mr. Goodman) committed the official Opposition to supporting the Bill, at least in principle. We will need to work together to improve it, and I shall say a little more about that in a moment. My hon. Friend the Member for Aberavon, the Committee and the Government will need the help of the official Opposition to ensure that what emerges from Committee is a Bill that we can all support.

The hon. Member for Wycombe mentioned the Scottish experience in respect of clause 3. My information is that Scotland will tell us that the provision will not lead to a huge increase in costs to councils. That will provide reassurance as we move forward with the Bill.

My hon. Friend the Member for Monmouth (Mr. Edwards) reminded us that none of us knows what is round the corner. Like him, I am afraid that I have never had a private Member's Bill. Before I became a Minister, I put my name in the hat every year but never saw it appear at any position on the league table, let

alone one that would allow me to have a debate. I know that my hon. Friend will work closely with us on this Bill, so he will be able to make a contribution.

I should like to take up the point that my hon. Friend made about none of us knowing what is around the corner, and to encourage all hon. Members to consider what would happen to one of us if we were forced into a caring role at short notice. How would we reorganise our lives? I am very fortunate never to have been in that position. It is difficult enough to combine ordinary child care with professional duties. My little girl spends half her life sitting quietly at the back of meetings while I try to combine my official duties with some child care. But it must cause a devastating change in a person's life suddenly to find that they have intensive care duties placed upon them out of the blue.

Mr. Edwards: On the comments that the Minister made about my contribution, I am well aware that he does not have responsibility for my constituency or for Wales. What discussions has he had recently with Jane Hutt or other Ministers in the Assembly about this Bill and other legislation relating to carers? If he has had none recently, what discussions does he intend to have in the future?

Dr. Ladyman: I can assure my hon. Friend that my officials are in close contact with officials from the Wales Office, and that I am in communication with Jane Hutt about the Bill. I am aware of her support for it and that of the leadership of the Welsh Assembly, and we shall work hard with them to ensure that the changes that we make to the Bill in Committee will not compromise that support. There is a strong Welsh flavour to the Bill, from my hon. Friend the Member for Aberavon and other hon. Members all round the Chamber, and it would be disastrous to end up with a Bill that was good for England but had no benefits for Wales. We shall work hard to ensure that that does not happen.

My hon. Friend the Member for Gower (Mr. Caton) drew on his experience as a constituency MP to highlight the fact that there are carers in every household, and that many of them are frail and have severe care needs of their own.

We have established that support for carers must revolve not only around the needs of the person being cared for but around the carer's own needs. That support must ensure that they are able to make choices as individuals. It is also important to ensure that those who want to care are able to do so. It is equally important to make it possible for those who wish to do so, to combine normal everyday activities such as work and hobbies with caring. Providing care for those we love should be a choice rather than a chore. Thus far, we are all on common ground. I have no doubt that a desire to achieve these objectives is shared by us all.

However, before we get carried away with good intentions, I now have to put my ministerial hat on and become a bit of a party pooper. There are four things that we, as legislators, must take into account. First, any new legislation must fit within the framework of the modernisation of public services. We cannot say to councils that they must plan their services based on what they and local people believe they need, and then tell them what to do and how to do it. Councils cannot be micro-managed from Whitehall either by Ministers or by well-intentioned private Member's Bills. We have to ensure that councils have a general duty to care for carers, but then allow them to fulfil that duty in ways that best meet local priorities.

Secondly, new legislation must complement existing laws in terms of substance and approach. Poor practice is unacceptable, but let us not forget that legislation is about changing the law, not about repeating it. Improving practice in the field relies on other mechanisms, such as inspections and the performance assessment frameworks. Thirdly, any new legislation should be able to deliver real and concrete change without placing disproportionate burdens on local councils.

Fourthly, the change that we bring about must be worth while, deliver real improvements and build on the existing legislative foundations. Thanks to earlier work and support by Members of this House and the other place, I am glad to say that those foundations are strong. The Carers and Disabled Children Act 2000—which was itself a private Member's Bill, introduced by my noble and very good Friend, Lord Pendry of Stalybridge, when he sat in this House—has developed carers support beyond that established by the Carers (Recognition and Services) Act 1995. It took the key step of recognising carers as separate individuals with sometimes quite different needs from those of the person for whom they care.

By enabling carers to request an assessment of their own needs and enabling councils to support carers through services, direct payments and vouchers, the Act gave carers the ability they now have to make real choices about their lives. That flexibility is fundamental in enabling them to pursue their own lives and interests as well as caring.

Of course, having established the general statutory framework within which councils must meet the needs of carers, and having devolved to them the responsibility to meet those needs in ways that best suit individual and local circumstances, we have a duty to assess how well they are fulfilling those duties. We do that through the performance assessment system. Some Members may know that my Department is currently developing a measure to assess the value and impact on carers of the support provided at local level. That will make it clear to councils what their key priorities should be, and enable Government to see where carers are being well served and where they are not.

Given the statutory framework we have, and given what we can do through performance assessment to ensure that the needs of carers are met, we must now ask whether we need any more laws in this area. We know that caring can affect both the health and the financial status of carers and their families. Access to employment opportunities both helps to maintain self-confidence and prevent people from falling out of the labour market. The Government are committed to enabling carers who wish to work to do so, as well as encouraging employers to develop carer-friendly employment policies and encouraging councils to provide more flexible support services that take account of carers who work.

My hon. Friend's Bill seeks to address some of those vital concerns for carers and the wider economic environment, but—this is where I shall start to worry

[Dr. Ladyman]

him—I am not convinced that, as it stands, it meets my four tests. While the Government agree with the general intention that carers be supported to ensure their own health and well-being through assessment and access to better information, we feel that the provisions as currently drafted would not necessarily deliver that outcome. Parts of the Bill duplicate existing legislation, and it is difficult to see exactly what others will actually mean for councils or carers. For example—this was raised by the hon. Member for Sutton and Cheam—the scope of clause 1(1) seems to me uncertain, and the clause does not make clear what social services would be required to do if charged with that duty.

Mr. Goodman: Given the reservations that the Minister is expressing, do the Government intend to improve the Bill in Committee with a view to its enactment?

Dr. Ladyman: Yes. I shall encourage the House to give the Bill a Second Reading so that we shall be able to do that very thing. Whether it is given a Third Reading will depend entirely on whether we are successful in Committee—although I know that my hon. Friend the Member for Aberavon is committed to working with us to make appropriate changes so that we can support it. I have no doubt that he will confirm that if he is given an opportunity to speak again today.

The scope of the regulation-making power in clause 1(3) is particularly unclear. We recognise that it is a legitimate aspiration that councils should change their attitudes to carers, but as the Bill stands, it is unclear what that would mean to social services departments in practice. If we are to pass the Bill, we shall need to ensure that it is focused and clear in its application and tailored to the exercise of social service functions.

Perhaps of more concern to us is the fact that some components of the Bill go against everything that the Government believe in, in terms of local autonomy and decision making. It is crucial for councils to be able to make strategic decisions about what best suits their populations and employees. They must be able to respond to individual needs.

We should not and must not be too prescriptive. If the Bill were to continue in its present form, clause 2 would mean central Government dictating to councils the form and content of their community plans. This is not how we envisage modernisation of the health and social care systems. Local authorities already have a duty to participate in the preparation of a plan. We are therefore considering whether we can ensure health bodies' participation through existing powers in section 28 of the Health Act 1999, in order to deliver the best outcome for carers. It may be possible to come up with an alternative but effective way to meet my hon. Friend's objectives. We will doubtless discuss such possibilities if the Bill proceeds to Standing Committee.

It is important to remember that councils already have considerable responsibilities in law to support carers, and we must not lose sight of the role of work force training and best practice. More legislation will not necessarily change people's behaviour. Guidance and training in best practice is undoubtedly one of the most effective ways to ensure that those involved are aware of their responsibilities. A good example is the guidance issued with the Carers and Disabled Children Act 2000, which gave a very clear message: carers assessments should include the impact of caring on their working lives. For many carers, this is the key to addressing their support needs. No assumption should be made that people will give up work to care. I shall repeat that message, because many councils throughout the country need to hear it: no assumption should be made that people will give up work to care. We are also exploring the use of existing powers relating to the conduct of carers assessments in a way that will complement existing guidance and further support carers.

Carers must be offered as a priority the possibility of continuing to work, in order to maintain their confidence and well-being. This is particularly true when they are unexpectedly thrust into the role of caring by events outside their control. That happens all too often when people are discharged from hospital. There are many examples of good practice guidance to support both the NHS and councils in performing this duty. Clause 5 also gives me cause for concern, as it seeks to separate carers from the population in terms of recognition by the health service. That not only prejudices the generality of the clause, but further separates carers and locks them into their caring role.

But before my hon. Friend gets the idea that I am being too negative about his Bill, let me reassure him that parts of it have the potential to result in real change for carers. One such is clause 3, on the duty to inform. As a Government, we continue to work to ensure that everyone gets what he or she is entitled to in terms of rights and benefits. We know that without an assessment, carers are often unaware of the support available to them. It is important to recognise that there is an abundance of best practice information and guidance for people working with carers. This information is produced, often in partnership, by central Government and local government, as well as by the voluntary sector. However, it would seem reasonable for the Bill to ensure that the few who do not routinely inform carers of their rights follow the practice of the majority who do.

Another of the Bill's commendable aims is to ensure that councils are able to work more readily in partnership with their colleagues across local government and in the NHS. We know that some partners in health and social care have not been as engaged with carers' issues as we would like; this provision will give social services a lever with which to influence their priorities. Clause 4 is intended to foster joint working to deliver a more cohesive service for carers, and with some work, it will do just that. It seems a very wide provision, but it is modelled on section 27 of the Children Act 1989.

In summary, the Bill has the potential to make a real difference for carers, and it could be remodelled to deliver that change in a practical way. I want to release that potential, and to work with my hon. Friend the Member for Aberavon to that end. I am very hopeful that we will be able to work together, along with others who will join us in Committee, to achieve a positive outcome. As it stands, the Bill gives me some real cause

for concern. I understand the sentiments and intention behind it, which the Government accept and welcome, but—this is a genuine reservation—it needs work.

I therefore hope that the House will give my hon. Friend's Bill a Second Reading, and that it will allow him to take it into Committee, where we can do the necessary work and make the amendments that we have identified to ensure that it delivers real changes for carers. If we succeed in that objective, the Government will be delighted to support the Bill without reservation on Third Reading. I can assure my hon. Friend that, if that is the position that we reach, no one will be happier than me.

I congratulate my hon. Friend once again on introducing the Bill. If he receives the leave of the House to speak again, I hope that he will confirm his willingness to work with the Government to make the necessary amendments. If we do that, I can see Sam's Bill becoming Sam's Act and making a real difference to carers' lives.

1.40 pm

Dr. Francis: With the leave of the House, I rise to thank right hon. and hon. Members for their support today, particularly those who have spoken so eloquently and movingly of their experiences. I thank the hon. Member for Wycombe (Mr. Goodman), the official Opposition spokesman, for his warm support. I also thank the spokesmen for the Liberal Democrats, Plaid Cymru and the Scottish National party. Ulster Unionists have also offered their support. I also thank all those people outside the House for sending their letters and e-mails of support over the past couple of weeks.

I have learned a great deal from our debate today, particularly about the broad definition that we all have of cost and benefit in supporting carers. I am delighted that there are so many supporters of Oscar Wilde's definition of the philistine as someone who

"knows the price of everything and the value of nothing".

Carers outside the House will have listened carefully to our debate and they will know that carers are beyond price. That is the House's view, and we are beginning, at last, to value carers as we should.

I thank the Minister for his response. I can assure him that, as the Bill progresses and we debate the issues further, the result will be that he and the Government will be able to support the Bill on Third Reading. Everyone outside the House, particularly carers and carers' organisations, will be delighted with that outcome. We all look forward to the Bill becoming law.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).

Wild Mammals (Protection) (Amendment) (No. 2) Bill

Order for Second Reading read.

1.42 pm

Lembit Öpik (Montgomeryshire) (LD): I beg to move, That the Bill be now read a Second time.

My Bill would amend the Wild Mammals (Protection) Act 1996, which gave limited protection to wild mammals by way of a list of proscribed actions. However, it explicitly excluded any form of lawful hunting and shooting. Because I care about animal welfare, I believe it is time to create a level playing field for all activities involved in the management of wild animals.

Unlike any Bill on these issues that has come before the House over the past seven years, my Wild Mammals (Protection) (Amendment) Bill is a genuine animal welfare measure and it may also resolve the issue of hunting, which has been a divisive and difficult matter, not least for the Government. There has been considerable conflict and emotion over the issue of hunting with dogs. The Government lost control of the problem to people who, in my judgment, did not care to understand the complicated logical and factual bases behind my opposition to an outright ban.

Still more worrying is the fact that those individuals cannot see that my Bill is a genuine effort to improve animal welfare in the countryside and is not mutually contradictory for those who still believe that an outright ban on hunting should take place. The controversial issues have caused trouble for the likes of the Prime Minister and the Leader of the House, who incorrectly stated in the past that it was the Lords who talked out or voted down previous efforts to secure an outright ban. The issues may be a source of danger for senior Government Members and I hope that the Minister will give me an assurance that he will respectfully assist in what I am attempting to do—to take the emotion out of, and put the logic into, the debate.

Mr. Andrew Dismore (Hendon) (Lab): The hon. Gentleman has started his speech by discussing hunting, and all the publicity that he has put out about his Bill concerns that issue. However, the Bill's phrasing would bring shooting under scrutiny as well. Can he confirm whether that is his intention?

Lembit Öpik: Yes; the hon. Gentleman should examine all the information that I have put out. This is an encompassing Bill to try to find a level playing field. It includes the question of hunting with dogs, but it does so in a way that has already been tried and tested in British law.

The starting point for the Bill is the Government's own Burns inquiry. Everyone agreed that we had an effective and sensible man, Lord Burns, chairing the inquiry, but it was interesting how everyone sought to interpret it in different ways. I want to return to Lord Burns's comments. In his conclusions, he made it clear that he believed that further research would be beneficial. For example, he stated:

"We have noted, in earlier chapters, a number of issues on which there appears to be a lack of firm information. A good many of these would probably lend themselves to further work and could be considered as possible research studies if a ban on hunting was not introduced."

He listed two such issues:

"the numbers of foxes that are killed by different forms of human intervention in different areas and the impact of this mortality on their populations and on the damage they cause";

and

"the comparative welfare implications of different methods of killing foxes".

My starting point is the Government's own research.

Lord Burns also highlighted the serious point that all methods of fox control have serious welfare implications:

"None of the legal methods of fox control is without difficulty from an animal welfare perspective. Both snaring and shooting can have serious adverse welfare implications."

Therefore—this relates to the point made by the hon. Member for Hendon (Mr. Dismore)—to examine hunting with dogs on its own is to fail to take seriously the welfare implications of stopping one method and replacing it with other methods of fox control.

Lord Burns also suggested a change in the law:

"In the absence of a ban, one possible legislative approach would be to remove the present exemptions for hunting in the Wild Mammals (Protection) Act 1996. This would be an important signal and give opponents of hunting a clearer opportunity to test their views about cruelty in the courts."

There you have it, Mr. Deputy Speaker; a clear-cut, three-part signal from Lord Burns that my proposed approach makes sense.

I am not suggesting either that Lord Burns has told me to take that approach or that I have asked for his endorsement. I seek to show that the approach is based on the sound, logical foundation of the Government's research.

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): The hon. Gentleman has referred to particular activities and has explained what he is trying to achieve. The term "undue suffering" lies at the heart of the Bill; before he goes into too much detail, it is important for him to explain "due suffering" so that we can understand how the important element of clause 1 would apply to any particular activities.

Lembit Öpik: If the Minister is patient, I shall consider that point in a moment. He asks a fair question, which we have discussed with Lord Whitty in another place.

Mr. James Gray (North Wiltshire) (Con): The hon. Gentleman is right not to seek to pray Lord Burns in aid too much. However, am I not right in thinking that Lord Burns spoke in favour of the Bill recently promoted by Lord Donoughue in the other place, and that he therefore supports this Bill by implication?

Lembit Öpik: The hon. Gentleman is correct. Lord Donoughue has pursued an almost identical Bill in the upper House, and Lord Burns was sympathetic to it. I do not want to give the impression that Lord Burns is an

active campaigner because it would be unreasonable to put that pressure on him, but it is very significant that he supported a similar Bill. The Government appointed him to head the inquiry, which was profoundly important to those of us in this discussion who are evidence-led rather than prejudice-led.

I shall address the Minister's point by comparing our Bill with the Hunting Bill. The fundamental difference is that we have tried to take a strategic and all-encompassing approach to the question of wild mammal protection. My Bill would prohibit all undue suffering to all wild animals in all circumstances. The Hunting Bill, as it stood before it fell owing to lack of time last year, would have prohibited only one method of killing wild animals—hunting with dogs. My Bill would encompass all mammals, but the Hunting Bill concentrated primarily on just four of the scores of species in Britain. It would have specifically permitted the hunting of rabbits and rats with dogs.

Mike Gapes (Ilford, South) (Lab/Co-op): Will the hon. Gentleman give way?

Lembit Öpik: I shall not give way to the hon. Gentleman, because he has not been in his place from the start of the debate.

My Bill would judge all activities used for the control of all wild mammals on their individual merits. The Hunting Bill would not have affected any other form of killing wild animals, such as snaring, trapping, poisoning or shooting. Let us not forget that it was the Minister himself who believed that snaring could be worse than hunting with dogs. My Bill would provide an opportunity for organisations and individuals to test their views on cruelty in the courts in exactly the same way as cases of domestic cruelty are heard—in other words, allowing the normal judicial process to take place. The Government's Bill, on the other hand, did not take into account whether the alternative methods of control, which would have remained legal, could cause more suffering to wild animals than hunting with dogs. Therefore, it is possible that the ban that the Government ended up sponsoring could have increased suffering, whereas it would be evidently impossible for my Bill to do so.

My Bill has a basis in proper scientific investigation, instead of relying on the emotive language used on both sides of the argument. My position is based on detailed scientific study that is currently being peer reviewed. A cross-section of shooting of foxes, in all terrains, with all skill levels and with Government-recommended shooting regimes, was part of the research. It also involved representatives of real-life situations. By comparison, the Government's Bill did not take into account recent scientific research that shows that wounding rates in various shooting regimes are much higher than previously claimed. Pure ban positions are based on dubious science, but—leaving that aside—there has been not one sensible refutation of the evidence that we have put forward to suggest that shooting foxes could cause more suffering than killing them with dogs. A survey of injured foxes taken to wildlife hospitals was supposed to be representative of the fox population as a whole. Evidently that is not the case.

My Bill would set up an authority that would give equal representation to animal welfare, land use and sporting bodies. The authority would recognise proper organisations for developing codes of conduct in respect of activities involved in the management of wild mammals. The authority would also approve such codes after consideration, with ultimate sanction resting with the Secretary of State. The Hunting Bill, which envisaged an outright ban, was silent on the idea of an authority.

My Bill would introduce a new law that would be practical and have the support of the main land-use organisations and sporting bodies. The Hunting Bill was not supported by those organisations, raising questions as to its workability. A Bill similar to mine also had the overwhelming support of the Lords, on a cross-party basis. Even removing all the Tory and Cross-Bench votes would still leave a majority among Labour peers for Lord Donoughue's Bill. By comparison, the Government's Hunting Bill has been defeated every time by an overwhelming majority in the Lords, including by a majority of Labour peers. It was wrong for the Leader of the House to claim that it was defeated by Tory peers.

My Bill would provide a safety net for all activities involving the killing of wild mammals and would allow clearly and specifically defined activities to be judged on the grounds of cruelty, whereas the Hunting Bill was so poorly defined that it was not even clear which activities would be illegal. For example, it would have permitted certain wild mammals to be flushed out of cover to be shot. A proper definition of hunting has not yet been established, and nor were "flush" or "cover" defined in the Hunting Bill. That is a major flaw in legal and enforcement terms.

My Bill would cost the taxpayer nothing. The organisation it would set up would be self-funded, and there would be a licensing system. By comparison, the Government's Bill would have cost a fortune in police enforcement. The police would have needed considerably more resources to do their job.

At the core of my concerns is the severe lack of science on which to make proper judgments on the different methods of control of wild animals. Moreover, the science that has existed has often been misused. It is obvious that the shooting of foxes will lead to greater wounding rates than killing with dogs, because killing with dogs is almost invariably an instant event.

One could have an argument about the chase, but the only piece of evidence regarding whether a chase is bad for fox welfare was conducted by Dr. Kreeger in the United States, and when I spoke to him he assured me that his results indicated that when being chased a fox experienced comparable stress to that which it experienced when it chose itself to go and perform its predatory activities; so on the circumstantial evidence of Dr. Kreeger, it is hard to argue that the chase itself necessarily causes cruelty. The problem is that I have repeatedly encountered a singular lack of respect for the scientific logic that underlies the arguments of those of us who oppose an outright ban and consider that we should allow these questions to be decided objectively by the courts.

I come now to the Minister's question about undue suffering. Lord Whitty, Lord Donoughue and I have had a number of conversations directly and indirectly,

[Lembit Öpik]

and Lord Whitty has made a series of objections. In response to his feedback we have changed a number of things in the Bill. For exampie, the composition of the authority has recently been changed to make the balance between animal welfare bodies and field sports organisations absolutely fair.

The term "undue suffering" was used, as opposed to the more commonly used "unnecessary suffering", because it was felt that "undue" accurately reflected the aims of the Bill—to prohibit any activity that causes an excessive or disproportionate level of suffering. Indeed, that is how the courts interpret the word "unnecessary" at present. However, I am encouraged by the fact that the Minister of State continues to engage in dialogue on the basis of the details of the Bill, because I offer him the positive assurance that I am very eager to have that type of constructive dialogue with him, just as Lord Whitty has had a constructive dialogue with Lord Donoughue.

Alun Michael: I acknowledge that the hon. Gentleman is indeed a master of creating dialogue and seeking to be constructive, but at the heart of the Bill is the issue of what it means to allow due suffering. The definition of "unnecessary"—one that is very clear in our law and has been for very many years—nevertheless stimulated considerable debate during the consideration of the Wild Mammals Protection (Amendment) Bill. I think that the hon. Gentleman needs to seek to clarify the term that is not defined in law—that of undue suffering and its converse of due suffering.

Lembit Öpik: Unless the Minister intervenes on that point again I will assume that, should the Bill progress to a further stage, he would be happy to have a constructive dialogue on that issue. Whereas the Government have enormous resources and considerable legal support, I have my views and the support of some of my erstwhile colleagues and volunteers to answer the questions, but I emphasise that if this is the issue that the Government are concerned about, I give the Minister an undertaking that I will work with him to achieve a consensus, to ensure that the definition of the word undue, or indeed unnecessary, will not be a bar to the Government's supporting this sensible legislation.

Mr. Gray: The hon. Gentleman's Bill would be perfectly good if he removed the word undue and replaced it with the word unnecessary. It would then be absolutely fine, and the Minister would support it.

Lembit Öpik: That may well be where we are heading, and that is a price I am certainly willing to pay. I thank the Minister for any intervention of that type.

At every stage Lord Donoughue has sought the Government's view from Lord Whitty and each time that a problem was raised, such as this one, it was addressed and the Bill altered. It appears that as one problem has been solved another has been found, but the evidence speaks for itself. We are so anxious to find a piece of workable legislation that works for the Government, for the public, for the rural community and for animal welfare organisations that we are determined to make it clear to the public that that dialogue is a necessary element of finding workable legislation, and we will certainly participate in that.

Sadly, neither the Royal Society for the Prevention of Cruelty to Animals nor the League Against Cruel Sports takes the same view. They will not support the Bill, and that raises a serious question about their true aims. Do they regard the banning of hunting with dogs as being more important than improving animal welfare, or do they feel so concerned about their arguments in favour of banning hunting with dogs that they do not believe that they would stand up in court? There is no other possible reason for the pro-ban lobby to believe that the Bill should not be supported. In effect, the League Against Cruel Sports, the International Fund for Animal Welfare and the RSPCA lead one to infer, by not giving support to the Bill, that they think that their argument is not strong enough to be tested successfully in court.

The Bill should be supported by both sides of the hunting argument. For those who believe that hunting causes undue suffering, the new law would allow that argument to be advanced in court. If such a case were successful, hunting would be ended. For those who believe that hunting does not cause undue suffering, the new law would finally settle the argument. Not to support the Bill is an overt admission of a lack of faith in one's argument, whichever side one happens to be on.

I have offered to share further research to get objective facts. Unfortunately, many of these requests have been refused. For example, Countdown to the Ban wrote to me as follows:

> "While we recognise that this research is an important area of study, we are satisfied that the work currently being carried out by Professor Harris and others meets our requirements."

That is a shame because it casts some suspicion, when we gained the impression that Professor Harris and others were supportive of undertaking collegiate research to find answers to the questions. So be it. I am worried that we have not seen a scrap of scientific evidence to disprove the scientific foundation on which the Bill is being put forward.

In addition, we have sought the views of Members. Many times, those in favour of a ban on hunting and those who claim that I have some other agenda, or that what I am proposing is barbaric, or whatever emotional phraseology is used, have claimed majority support in the House. We conducted a survey, with a questionnaire being sent to all Members. As there was no cash incentive to reply, Members had to be motivated to do so. I am glad to say that 49 Members responded: two were against, 35 were positive and 12 did not express a view. That is a greater majority in absolute and percentage terms than the Government had for foundation hospitals and variable tuition fees.

Mike Gapes: Will the hon. Gentleman give way?

Lembit Öpik: The hon. Gentleman was not here at the beginning of the debate. Let me make it clear to him that I will not be giving way to him.

I suggest that spurious arguments about potential support are blown out of the water, not least because a proportion of those who have not been sympathetic to fox hunting have, nevertheless, seen the logic of the arguments that we have advanced.

The Government have the opportunity to give the Bill a Second Reading. They then would be able to improve any elements of it that they felt needed improvement in

Committee. For example, we could have a debate on whether the most appropriate word was "undue" or "unnecessary". I say that in response the Minister's intervention. Failing that, the Government can show that it is not animal welfare that drives them but a prejudice against one method of fox control so great that they are willing to compromise the integrity of their entire animal welfare agenda to pacify the many Back-Bench Members who have failed throughout to respond cogently to the logical arguments and empirical data that have been put forward by myself, by Lord Donoughue and by many others in support of improving animal welfare across the board in a strategic way, and of depending on the British legal system to provide an objective backdrop against which those in favour of a ban and those against a ban, and those who are in favour of certain activities and those who are not, could test their evidence.

The Government have three choices. One choice is to pass the Bill. I hope that the Minister will accept that, because of the very long speech of his ministerial colleague during the previous debate, we have been squashed in terms of time. If he agrees that the Bill should be given a Second Reading, we can talk about the details in Committee. Alternatively, the Minister can oppose the Bill. Perhaps he can find some powerful arguments to convince the House on that basis. Either way, the Government should not be inclined to talk the Bill out, not least because the critique of the Campaign for the Protection of Hunted Animals has involved putting forward matters that need space and need to be discussed in Committee.

The CPHA believes that

"hunting wild mammals with dogs is inherently cruel and that the only effective way of ensuring the welfare of such animals is to ban hunting with dogs."

That underpins the CPHA's support for a ban on hunting with dogs, yet it is factually wrong because the Burns report—that six-month consultation, initiated by the Government—did not find evidence that hunting with dogs is inherently cruel.

The CPHA also states:

"The Bill is being promoted as an alternative to the Government's Hunting Bill."

Once again, that is not so; it is a factual inaccuracy. The Government's Bill and a hunting Bill in the Donoughue-Öpik form that I propose are not mutually exclusive. There is no reason why the CPHA could not support my Bill and still continue to lobby the Government for a ban on hunting with dogs.

A third and last example is that the CPHA says:

"The latest Bill seeks to create new concepts and structures . . . To that end it would be very likely to bring with it the need for substantial consideration by the Courts."

That is right; but, if the CPHA is so convinced of its arguments, what does it have to fear? What the CPHA's statement perhaps implies is that those organisations do not believe that the argument that hunting with dogs is inherently cruel would stand up to scrutiny in the courts through the normal judicial process. That is the first reason why it would be foolish for the Government to talk out the Bill, when there is so much to be debated and it would be appropriate to do so in Committee. *[Interruption.]*

Alun Michael: The hon. Gentleman is doing that for himself.

Lembit Öpik: The right hon. Gentleman may say that, but it was not I who chose to speak for an hour and 10 minutes in the winding-up speech in the previous debate. Although the Under-Secretary of State for Health, the hon. Member for South Thanet (Dr. Ladyman) was entitled to make all the points that he wanted to make in the previous debate on an important Bill—I do not hold that against him—it is in the right hon. Gentleman's gift to give us the space to have the debate that we want to hammer out the issues that he may feel exist with the Bill.

If the Minister opposes the Bill, why on earth has Lord Whitty spent so much time talking about matters not of deep principle but of detail in discussing the Donoughue amendment? Why does he disrespect the Government's own peers to such an extent that he believes that they were not competent in voting in favour of the amendment by an overwhelming majority?

The Minister must also accept that the way ahead requires substantive discussion and a sensible dialogue with all sides. In fact, if he talks out the Bill, it would be more honest of him to say that he has done so not because he believes that a hunting Bill in the form that died last year is likely to be passed. It would be better for him to admit that he has done so because, for reasons of political expedience, he would rather allow that form of Bill to pass—except that he himself was not in favour of it. I stress that the Minister is on record disagreeing with what his Back Benchers turned that banning Bill into, so he needs to explain his logic.

The choice is simple: either support the Bill and show a genuine commitment to removing all undue suffering for all wild animals in all circumstances, or oppose the Bill and show the British public that the RSPCA, the League Against Cruel Sports and the Government are not motivated by animal welfare, but by prejudice against hunting with dogs. That is a sincerity test of the Government's commitment, and the Minister's response will reveal whether they are willing to increase suffering in the countryside to placate their Back Benchers or, alternatively, whether they are willing to show the courage to do the right thing for animal welfare. If they fail to support my Bill or if the Minister seeks to talk it out, the country will see that Ministers and MPs are willing to vote for an increase in animal suffering for no better reason than a lamentable adherence to closed-mindedness instead of open debate. I appeal to right hon. and hon. Members to do one thing: give us the space to debate the Bill in Committee.

I am more than happy to accept well argued, logical modifications to the Bill, and I am also very eager to hear the evidence to back up those changes, but the Government will stand judged on whether they are seriously committed to improving animal welfare or whether they have simply closed their mind to that argument and, even at the cost of making animal welfare worse in the countryside, come hell or high water, they want to placate their Back Benchers with an unjustifiable and, frankly, totally unreasoned ban.

2.9 pm

Mr. Andrew Dismore (Hendon) (Lab): I congratulate the hon. Member for Montgomeryshire (Lembit Öpik) on coming high in the ballot, but that is all that I congratulate him on. I certainly do not congratulate him on selecting such a thoroughly bad Bill to put before the House today. This shoddily drafted, bureaucratic, half-baked Bill is not worth the paper it is written on. It is claimed that it would improve animal welfare, but it would have absolutely the opposite consequence.

The hon. Gentleman says that he does not want his Bill to be talked out, but that would not be a matter for those on the Front Bench, because I have enough material to talk it out many times over. I would be happy to do that if there were sufficient time left today, but I know that the Front-Bench spokesmen wish to make their contributions. The hon. Gentleman took about half an hour to move the Bill, which restricted the time available for those of us who are fundamentally, absolutely and utterly opposed to it to state the alternative arguments.

Mike Gapes: Will my hon. Friend give way?

Mr. Dismore: I happily give way to my hon. Friend, who takes a real interest in these issues and has campaigned long and hard for a total ban on fox hunting, as have I.

Mike Gapes: I wanted to raise this point earlier, but I was not able to do so. The hon. Member for Montgomeryshire (Lembit Öpik) says that his Bill and the Government's anti-hunting Bill are not mutually exclusive. Does my hon. Friend think that it is therefore somewhat strange that the hon. Gentleman spent the bulk of his speech attacking those of us who are in favour of a total ban on fox hunting, and organisations such as the Royal Society for the Prevention of Cruelty to Animals and other campaigns that are also in favour of such a ban, and see through his absurd Bill?

Mr. Dismore: I entirely agree with everything that my hon. Friend says.

The clear object of the Bill is to permit hunting with dogs to continue. It is identical to one that received its Second Reading in the other place on 16 January. The word "hunting" was mentioned 25 times during the half-hour Second Reading debate—more often than the words "welfare" and "cruelty". Among the speakers in the debate was Lord Willoughby de Broke, a member of the Warwickshire hunt. He told the other place:

"I am confident that properly run hunts have nothing to fear from the Bill."—[*Official Report, House of Lords*, 16 January 2004; Vol. 656, c. 820.]

Lembit Öpik: Will the hon. Gentleman give way?

Mr. Dismore: No, the hon. Gentleman has had his time.

It is clear that the will of the House is that hunting with dogs should be banned. We have voted nine times since 1995 for a total ban on hunting. As the Bill is about hunting, we should measure it against the aspirations of the whole elected House.

The hon. Gentleman claims that more than 40 hon. Members support his approach, but where are they today? He is a lone face on the Opposition Benches. I understand that the Conservative Front-Bench spokesman, the hon. Member for North Wiltshire (Mr. Gray), supports the Bill, but where are the others? I suspect that if I were to move that the House do sit in private, the hon. Member for Montgomeryshire could not even muster a quorum for his Bill.

We should also measure the Bill against the wishes of the people. The Countryside Alliance has stopped parroting its pilloried poll that claimed that 59 per cent. of the population wanted to keep hunting legal. I believe that that is simply because the mass of complaints that were made by the League Against Cruel Sports and many others to the Advertising Standards Authority showed up the bogus poll for what it was.

I place far greater reliance on the clear and simple questions asked by MORI. In November 2003, it asked 1,000 people whether hunting should be legal or illegal. Eighty-two per cent. said that deer hunting should not be legal, 69 per cent. said that fox hunting should not be legal and 77 per cent. said that hare hunting and coursing should not be legal. By my calculations, an average of 76 per cent. of people want hunting to be illegal. In December 2002, 80 per cent. of the public told MORI that hunting with dogs was cruel. I believe that the nine times that the House has voted to ban hunting since 1995 fairly and properly reflect the wishes and aspirations of the people of this country, unlike the Bill of the hon. Member for Montgomeryshire, which is a pastiche and a false attempt to pretend to improve animal welfare when it would do exactly the opposite.

I believe that the right hon. Member for Maidstone and The Weald (Miss Widdecombe) is trying to intervene.

Miss Ann Widdecombe (Maidstone and The Weald) (Con): No, I am not. However, since the hon. Gentleman has kindly offered me the opportunity to make an intervention, I shall. Given the nine times that the House has voted in favour of a ban on hunting, would he join me in calling on his right hon. Friend the Prime Minister to get on with it and introduce legislation?

Mr. Dismore: The right hon. Lady makes an important point. The Prime Minister made it clear that the issue will be resolved before this Parliament is out. I look forward to seeing that Bill on the statute book before the next general election. I am sure that we will achieve that in this House and the other place, using the Parliament Acts if necessary, given the strength of feeling on the subject on both sides of the House and throughout the country.

I have many arguments of principle and detail that I should like to have made, but I have been asked to allow Front-Bench spokesmen time to respond. However, I give the hon. Member for Montgomeryshire notice that if his shoddy piece of work comes back before the House again I will do my utmost to ensure that it is blocked time and time again. It has no place on our statute book.

2.15 pm

Mr. James Gray (North Wiltshire) (Con): I offer my congratulations and support to my hon. Friend the Member for Montgomeryshire (Lembit Öpik) on what the Opposition believe to be an excellent Bill in every way. We support it wholeheartedly.

Miss Widdecombe: I understood my hon. Friend to say that the Opposition support the Bill wholeheartedly. Is it not a free vote today?

Mr. Gray: My right hon. Friend would be right if the Bill were about fox hunting, but it is not. Instead, it is about preventing animal cruelty of all kinds, across the countryside. It has nothing whatsoever to do with fox hunting. She is right: she is entitled to her views on fox hunting. If the Bill were to protect fox hunting, she would have a free vote, but I speak on behalf of Her Majesty's Opposition and we give the Bill our wholehearted support officially.

Miss Widdecombe: I shall have to rebel.

Mr. Gray: My right hon. Friend will vote as she likes.

I want to be brief, for two reasons. First, my hon. Friend the Member for Montgomeryshire spoke extremely well in favour of the Bill and I do not intend to repeat his arguments. Secondly, I want to hear how the Minister intends to respond to a Bill that is excellent in every way. After all, contrary to what has been said, all we have to do is glance at the Bill to see that it makes

"Any person who intentionally causes undue suffering to any wild mammal . . . guilty of an offence".

How could anyone in the House or the nation possibly object to a Bill that makes that an offence? It is an unexceptional principle.

Those who object to the Bill—I shall return to why the RSPCA object to it—ignore the fact that it is not about hunting: it is about general cruelty to animals. Why should it be that the Wild Mammals (Protection) Act 1996, which makes it an offence to kick, stab and burn animals, ignores shooting an animal intentionally to cause suffering? That is legal under that Act and the Bill would make it illegal by making every act of intentional cruelty to any mammal anywhere in the country an offence. It is hard to understand how anyone could object to it. The only part that is the least bit controversial relates to the 30 or 40 different codes of practice on wild mammals, which the Bill would make legally binding, much in the same way as the highway code becomes binding in the courts.

It is correct that the RSPCA, the Campaign for the Protection of the Hunted Animal and other organisations object to the Bill. It is worth contemplating why an organisation like the RSPCA, which claims to speak in favour of preventing cruelty to animals, should object to something that outlaws the practices that I described. In its submission to the Department for Environment, Food and Rural Affairs in August 2002, it said:

"a specific offence of cruelty"

to animals

"should remain, but should be worded without a restrictive list of particular activities which may date over time."

So as far as the RSPCA is concerned, current legislation that states what people can and cannot do is wrong. It wants a general definition of cruelty to mammals. As that is precisely what the Bill offers, why do the RSPCA and others object to it? I can only presume it is for one good reason. For someone to be convicted under the Bill, it would be necessary for the prosecution in a court of law to demonstrate that the person had taken part in an inherently cruel activity. If the RSPCA, the Campaign for the Protection of the Hunted Animal and others truly believe that hunting with dogs is an inherently cruel activity, they should not be the slightest bit concerned about proving that in a court of law. If, on the other hand—the RSPCA has admitted this—they do not believe that they could prove in court that hunting with dogs is inherently cruel, they would seek an outright ban. Testing the matter in the courts would be much more sensible.

My hon. Friend's Bill would allow the courts to consider whether a whole raft of activities in the countryside was inherently cruel. We on the Opposition Benches do not believe that such activities are cruel. The Minister, who may oppose the Bill, apparently believes that they are. If that is so, let us allow the matter to be tested in court. Is it more cruel for a fox, for example, to be killed by a dog or for it to be snared, gassed or poisoned? The question is one of comparative cruelty; only a judge can decide that.

If the Minister talks out proceedings on the Bill—I will allow him a good 10 minutes to do so if he wishes—he will have demonstrated that he is more interested in human activities and in people in red coats on horses, and that he is not truly concerned about animal welfare.

2.20 pm

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): The speech of the hon. Member for North Wiltshire (Mr. Gray) was extremely revealing. The hon. Member for Montgomeryshire (Lembit Öpik) must have been horrified by the fact that, despite the hon. Gentleman's explicit support, only 50 per cent. of Conservative Members in the Chamber supported his Bill.

Everybody should share the desire to protect wild mammals from cruelty. That is one of the criteria by which we define a civilised society. Indeed, the United Kingdom has led the way in the protection of animal welfare over the past 200 years; we can proud of that. The hon. Member for Montgomeryshire told us that it is his intention to extend and improve further the protection that the law gives to wild mammals. I have great respect for his willingness to enter into constructive debate, and I accept that he is sincere in his belief that his Bill would reduce cruelty and achieve the outcome of regulating hunting as the middle way group has been advocating, but he is wrong on both counts. As he knows well, I have never considered the middle way group's licensing proposal to be supportable, as I believe it would have the opposite effect, and, indeed, in practice license cruelty.

Even more damaging to the hon. Gentleman's case and his Bill is the fact that it would explicitly end the ban on cruelty that is already on the statute book. He revealingly compared the Bill to the Wild Mammals (Protection) (Amendment) Bill—the hunting Bill—and

[Alun Michael]

not to the Wild Mammals (Protection) Act 1996, which his Bill would amend. That rather exposes the underlying intentions of his Bill and the impact that it would have. His Bill depends on the concept of due suffering—the negative of undue suffering must be due suffering—and yet suggests that someone else should define it. That is the key concept that the hon. Gentleman is putting forward in the Bill.

Ever since my hon. Friend the Member for Dumbarton (Mr. McFall) introduced what was to become the 1996 Act as a private Member's Bill, wild mammals have enjoyed an unprecedented degree of protection. Quite apart from the Act's deterrent effect, there has been a steady stream of successful prosecutions of those who have been deliberately cruel to wild mammals. So the present law is working well. As it is an axiom that if it ain't broke, don't fix it, one must wonder at the motivation of those who so persistently try to change the law.

The key clause in the Bill would abandon a concept well defined in law—that of unnecessary suffering: the definition of cruelty—and instead introduce a definition that would allow cruelty to occur.

Lembit Öpik: The answer to the Minister is simple. I did not dwell on the 1996 Act because it is obvious what the Bill does; it takes away the exclusion for hunting and shooting. That is self-explanatory. If the Minister is so sure of his position, why is he not willing to allow the question of suffering in hunting and so forth to be tested in court? He must accept that his Bill from the previous Session, which in some way cross-references with mine, would have allowed snaring—which he thinks is worse than hunting with dogs—to replace hunting with dogs. Therefore he would have increased suffering, not reduced it.

Alun Michael: The hon. Gentleman must explain why he wants to change the concept of unnecessary suffering, which has been tested successfully since the 1996 Act became law. Why has he suddenly confessed that his Bill is not about preventing suffering but about allowing hunting? Confession is good for the soul, and I am delighted that he has exposed the aims of his Bill to the House.

Lembit Öpik: Will the Minister take one last confession?

Alun Michael: I am always ready to hear the hon. Gentleman's confession.

Lembit Öpik: Before I bite my tongue for the remaining five minutes, I confess that I am an extremist when it comes to justice. I want justice in the countryside. If the main problem for the Minister and the Government is the replacement of the word "unnecessary" with "undue", I am happy to make that change. The Government made 10 promises to their Back Benchers when they forced through variable tuition fees by means of the Second Reading of the Higher Education Bill. If the Minister does not accept my concession, that is not a good enough reason to talk the Bill out and prevent it from going into Committee.

Alun Michael: The hon. Gentleman has confessed to being an extremist. He says that he is passionate about justice, and he knows that I am too. However, like other hon. Members who have contributed to our debate, I am passionate about eradicating cruelty.

Lembit Öpik: So am I.

Alun Michael: Why, then, did the hon. Gentleman introduce a Bill purporting to change the definition of cruelty? All of a sudden, that change does not matter, and clause 1 is not important. The hon. Gentleman has blown himself out of the water, and I am almost speechless at the extent to which he has defeated himself. I would be happy to accept one or two more contributions to see whether other bits of the Bill will fall off as readily.

The Bill would not improve the protection afforded to wild mammals, but would make things worse, which is why the hon. Gentleman has found it difficult to gain support in the Chamber. Precisely because the Bill would be ineffective, some supporters of traditional hunting have tried to use it as a Trojan horse in defence of their favourite blood sport. Irrespective of the hunting issue, the Bill would not achieve its stated objectives and would, in fact, be bad for wild mammals. Great claims have been made for its benefits, as well as those of the similar measure promoted by Lord Donoughue in another place. However, the claim that the hon. Gentleman's Bill would get rid of the supposed limitations of the 1996 Act by creating a new and general offence of intentionally causing undue suffering is nonsense.

The 1996 Act works well in its present form, and like comparable legislation, it defines cruelty as the causing of unnecessary suffering. We discussed that at great length in debates on the Hunting Bill last year, and I do not intend to repeat the arguments. The terms used in the 1996 Act, including "unnecessary suffering" are well understood by the courts. By contrast, the reference in the hon. Gentleman's Bill to "undue suffering" would explicitly allow people to cause unnecessary suffering as long as it is not excessive. Surely it is axiomatic that causing any unnecessary suffering is wrong, so the Bill would license cruelty.

Lembit Öpik *rose—*

Alun Michael: The hon. Gentleman cannot restrain himself for five minutes, but if he wishes to talk his Bill out, who am I to prevent him from doing so?

Lembit Öpik: I offer the Minister a deal. I commit to changing the word "undue" to "unnecessary"—the single issue that he has raised—if he allows the Bill to proceed to Committee. If he does not allow that to happen, can he confirm that it is his intention to stifle debate on a serious proposal to improve animal welfare by talking my Bill out?

Alun Michael: Giving way to the hon. Gentleman three times within the short period that I have in which to try to deal with these complex issues hardly suggests that I am willing to stifle debate. I am happy to debate with him, as I have done, he will agree, for many hours, in many different places, including that secret place, the Committee Corridor. The Bill consists of two elements—the destruction of a well understood

definition of cruelty as "unnecessary suffering" and the creation of a permit or licensing system for cruelty. It would protect hunting, which the hon. Gentleman seems to hold dear, and has therefore gained the support of the hon. Member for North Wiltshire, who explicitly raised the issue of red coats and hunting activities in his short contribution.

Mr. Dismore: I do not know how many times the hon. Member for Montgomeryshire (Lembit Öpik) has intervened. He tried to intervene on me in the short time available—

It being half-past Two o'clock, MR. DEPUTY SPEAKER *adjourned the debate, without Question put, pursuant to the Standing Order.*

Debate to be resumed Friday 5 March.

Remaining Private Members' Bills

HIGHWAYS (OBSTRUCTION BY BODY CORPORATE) BILL

Bill read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).

Housing (Vulnerable People)

Motion made, and Question proposed, That this House do now adjourn.—*[Paul Clark.]*

2.30 pm

Ms Sally Keeble (Northampton, North) (Lab): I am grateful to have the chance in this Adjournment debate to raise some problems facing vulnerable families who cannot get housing. A number of cases that I shall cite are from my constituency in Northampton. Indeed, over the years I have had a steady stream of such cases, although I know that I am not alone in that. There is a real problem with how some of the most vulnerable families in our country are treated and how they manage to slip through some of the large holes in the safety net of the welfare state.

I am particularly concerned about two main groups of families, both of which involve children. The first is families who are refused housing because they are deemed to be intentionally homeless, but who are in fact completely homeless, and the choice is either to house them in social housing or to let the parents and children sleep on the streets. The second is families who have no recourse to public funds because they do not have residential status in the UK. Again, they are victims of circumstance and completely destitute. I am sure that my right hon. Friend the Minister for Housing and Planning will have heard those concerns.

Perhaps it will help if I give an example of each group—but just the bare bones. On families judged to be intentionally homeless, Miss P left her council home with her three children, aged three to seven, because of the domestic violence of her former partner. However, the local housing authority judged her to be intentionally homeless. Miss P has had a difficult time, having been in care as a child and having had problems with antisocial behaviour. However, she is keen to go to college and get some training, and she is well motivated to establish a secure and stable home for her three lovely children. She has spent eight months in a hostel for victims of domestic violence—she is still there—with absolutely no prospect of being able to move out. She cannot get a private tenancy because the council has accused her of antisocial behaviour. She cannot get a council tenancy because the council says she is intentionally homeless.

The other example refers to the group of families with no recourse to public funds. Mrs. B, who has three children aged under 14, came to the UK from Bangladesh to join her husband, who is a UK citizen. They lived in the family home, a privately owned property in Northampton, where Mrs. B suffered violence perpetrated by her husband. Ultimately, she left with the children. In fact, he attacked one of the children. She then visited relatives elsewhere in the country to try to get help, but failed, returning to Northampton after three months. A charity housed the whole family in a single room.

Mrs. B was already pregnant when she left her husband, and her baby was born prematurely with profound disabilities. She stayed in hospital in a maternity ward for three weeks until his life support machine was turned off. She then had to remain another five or six weeks because she had nowhere to go. She also had no one to talk to for most of that time because she cannot speak English.

[Ms Sally Keeble]

Going to see Mrs. B in hospital was one of the grimmest things I have had to do. She was completely destitute. She had no money and no home. Her baby was desperately sick. Her three older children were taken away by her estranged husband's family, and all her worldly possessions were in a black canvas bag beside her hospital bed. The hospital was wonderful to her, but ultimately could not solve her problem. The local authority refused to house her because she had no recourse to public funds as she did not have permanent leave to remain in this country. She had no chance of getting a private tenancy because she had no money for the deposit. In summer last year, she moved into a women's refuge and her children joined her. She is still there.

A children's worker at the refuge helps with the children, but, as my right hon. Friend knows, the funds for children's work in such refuges are not secure. That is a separate issue, however, and I shall not go into it at present. At Christmas, Mrs B received indefinite leave to remain because of her husband's domestic violence. More than a year after her marriage first broke down, she will now start to apply for housing again, but this time it will be outside Northampton.

I have raised those and similar cases with my right hon. Friend the Minister in correspondence, and I have spoken about them to my right hon. Friend the Minister for Children and Ministers in the Department for Work and Pensions and the Department of Health, because those cases involve various complex, inter-related problems. Everyone assures me that those families should be picked up by the local authorities under the provisions of the Children Act 1989, and that the needs of the children—including their housing needs and the need for them to be housed with their mothers if that is judged to be in the children's best interests—should be met. The Minister for Children has given written advice to that effect, and I am told that the whole point of the 1989 Act is to deal with just such cases. However, it is not working.

Of course, it is always possible for women to take the council to court to secure their rights, and there have been important test cases on these issues in London and Oxford. However, such women are the people least likely to obtain access to justice through the courts, and the process imposes a heavy burden on people who are already the victims of circumstances. In Northampton, and some other places, real difficulties also arise from the lack of legal aid services. The National Association of Citizens Advice Bureaux has today published a report highlighting that problem and, in particular, the lack of lawyers under the community legal service who specialise in housing and family law, and who would deal with the kind of case that I am raising. That has been an acute problem for those women.

I know that I am not the only MP who has found that that is a problem. It was also raised when the Homelessness Act 2002 was passed, when some housing groups, including Shelter, and individual MPs made proposals to use that legislation to amend the Children Act 1989. That was not possible, but I believe that some additional guidance was issued to local authorities. However, I have to say that if it was, that is not working either.

Of course, I realise that local authorities need to be able to refuse to house people. They need to have sanctions that they can apply to tenants who wilfully refuse to pay the rent and run up big arrears, or who are completely antisocial. If, in practice, they cannot refuse to house people who have children, however big the arrears or however bad the behaviour, council housing becomes completely unmanageable. However, there has to be a balance between evicting rogue tenants and rendering destitute families who are themselves victims.

There must also be the possibility that neighbours from hell might, with the right support services, be enabled to hold down a tenancy without disrupting the entire neighbourhood. In the longer term, it is important that the cycle of disadvantage that has often scarred the parents should not be revisited on the children, and that the children should not be taken into care. We all know that the prospects for children in care are not very good.

It is difficult for local authorities to distinguish between the genuinely destitute and families who are able to get private tenancies or to stay with friends or relatives—but that is the issue. I strongly believe that there is a need for clear protocols for inter-agency working on such cases, including for joint working across two-tier local government. I ask my right hon. Friend the Minister to look into providing such protocols. My area has two-tier local government: the housing authority operates at district council level within Northampton borough council, while social services operate at county council level, in Northamptonshire county council. They do not have adequate arrangements for joint working and liaising on these issues.

The protocols would have to cover referrals, data sharing and arrangements for access to local authority housing stock. At present, if social services house a family, they tend to allocate not to existing social housing but to hostels or to bed-and-breakfast accommodation, which is not particularly suitable for families. The data sharing would need to make it possible for references to be made between social services and housing authorities and departments. That means proper referrals, rather than those couched in terms such as, "Well, we can send you to the social workers, but they might take your children away."

Clear guidance needs to be given to local authorities about their legal duties and responsibilities under both housing and social services legislation, so that if they are supposed to provide housing as well as emergency financial payments, they are clear about what to do. They must also be clear about the standard of housing that has to be provided. For example, in April, we are supposed to see the end of the use of bed-and-breakfast accommodation for families with children, except in an emergency, and then for not more than six weeks. I assume that that will also apply to families picked up by social services under the Children Act; otherwise the rule about not putting families into hostel-type accommodation will be completely ineffective, because social services would simply put families into such accommodation.

In the longer term, I believe that there will be a need to amend the relevant legislation, but that will obviously depend on circumstances that are beyond my right hon. Friend's control. Perhaps legislation arising from the children's Green Paper "Every Child Matters" will

provide an opportunity for that. In the meantime, these very vulnerable families need help to break the logjam and to get themselves housed as a first step to rebuilding their lives. The two families whom I mentioned have a total of six young children in need of proper homes, and two mothers who are completely committed to re-establishing their families but are unable to do so. There are many more families like them up and down the country, and we need to establish clarity for them, and to ensure that they are not further punished by a system that is supposed to support them.

2.42 pm

The Minister for Housing and Planning (Keith Hill): I congratulate my hon. Friend the Member for Northampton, North (Ms Keeble) on securing this debate and using the opportunity to draw attention to the plight of families with children who need accommodation but who, for whatever reason, are not entitled to be secured such accommodation by the local housing authority under homelessness legislation. It goes without saying that I will study carefully her proposals for protocols, guidance and possible changes to the law. This is a difficult area of policy to get right, because it embraces a number of different policy aims and principles that do not always sit easily together. The two key issues here are homelessness and people at risk of domestic violence, and the Government are seeking to bear down hard on those two evils.

In today's debate, we are focusing on two different groups. The first is families with children who, while not ineligible for housing assistance, are entitled only to limited help under homelessness legislation because they have brought homelessness on themselves through their own behaviour. In other words, they have been found to be intentionally homeless. The second group is families with children that comprise persons from abroad who are excluded from housing assistance through not having recourse to public funds because they are subject to immigration control or because they are not habitually resident here. My hon. Friend has referred to specific cases in her constituency involving families with children from both those categories.

We need to consider each of those categories separately, because although the plight of those families might seem similar, the underlying policy considerations are different in each case, as are the potential positive outcomes that can be achieved. Let us take the category of intentionally homeless families first. As my hon. Friend knows—she was, after all, the Minister who took the Homelessness Act 2002 through Parliament—the homelessness legislation provides an important safety net for families with children, and other vulnerable groups, who become homeless through no fault of their own. We have broadened that safety net by extending the categories of homeless applicants who have a priority need for accommodation. However, the main duty, which in practice is to secure suitable temporary accommodation until a settled home becomes available, can be onerous and expensive for local housing authorities. It is therefore right for the full duty, as it were, not to apply when applicants have brought homelessness on themselves. That is not to say, however, that no help should be provided, and there are certain duties that are owed.

When applicants who fall within a priority-need category—for example, families with children—are found to be intentionally homeless, the authority must provide them with short-term accommodation, for long enough to give them a reasonable opportunity to find accommodation themselves. Accommodation secured for as little as 28 days may be sufficient in some cases, but authorities must consider the particular circumstances of each case and make an objective judgment based on the facts. They must ask themselves this: given the overall circumstances, how long is it likely to be before the applicant can reasonably be expected to arrange accommodation for himself, or herself?

Housing authorities must also provide advice and assistance. That is another duty that we strengthened recently in the Homelessness Act 2002. Handing applicants a simple list of possible vacancies is not enough; authorities must assess families' housing needs and provide details of the location of accommodation that is appropriate to those needs.

There is, of course, always the risk that some authorities will do only the minimum. I must make it clear that when it comes to families with children, that is not good enough, if it means that they are left without a home and without any assistance. Authorities must ensure that their advice and assistance are robust, so that families have a real chance of securing accommodation.

In most cases the principal option will be helping a family to obtain accommodation in the private rented sector. Assistance with rent deposits, rent guarantees, rent in advance and, where appropriate, completion of housing benefit claim forms will help to achieve that. On some occasions the housing authority's advice and assistance may not result in the family securing accommodation. It should be remembered that success will depend to a large extent on the family being proactive, and actively taking up the various available options.

In some cases, families may still be homeless at the point when housing authorities' duty to provide short-term accommodation ends—that is, after the period that gave them a reasonable opportunity to find accommodation for themselves. At that point, families may seek further assistance from social services departments under the Children Act 1989. My hon. Friend commented on that.

Let me now deal with the position of families from abroad who are not eligible for housing assistance. Here different policy considerations apply. There are sound policy reasons for not giving such families access to social housing and homelessness assistance, which generally leads to an allocation of long-term social housing. Social housing is a scarce and increasingly valuable resource, and its allocation carries other benefits such as the chance of a secure tenancy for life, succession rights and the right to buy. In many areas, the discharge of a homelessness duty will require expensive temporary accommodation, which itself may tie up a property that would otherwise be used to meet the long-term housing needs of others.

Nevertheless, the Government are clear about the fact that no family with children should be left without any assistance. That is why the Homelessness Act 2002 places a new requirement on housing authorities to alert

[Keith Hill]

social services when they have reason to believe that they are dealing with a family with children who have been, or are likely to be, found to be intentionally homeless or ineligible for assistance. It is important for social services to be alerted quickly, given the possibility that families with children could face homelessness once the housing authority had fully discharged its obligations to them.

The responsibilities of social services departments in relation to families with children who are homeless and not entitled to further assistance from housing authorities are not matters for which I have direct responsibility; they fall within the ambit of my colleagues at the Department for Education and Skills, who will no doubt read the report of this debate very carefully.

My hon. Friend raised the case of women who come to the UK for marriage or for unmarried partnership, and who may be forced to leave their home during the probationary period as a result of domestic violence. In fact, the Government have taken steps to help domestic violence victims who do not have recourse to public funds because they are here on limited leave on a probationary basis. To help these victims, a concession was introduced in 1999 to enable those who left their partners during the probationary period because of domestic violence to apply for settlement, subject to providing specified forms of evidence. The criteria were extended and the provision was formally incorporated into the immigration rules in 2002. To qualify, the relationship must have broken down during the probationary period due to domestic violence, and victims will need to provide some evidence of violence.

Under the immigration rules and Department for Work and Pensions regulations, anyone still subject to probation leave with a condition of no recourse to public funds will not be eligible for benefits and homelessness assistance. However, in such circumstances, domestic violence victims can get access to Supporting People-funded domestic violence services such as refuges, and housing-related support services.

The Government's position as set out in "Safety and Justice" is that, in order to protect the integrity of the rules, we do not believe that victims making applications under the immigration and domestic violence rules should have access to public funds. However, to keep the time during which the applicant does not have access to public funds to a minimum, we are committed to ensuring that applications for indefinite leave to remain, based on the 2002 immigration rules, are dealt with as quickly as possible. They are therefore flagged and dealt with as a matter of priority. In addition, where the applicant is destitute, applications for settlement on the basis of domestic violence are exempt from the fee charged for processing such applications.

As I have said, this is a difficult policy area, and the Government consider that people should take responsibility for their own housing needs wherever possible. They must certainly take responsibility for their own behaviour and their children's behaviour. The homelessness legislation ensures that all homeless people must be given some assistance, and it provides a strong safety net for families with children, and for vulnerable people who become homeless through no fault of their own. But people who bring homelessness on themselves cannot expect the same degree of help as those who become homeless through no fault of their own.

As I have said, social housing is a valuable and scarce resource. The provision of temporary accommodation is expensive, and it would not be right to expect the British taxpayer to meet the accommodation needs of people from abroad who have been given permission to stay on the clear assumption that their accommodation and support needs will not be met by the taxpayer. But inevitably, there will always be difficult cases, and ultimately we must make sure that the needs of vulnerable children can be met, and that victims of domestic violence can get the protection that they need.

Question put and agreed to.

Adjourned accordingly at seven minutes to Three o'clock.

House of Commons

Monday 9 February 2004

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Pensioners

1. **Sir Teddy Taylor** (Rochford and Southend, East) (Con): What estimate he has made of the number of retirement pensioners in the forthcoming year; and how many there were five years ago. [153170]

The Secretary of State for Work and Pensions (Mr. Andrew Smith): It is fitting that the hon. Gentleman is No. 1 in questions today, as I understand that last week he announced his prospective retirement from the House. I am sure that I speak on behalf of the whole House in paying tribute to his years of distinguished service and in wishing him all the very best for the future.

The number of people over state pension age in Great Britain is estimated to be 10.85 million, compared with 10.47 million five years ago. In the course of this year we expect 113,500 additional people to be above state pension age. Since we took office the number of pensioners has gone up by 4 per cent. The real value of spending on pensions and benefits for people over 60 has gone up by 24 per cent.

Sir Teddy Taylor: I thank the Secretary of State for his kind words, which I genuinely very much appreciate, but is he aware of the concern and alarm among 10 million pensioners about the pressure being put on them to give up their pension book and to use bank accounts instead, in anticipation of the abolition of pension books in 2005? Would he be willing to discuss with his Cabinet colleagues the fact that many pensioners enjoy having a pension book and are concerned about the linked effect, which will result in the closure of a huge number of post offices on which pensioners depend greatly for many services? I thank the Secretary of State for all that he has done, but will he discuss the issue with colleagues as it is genuinely serious and will affect a lot of elderly people—like me?

Mr. Smith: I certainly recognise the concerns of the hon. Gentleman and of those who have raised the matter with him. We should remember that the majority of pensioners choose to have their payments made directly. Moreover, the order book is vulnerable to fraud and theft; many pensioners are attacked and their order book stolen from them. We are honouring our pledge that pensioners will be able to continue to receive their pension in cash at the post office. An exceptions service will be in place for those for whom the Post Office card account is not suitable, to ensure that their needs are met.

Mr. Lindsay Hoyle (Chorley) (Lab): Is my right hon. Friend aware of the growth in the number not only of pensioners but also of people who are penalised by the transport lottery—the postcode lottery whereby some pensioners have free off-peak travel while others do not? What can be done to ensure that all pensioners are treated the same? Can they have better help through the pension system?

Mr. Smith: To the best of my knowledge, there is a national commitment to a concessionary scheme. I admit that that will mean that some local authorities will provide help over and above the national minimum, but there is always tension between the responsiveness and democratic accountability that we want in localities and the avoidance of a postcode lottery. However, the enormous investment that we are making in our public transport system is a certain factor in ensuring that transport is available in rural as well as in urban areas to meet the needs of pensioners as well as others.

Andrew Selous (South-West Bedfordshire) (Con): May I press the Secretary of State further on the question about pension books asked by my hon. Friend the Member for Rochford and Southend, East (Sir Teddy Taylor)? Will the right hon. Gentleman say a little more about the concerns of pensioners who have several carers? When their pension books go, there may be problems with the PINs if several carers are involved.

Mr. Smith: As the hon. Gentleman will be aware, we have ensured that pensioners can nominate somebody to use a card on their behalf to collect their pension. Where they need to make arrangements involving a number of people, they can do so at present through the order book, but we shall have to ensure that the exceptions service also enables them to meet that need.

Mr. Brian Jenkins (Tamworth) (Lab): My right hon. Friend is perfectly aware of the fact that to use a book in a post office requires a post office, and that plans for the urban reconfiguration—or destruction—of post offices in my part of the world mean that no post offices or cash outlets will be available. Pensioners could use a free bus pass if the proposed buses were actually on a bus route, but they are not even on a bus route. How will he get the money to those people?

Mr. Smith: As I am sure my hon. Friend will recognise, we have put £2 billion into supporting the post office network, including more than £400 million in rural areas. It makes sense to plan locally to ensure better co-ordination between accessibility, which includes his point about public transport routes, and the availability of points where pensioners can collect their cash, whether at the post office or through alternative facilities.

Defined Benefit Pension Schemes

2. **Dr. Vincent Cable** (Twickenham) (LD): What estimate he has made of the number of wind-ups of defined benefit pension schemes in solvent companies in 2003. [153171]

The Minister for Pensions (Malcolm Wicks): The pension schemes registry holds information on the number of final salary schemes that are currently winding up, or which have entered into and completed the winding-up process. It is not, however, designed or intended to provide a comprehensive or continuous statistical record of the status of schemes, and it does not provide information on the solvency position of companies whose schemes are winding up.

According to the registry, in the first half of 2003 approximately 100 of a total of some 15,000 defined benefit pension schemes had started the winding-up process, and approximately 260 such schemes had finished winding up. Owing to schemes having a 12-month notification period, these figures may be subject to change.

Dr. Cable: I thank the Minister for that informative reply. Is he aware of the recent warning from the Office of the Pensions Advisory Service that a massive loophole is opening up in the Government's pension protection plans, inasmuch as solvent companies with large deficits in their pension schemes on a minimum funding requirement basis can capitalise on those deficits, and then renege on their debts at the expense of their pensioners? Does he recognise OPAS's warning that there could be what it calls

"a flood of solvent wind-ups before April 2005 at members' expense",

and how would he plug that loophole?

Malcolm Wicks: All our endeavours—including the pensions Bill, which will be published soon—are intended to get security back into social security in old age. We will listen very carefully to any concerns about loopholes, including those expressed by OPAS, in order to ensure that there are not ways in which people can avoid their responsibilities.

Mr. Frank Field (Birkenhead) (Lab): In the past four months, when asked when the House will see the pensions Bill, the Minister for Pensions has said—as he said this afternoon—that it will appear "soon". How soon is "soon", and when "soon" arrives will the Bill contain a clause that puts a levy on unclaimed assets, so that people who have already lost most of, if not all, their pension will be compensated at least to some extent?

Malcolm Wicks: I like to be consistent, but may I now revise "soon" to "very soon"? My right hon. Friend, who is occasionally a patient man, will not have to wait very much longer. The pensions Bill will be concerned with establishing a new pension protection fund and a new regulator with real teeth, to ensure that when pension promises are made, they are kept.

Mr. Michael Weir (Angus) (SNP): Is the Minister aware of the research of Dr. Ros Altmann, who calculates that some 40,000 members of pension schemes are affected by these wind-ups, and that some £93 million will be needed to compensate them over many years? If he is not, will he look at that research and think again about compensation for those who have already lost out, because as I understand it the forthcoming Bill will not deal with retrospective claims?

Malcolm Wicks: Various matters are on the agenda. We are concerned that solvent companies that seek to wind up their schemes must now guarantee the full buy-out of pension rights for members. Secondly, the "pensions (very soon) Bill" will legislate for a pension protection fund to bring future security. Meanwhile, we are looking at the very serious circumstances that existing pensioners and members face in respect of schemes that have gone bankrupt, but it is important to repeat that we cannot provide any false hope in what is a very complex situation.

Mr. John McFall (Dumbarton) (Lab/Co-op): The Minister will know that some companies are using the flight from such schemes to reduce their contributions to employees, and that there is a long-term saving problem in this country. What are the Government doing to ensure that these employers face up to their responsibilities to employees in future?

Malcolm Wicks: It is very important that employers are able to offer proper company pension schemes. We have created an employers taskforce to look at this issue, and its purpose is to establish good practice. We are very conscious of the need for many people to save more than they are saving at the moment. Our recent strategy paper on informed choice is designed to introduce measures that will enable people to make better choices. In other ways, too, we are concerned to enable people to save more and to have decent pension schemes.

Mr. Nigel Waterson (Eastbourne) (Con): Has the Minister seen last week's calculation by Mercer that the total deficit in UK occupational pensions is now £330 billion? Does he agree that EU rules requiring companies to make up that deficit may render irrelevant much of the pensions Bill, even before it is published?

Malcolm Wicks: I certainly do not recognise the hon. Gentleman's last point. We have consulted on the EU directive, which is very much in line with our own ideas. The pensions Bill will promote the concept of scheme-specific funding, which the industry has widely welcomed. Estimates of pension liabilities vary a great deal. Other estimates suggest that recent increases in world share prices have made the deficit less than it was, but none of us is complacent about the issue.

New Deal

3. **Claire Ward** (Watford) (Lab): If he will make a statement on the impact of the new deal for lone parents. [153172]

The Minister for Work (Mr. Desmond Browne): The new deal for lone parents is just one of a raft of measures that we have introduced to help lone parents gain independence through work. Other measures include

our national child care strategy; the lone parent's benefit run-on; and the working tax credit, including the child tax credit. By the end of September 2003, more than 430,000 lone parents had participated in the new deal for lone parents and more than 220,000 had been helped into work. There is still more to do, but we have made major progress towards meeting our target of getting 70 per cent. of lone parents into work.

Claire Ward: I thank my hon. Friend for his reply and for the impact that the new deal has made on lone parents. Has he seen recent research showing that the costs of child care are rising rapidly in the private sector and making it increasingly difficult for lone parents as well as two-parent families to secure work or be able to return to work and pay for child care provision? What discussions has my hon. Friend had with colleagues in other Departments about making child care affordable for lone parents as well as for two-parent families?

Mr. Browne: My hon. Friend is right to highlight the role of good-quality, affordable child care in helping to secure a route out of poverty for families. Constant discussion takes place between officials and Ministers in my Department and those in the Department for Education and Skills and the Treasury. My hon. Friend will be aware of the announcements in the pre-Budget statement on making child care affordable, and she should be reassured that the Government are on track to meet their target on the roll-out of the national child care strategy. Indeed, there are currently more than 800,000 new child care places in the UK, from which 1.4 million children benefit.

Mr. George Osborne (Tatton) (Con): Will the Minister confirm whether, when a lone parent leaves—or is sacked from—a job after 14 weeks, the Government chalk it up as a success for the new deal in getting people into sustained employment?

Mr. Browne: The measures in place for measuring whether jobs are retained are fully in the public domain. The hon. Gentleman gleans his information in that way, but I have to say that it would be a sad day when the Government took advice from a party that, when in government, as the hon. Member for Havant (Mr. Willetts) admitted, waged war on lone parents. We will take no advice from such a party on how we should conduct our policy on lone parents. The fact remains that, although the measurement is in the public domain, there is clear evidence to suggest that significant numbers of people who benefit from the new deal or the new deal for lone parents move on later into long-term and sustained work. That is why we can now celebrate the fact that about 500,000 children have been taken out of poverty in the UK.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): What improvements does my hon. Friend intend to make to the new deal for lone parents, and what assessment has he made of the impact of abandoning the programme?

Mr. Browne: My hon. Friend is right to highlight the fact that not all parties in the House support the measures in place in labour market programmes, which have resulted in 1.7 million more people across the board in work today than in 1997, and 500,000 fewer people on unemployment benefit. My right hon. Friend the Secretary of State, my other ministerial colleagues and I are hell-bent on improving the labour market programmes and building further on them. My hon. Friend will be aware of the roll-out of work-focused interviews for lone parents, which provides them with an opportunity to find out what employment can do for them and their families to lift their children out of poverty. We move forward with that programme.

Occupational Pensions

4. **Kevin Brennan** (Cardiff, West) (Lab): What plans he has to permit employers to compel employees to join final salary occupational pension schemes. [153173]

The Secretary of State for Work and Pensions (Mr. Andrew Smith): The Government have no such plans. The independent Pensions Commission is examining whether greater compulsion is advisable. As we set out last week, we are looking at whether it makes sense to promote more general use of schemes that automatically enrol employees unless they chose to opt out and at how we can best ensure that an individual's decision to join or not to join an occupational pension is based on good information.

Kevin Brennan: I thank the Secretary of State for that answer. When my father joined the steel industry, he was compelled to join a final salary occupational scheme and, fortunately, that has seen him well in retirement. The Allied Steel and Wire workers were similarly compelled to join an occupational pension scheme. When people ask me, "Would you let what has happened to the ASW workers happen to your own father?" my answer is an unequivocal no. What would the Secretary of State's answer be to the same question?

Mr. Smith: I would share my hon. Friend's concern for the plight of those affected, as the Minister for Pensions, other ministerial colleagues and I have made clear on many occasions. I pay tribute to my hon. Friend's energy and commitment in campaigning on behalf of those who have lost out because of company insolvency. As he knows, we have been examining whether anything might be done, without wanting to raise false hope, and as soon as I am able to report further to the House I will do so.

Mr. Derek Wyatt (Sittingbourne and Sheppey) (Lab): As the Secretary of State knows, I am interested in ASW—ASW Sheerness is in my constituency—along with my hon. Friend the Member for Cardiff, West (Kevin Brennan) and the hon. Member for Twickenham (Dr. Cable), who asked a question that was similar to questions that we have been asking in the House for the past couple of months: how do we get to the bottom of how many people's pension schemes are in deficit? If my right hon. Friend introduces a retrospective measure—we hope that he will—how will he know that it will cover everyone if there are differences of opinion between the Treasury, the Office of the Pensions Advisory Service and other groups?

Mr. Smith: As my hon. Friend suggests, identifying precisely who has lost out in that way is one of the many

dimensions of difficulty to this very challenging issue. As I said when he last raised this, other issues include how to differentiate between some who have lost out and others who have lost out in respect of eligibility; whether it is right to use taxpayers' money—let us remember that half of taxpayers are not members of occupational pensions schemes—to give extra help to that group; the risk of raising expectations that taxpayers stand behind private savings and pensions as a whole; and, not least, the risk of prejudicing the legal action that has been taken already. I mention those matters to show that we are carefully looking at the issue—including, as my hon. Friend points out, at the numbers affected—but I am not able today to say what the conclusion of that examination is.

Antisocial Behaviour

5. **Mr. Desmond Swayne** (New Forest, West) (Con): What his policy is on the use of access to means-tested benefits as a deterrent to antisocial behaviour. [153174]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. Chris Pond): As a matter of principle, we do not believe that the community has an unconditional responsibility to support those who do not fulfil their responsibilities to the community. We have introduced a range of tough penalties to deal with antisocial behaviour, which blights people's daily lives, including measures in the Anti-social Behaviour Act 2003, which came into force that month. Following consultation, I recently announced that we will not go ahead with a housing benefit sanction at this stage, but we do not rule out introducing further measures when we have seen how effective the range of measures already in place has been.

Mr. Swayne: That was most disappointing. The painfully slow pace at which the Government have been tiptoeing in the right direction has been frustrating. The Prime Minister pledged himself to that policy on 1 May last year, and the Government are now backing off. May we have an explanation?

Mr. Pond: We will take every practical measure necessary to deal with antisocial behaviour. *[Interruption].* I wish that we could count on the support of the Opposition in that determination to deal with antisocial and loutish behaviour. I have reminded the House that in recent weeks we have introduced a number of new measures that are intended to deal with antisocial behaviour. The hon. Gentleman will be aware that we are extending the pilot schemes to sanction offenders who breach their community sentences. We will watch closely to see what effect those measures have, but if they do not have the effect of dealing significantly with antisocial behaviour we will not hesitate to look again at sanctions on housing benefit.

Vera Baird (Redcar) (Lab): The problem with benefit sanctions is that they can punish entire families when only one member may not be acting responsibly. Antisocial behaviour is a dreadful problem, not least in Redcar where almost every surgery I hold brings a new complaint. Will the Minister look with great care at schemes run and supported by organisations such as Shelter in Rochdale and Bolton, among other places, that aim to change the behaviour of problem members of families? They are not at all softie stuff, so will he examine those schemes with care before he looks again at benefit sanctions?

Mr. Pond: I thank my hon. and learned Friend for those comments. We must, of course, use the full range of measures. Some of them will be positive; some of them will be negative such as sanctions. For example, in community sentences, we are balancing both the piloting of the sanctions with incentives for those who do not breach their community service orders. However, we must be aware that the community and all our constituents want to see us acting decisively using every practical measure that is available. Sanctions have been built into the social security system since 1911, when unemployment benefit was first introduced, for reasons that are still relevant today.

Mr. David Willetts (Havant) (Con): Will the Minister confirm whether the Prime Minister was informed and consulted before last week's announcement to abandon housing benefit sanctions?

Mr. Pond: I think that you, Mr. Speaker, can be sure that the Prime Minister was fully aware of the decision. From the answer that he gave at Prime Minister's Question Time, it was very clear that he was aware of the decision.

Mr. Willetts: I am pleased to hear that the Prime Minister was consulted, but when my right hon. and learned Friend the Leader of the Opposition asked him about the subject last Wednesday I did not gain the impression that the Prime Minister was fully aware of it. Therefore, I am very pleased to hear that he was consulted. It was put to him that he had specifically made a pledge in his 2002 conference speech that he would implement the measure, so what was his reaction when the Minister told him that he was abandoning the idea?

Mr. Pond: If I remember rightly, the Prime Minister was very grateful to the Leader of the Opposition for reminding him of his conference speeches. The Prime Minister also reminded the Leader of the Opposition, who had forgotten within a matter of days, that only very recently we introduced a full range of measures and brought them into force to deal with antisocial behaviour. We have made it absolutely clear that we will see how effective those measures are. If we need to use other measures, we will not hesitate to do so.

Pensioner Incomes

6. **Mr. John MacDougall** (Central Fife) (Lab): What assessment he has made of the effect of Government policy on the incomes of (a) the poorest pensioners and (b) all pensioners. [153175]

The Secretary of State for Work and Pensions (Mr. Andrew Smith): As a result of Government measures since 1997, including the introduction of pension credit, pensioner households are now, on average, £24 a week better off in real terms. The poorest third of pensioner

households are £30 a week better off. I have today placed in the Library the latest figures for take-up of pension credit at a national and constituency level. They show that 2.18 million households, and 2.62 million individuals, are now in receipt of pension credit.

Mr. MacDougall: I thank the Secretary of State for that response. Does he agree that, after many years of missed opportunities to redress the imbalance in terms of pensioners and their requirements, the introduction of the pension credit scheme is very welcome? For example, in my constituency of Central Fife, 3,091 pensioner households benefit on average by £39.36 a week, and I am sure that they appreciate that. The policy must be very welcome.

Mr. Smith: I thank my hon. Friend for his welcome for the progress that we are making on pension credit in his constituency and throughout the country. Much hard work is going in not only on the telephone lines, but on the 302,000 home visits that the Pension Service has made across the country. That reflects great credit on all the staff who are working to make a success of this important policy of countering pensioner poverty and rewarding pensioners with modest savings.

Mr. Steve Webb (Northavon) (LD): The Secretary of State knows that on average the oldest pensioners tend to be the poorest pensioners. He also knows that his Department's statistics show that older pensioners are the least likely to claim his pension credit. The Government are right to target the winter fuel payment by giving extra money to older pensioners, and they are right to target free TV licences by giving them only to older pensioners. Why will he not be right again by targeting the basic state pension in the same way?

Mr. Smith: The hon. Gentleman acknowledges that a lot more is right with our policies than is wrong. I remember his conceding in a previous exchange that if we were to follow his advice it would mean giving less to poorer, younger pensioners in order to give more to better-off, older pensioners. It makes sense to combine universal entitlements with help especially targeted at the poorest in the pensions system. Thanks to those policies, we have helped 1.6 million pensioners out of absolute poverty and 400,000 pensioners out of relative poverty. We shall keep driving those policies forward to make a success of the war against poverty.

Mr. Stephen Hepburn (Jarrow) (Lab): Can the Secretary of State explain why only half of the 5 million pensioners who are eligible for pension credit claim it? What is he going to do about that?

Mr. Smith: We are, of course, only part of the way through the campaign period to ensure maximum take-up of pension credit. We said that we would write to every pensioner household in the country by June. I am confident that we will achieve that target, and I hope that we will write to every pensioner household before then. I have already referred to the extensive outreach work, which includes more than 300,000 home visits, and there is also TV advertising, press advertising and word of mouth among pensioners, which is increasingly important. Pensioners commend the friendliness and responsiveness of the service, which is a point borne out by independent research.

Returning to older pensioners, as we try—as we must—to drive take-up higher, it is all the more important to work intensively in collaboration with social services and others to identify those older and frail pensioners who are least likely to claim and ensure that they do so.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Since 1997, has the number of pensioners on means-tested benefits gone up or down?

Mr. Smith: Conservative Members keep dragging out the question of means-tested benefits. I am proud that so many more pensioners benefit from the pension credit than gained from the minimum income arrangements under the previous Government. Let us remember that poorer pensioners are getting substantially more than they were in 1997. The £30 more a week enables this Government to make progress in combating pensioner poverty that could only have been dreamt about when the Conservative party froze the real value of the pension year in, year out. The Conservative Government increased it only when they introduced VAT on fuel, which placed so many pensioners in poverty.

Richard Burden (Birmingham, Northfield) (Lab): May I add my welcome for the pension credit's impact on both poorer pensioners and those with small occupational pensions? Does the Secretary of State agree that pensions policies must mesh with our policies on occupational pensions if we are to get them right? Although the pensions Bill will certainly help, may I again draw his attention to the important point made by my hon. Friend the Member for Cardiff, West (Kevin Brennan) about the need to tackle those pensioners who have lost through the failure of occupational pensions, which include not only ASW but firms such as Kalamazoo in my constituency?

Mr. Smith: I acknowledge my hon. Friend's important points about his constituents at Kalamazoo and the success of pension credit. The imminent pensions Bill—we are that much closer to it now my right hon. Friend the Member for Birkenhead (Mr. Field) has spoken—will set up a pension protection fund, which will ensure that in future a pensions promise made will be a pensions promise honoured.

Pension Credit

7. **John Barrett** (Edinburgh, West) (LD): How many pensioner households in Scotland are in receipt of pension credit. [153176]

The Minister for Pensions (Malcolm Wicks): I am pleased to report that so far, as at 31 January, there were 229,000 households in Scotland, comprising approximately 271,000 individuals, receiving pension credit. We have today published the latest monthly pension credit progress report, including numbers of recipient households in each parliamentary constituency in Great Britain. The hon. Gentleman will

be interested to learn that more than 2,000 households now receive pension credit in his constituency, 73 per cent. of which are financial gainers as a result.

John Barrett: Still only some 50 per cent. of those who are entitled to pension credit have taken it up. What consideration has been given to whether the application process puts people off applying for the pension credit? One constituent wrote to me saying that after answering the questions on the form they felt stripped of all dignity and decided not to bother in the end. What can be done to ensure that those who need and deserve the credit can get through the application system?

Malcolm Wicks: I am sorry about the tone that the hon. Gentleman has adopted. It would have been foolish to try to write to 7 million or more pensioner households across Britain in one week or one month. That is why we have a phased take-up programme. In that way, we can answer the phone calls—we answer 96 per cent. within 30 seconds—and anyone who applies up to October this year will have any credit entitlement backdated to October last year. I am pleased to note that one of the hon. Gentleman's colleagues, the hon. Member for Gordon (Malcolm Bruce), said:

"I am delighted to see Aberdeenshire pensioners gaining significantly by the introduction of the new Pension Credit."

It is good to see that not all Liberal Democrats are trying to put elderly people off the pension credit.

Mr. Bill Tynan (Hamilton, South) (Lab): The 3,000-plus pensioner households in Hamilton, South are obviously delighted with the average payment of £45 that they are getting through pension credit. Phasing in was vital, and should continue, but does my hon. Friend accept that overpayment because of miscalculation could be a problem in some instances? Will he consider such problems sympathetically, if they occur?

Malcolm Wicks: I am happy to talk to my hon. Friend about any particular problems in his constituency. I doubt that overpayment would occur in many circumstances. While some people bandy around the words "means test", let us remember that under the previous Government there was a weekly means test. Pension credit is a million miles away from that, because we do not seek information about people's finances once a credit has been made.

8. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What steps he is taking to encourage pension credit take-up. [153177]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Eagle): We are currently in the main phase of our marketing campaign for pension credit and have carried out TV and press advertising as well as writing directly to pensioner households. We are working in partnership with organisations such as Help the Aged, Age Concern and the National Association of Citizens Advice Bureaux at a national and local level to ensure that as many pensioners as possible take up their entitlement.

Mr. Carmichael: I thank the Minister for that answer. However, in my constituency, fewer people receive money through the pension credit than under the minimum income guarantee. As for the letter-writing campaign, is the Minister aware that some 72,000 pensioners entitled to pension credit will die before the Government get round to telling them about it? Those figures are from the Library. How bad do things have to be before the Government admit that their scheme is failing?

Maria Eagle: I am surprised to hear the tone of the hon. Gentleman's remarks, given that he has assisted us greatly in his constituency with enabling his constituents to claim. I take issue with his first point: my figures indicate that the number of people claiming pension credit in his constituency has increased by 25 per cent. over the number claiming the minimum income guarantee. Perhaps I could sit down with the hon. Gentleman outside the Chamber to try to work out how he has received that impression. I do not think that what he said is correct. He has a large rural constituency and that poses particular problems in ensuring that everybody gets their entitlements. However, he and others have helped us to increase the number of people claiming. For example, the Women's Royal Voluntary Service in Shetland contacted us about one lady. As a result of a home visit, she ended up with an extra £124 a week, in attendance allowance and pension credit. That has got to be worth the effort that he and our local staff are putting in.

Helen Jackson (Sheffield, Hillsborough) (Lab): Has my hon. Friend had time to look at the research produced by the Fawcett Society last week, which shows that one in four single women pensioners are still living in poverty? What steps will she take to use the pension credit system to address that problem? It stems partly from the broken working periods that make up most women's working lives, meaning that they enter the pensioner stage at a huge disadvantage to men.

Maria Eagle: I acknowledge that issue, but I can tell my hon. Friend that pension credit is a way of targeting money at those at the poorest end. Almost 60 per cent. of the extra £2 billion spend on pension credit each year goes to the poorest third of pensioners, most of whom are women. She should do what I am urging others to do: get pensioners to claim. I know that there are 4,310 households in her constituency now claiming pension credit, with an average weekly award of £37.68, which is well worth it for those individuals.

Mr. Paul Goodman (Wycombe) (Con): The Government want at least 3 million pensioner households to take up pension credit by 2006, but on the Government's figures, even if that target is reached, 1.4 million of the poorest pensioners will not be taking up the pension credit. Is it not therefore evident that the Government's obsession with means-testing will leave almost 1.5 million of our most vulnerable pensioners with nothing at all from the pension credit?

Maria Eagle: I do not accept that. The hon. Gentleman mistakes a target for a ceiling. We want everyone who is entitled to pension credit to take up their entitlement, and in constituencies where there is a proactive approach from local agencies in connection

with local services, we can make a big difference. There is no reason why that target should be the end of take-up, and we want everyone to take up their entitlement. However, the Conservative party's pension plans would pay three fifths of their proposed spend to the richest pensioners and only one fifth to the poorest. That is a typical Tory policy.

9. **Mr. Colin Challen** (Morley and Rothwell) (Lab): What has been the take-up of pension credit in Morley and Rothwell. [153178]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Eagle): As at 31 January, 3,609 pensioner households in Morley and Rothwell, comprising 4,343 individuals, were in receipt of pension credit. That is a 24 per cent. increase on take-up of the minimum income guarantee.

Mr. Challen: I am grateful to my hon. Friend for that answer, which shows that nearly 1,200 pensioner households are now receiving extra money from the Government and are therefore better off than they were four or five months ago. I should like to take the opportunity to thank the Pension Service and its staff in Leeds for helping me to run several pensioner advice sessions last year to try to help pensioners to claim their due. I am slightly concerned, however, that the level of award in my constituency is 14 per cent. lower than the national average. I do not believe, at first sight, that the demographic make-up of my constituency merits that lower award. Will my hon. Friend meet me to study an intensive analysis of why that is the case and to consider ways of improving take-up?

Maria Eagle: I congratulate my hon. Friend on his efforts to improve take-up in his constituency. He has not only helped the local Pension Service to hold surgeries, but been active in other ways to try to increase the level of take-up. My hon. Friend the Minister for Pensions would be more than happy to meet my hon. Friend the Member for Morley and Rothwell (Mr. Challen) to discuss the points that he has raised. However, the average award made to his constituents who were claiming the minimum income guarantee and are now claiming pension credit is £37.62 a week. Although that is slightly below the Great Britain average, that money will none the less be very welcome to those pensioners, and I am sure that they are very pleased to receive it.

10. **Simon Hughes** (Southwark, North and Bermondsey) (LD): What the take-up of pension credit in London has been since its introduction; and if he will make a statement. [153179]

The Minister for Pensions (Malcolm Wicks): I am pleased to report that as at 31 January, there were 239,000 pensioner households in London, comprising approximately 284,000 Londoners, receiving pension credit.

Simon Hughes: I am grateful to the Minister for that answer. I tie it in with an answer that he gave me in writing last week, which showed that about 220,000 people across Greater London are as yet not claiming pension credit. Whatever our difference of view on the issue, will he accept that if so many people in need of that money are still not claiming it, one way of immediately giving them the necessary information would be to send out with their council tax bills—which they do not like—some information that might help them to pay those bills? That information could be sent to all the households in Greater London if the Minister's Department could get it organised in the next few weeks.

Malcolm Wicks: As I explained earlier in the Scottish context, it is sensible for us to have a planned and phased take-on. The hon. Gentleman and his colleagues would be the first to complain—they are often the first to complain anyway—if we had written to everyone so quickly that we could not answer the phones or deal with the resulting applications. We are doing this in the proper way, which makes sense for Londoners and others. Although there has already been great progress—involving more than 4,000 households in the hon. Gentleman's constituency, for example—we are continuing to write to Londoners, and we are determined to increase take-up through different methods, including home visits, which are proving very successful.

John Cryer (Hornchurch) (Lab): I accept what my hon. Friend says, but does he recognise that in some constituencies there are many pensioners who do not have a great deal of money coming in on a weekly or monthly basis, but who have savings that they have built up over the years? The savings threshold means that those people are excluded from the pension credit. Is there any possibility of raising that threshold, so that pensioners such as those who recently came to my advice surgery to tell me that they were not entitled to pension credit could be allowed into the system?

Malcolm Wicks: I am pleased to tell my hon. Friend that more than 2,000 people in his constituency are benefiting from pension credit so far. Under the old system of income support or the minimum income guarantee, any pound of extra savings from a work pension or money in the Post Office was knocked off pound for pound. One of the key factors about the pension credit is that, for the first time, we are rewarding those who have done the right thing, as it were, by saving.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Has it worked?

Malcolm Wicks: Yes, it has worked. The savings credit is rewarding people, which is why we now have so many gainers from pension credit. There will always be a cut-off point, and there will always be some who apply and who are disappointed, but that is the logic of a scheme that seeks to target the poorest and most hard-pressed pensioners, including many of the very elderly and the roughly two thirds of recipients who are women and who are now gaining from pension credit.

Pension Protection Fund

11. **Gregory Barker** (Bexhill and Battle) (Con): If he will make a statement on his proposed pension protection fund. [153180]

The Minister for Pensions (Malcolm Wicks): The pension protection fund will play a key role in the Government's plan of action significantly to improve protection for pension scheme members and to create greater confidence in pensions in general. For the first time ever, members of defined-benefit pension schemes based in the UK can rest assured that they will always receive a pension, even if their company goes bankrupt leaving the pension scheme underfunded.

Gregory Barker: I thank the Minister for that answer, but will he tell the House how many people have had their pension affected by company insolvency since 1997, and when these plans are actually going to be put in place? Will he also undertake to look into the case of Ballast Wiltshier—a company owned by the Dutch company Ballast Nedem—which was acquired and subsequently liquidated? As a result, a constituent of mine can now expect only a fraction of the pension that he was formerly entitled to, although the parent company is still operating profitably in the Netherlands.

Malcolm Wicks: I shall be happy to consider the details of that case and to discuss it with the hon. Gentleman. I am grateful to him for raising that important matter. The Bill will be published, as we know—[HON. MEMBERS: "Soon?"] Very soon. Depending on the will of Parliament, we are working towards implementation of the fund and other key aspects of the provisions in the spring of next year.

Miss Anne Begg (Aberdeen, South) (Lab): The new pension protection fund proposed in the "soon to come along very imminently" Bill will obviously not be retrospective. May I add my voice to those who have already asked the Government seriously to consider giving some kind of compensation to pensioners who have lost their pension entitlement as a result of the collapse of their occupational pension scheme? I have a number of such constituents who were involved in the Richards scheme, which is one of the schemes having difficulties at the moment.

Malcolm Wicks: I hear my hon. Friend's statement, but cannot add anything to what the Secretary of State and I have said. However, the Secretary of State, other colleagues and I have met some of the workers who are affected, and we have a clear understanding of the reality facing them.

Paul Holmes (Chesterfield) (LD): When the pension protection fund is introduced, hopefully in 2005, it will be welcome, but it would have been more welcome if it had been introduced as long ago as 2000, when Ros Altmann, a former Government adviser, warned of the coming crisis and urged the adoption of such a scheme. However, as we have heard, the fund offers nothing to people who lost their pension between 1997 and 2000, such as constituents of mine who worked for Chesterfield Cylinders, Dema Glass and Coalite Products Ltd. Can the Minister not offer any hope of compensation to such people, especially those who worked in the steel industry and were compelled by the Government to make payments into their pension?

Malcolm Wicks: The Secretary of State and I have already answered those questions, and I did so again just now. We are listening to sensible suggestions, and have met concerned MPs, their constituents and affected workers. We cannot say anything at this stage because we do not want to offer false hope, but we are listening very carefully.

Return to Work

12. **Ms Sally Keeble** (Northampton, North) (Lab): What measures through the social security system are being taken to help mothers who want to return to work. [153181]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. Chris Pond): We want to give parents real choices about whether to work, and we will continue to take measures to support mothers who want to return to work. Our new deal for lone parents has already helped more than 200,000 mothers into work. We are making child care affordable and accessible through the child care component of the new tax credits and the extra places created through our national child care strategy, including Sure Start and a network of children's centres, including one in my hon. Friend's constituency, offering early learning alongside child care.

Ms Keeble: I certainly welcome the measures set out by my hon. Friend, but does he accept that many single mothers with young children want to be able to get back to nursing and teaching? University College Northampton, which is in my patch, provides extremely good courses, but I receive quite a lot of complaints, because single parents cannot make the benefits from the social security and child care systems work with the student finance system. Would my hon. Friend look into that with colleagues from other Departments, to make it possible for lone parents with children to get training, particularly in nursing and teaching, so that they can get those valuable jobs?

Mr. Pond: My hon. Friend will be aware that student nurses can claim child tax credit. However, as the skills White Paper highlighted, we need to make sure that there is better co-ordination between the support provided for students and support generally for people on benefits. About 400,000 people who are receiving support through the benefits system are pursuing further education, but we recognise the need to work with our colleagues in the Department for Education and Skills to make sure that we fit the various pieces of the jigsaw together.

Private Pensions

13. **Mr. Andrew Robathan** (Blaby) (Con): If he will make a statement on private pension provision. [153182]

The Secretary of State for Work and Pensions (Mr. Andrew Smith): The Government are committed to encouraging private funded provision by people who can afford to save. As set out in the document that we published last week, we want to empower individuals to take control of their retirement planning with the information that they need to make informed choices about working and saving. That is complemented by the Government's legislative programme of member protection and simplification. The Government are also committed to action, including legislation, to combat age discrimination and give people more choice about the timing and pace of their retirement.

Mr. Robathan: The Secretary of State said that the Government are encouraging private pension provision, but he will not be unaware of the decline in the value of pension funds over the past couple of years, largely due to the stock market decline. At the same time, however, as a former Chief Secretary to the Treasury, does he acknowledge that the Government played a role, because after the abolition of advance corporation tax in 1997 there was a pension fund raid, which took £35 billion out of pension funds? How will that encourage people to make private pension provision?

Mr. Smith: I do not accept the hon. Gentleman's argument. He omitted to mention that the dividend tax credit—I believe that that is what he was referring to—was part of a thoroughgoing reform of corporate taxation, which included 3p in the pound off the rate of corporation tax. Moreover, while his colleagues on the Front Bench shed many crocodile tears about this, they have made no commitment to reverse the policy.

Occupational Pensions

14. **Mr. Peter Luff** (Mid-Worcestershire) (Con): When he last met representatives of trade unions to discuss the future of occupational pension schemes. [153184]

The Minister for Pensions (Malcolm Wicks): We have frequent contacts with trade unions and other partners concerning pensions. For example, I met the general secretary of the TUC, Brendan Barber, shortly before Christmas. My right hon. Friend the Secretary of State met members of the TUC last week to discuss issues concerning women and pensions.

Mr. Luff: I am glad to hear that the Government are talking to representatives of workers, such as workers affected by the collapse of company pension schemes. In those discussions with trade unions and victims of collapsed schemes such as Kalamazoo, which affected many of my constituents, would it not help us if we knew the exact cost of retrospective compensation? At Question Time a month ago, the Secretary of State said in answer to a question from my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg):

"These are precisely the issues that the Government have been looking into. When I am in a position to report to the House on the outcome of these inquiries and deliberations, I shall of course do so."—[*Official Report*, 12 January 2004; Vol.416, c. 514.]

When will we know the cost of retrospective compensation?

Malcolm Wicks: In terms of listening to sensible suggestions and reflecting on these matters, the issue of cost is obviously vital. That is why it is a complex issue. I agree with the hon. Gentleman that cost issues must be considered in this context. Sadly, I cannot add to what has been said by me and by my right hon. Friend the Secretary of State this afternoon on this important issue.

Paul Flynn (Newport, West) (Lab): Why did my right hon. Friend the Secretary of State say that he is reluctant to compensate occupational pensioners retrospectively because a substantial proportion of the public are not occupational pensioners, when 100 per cent. of average families are paying £16 a week in compensation and subsidies to farmers even though 99 per cent. of them are not farmers?

Malcolm Wicks: My right hon. Friend the Secretary of State has said that that issue—that most taxpayers are probably not members of final salary schemes—is one that we must take into account in assessing the proposals that are put to us.

Incapacity Benefit

15. **Mr Dave Watts** (St Helens North) (Lab): What measures he is taking to help those on incapacity benefit to get back to work. [153185]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Eagle): We are committed to ensuring that people on sickness and incapacity benefits get support to return to work. The new deal for disabled people has already helped more than 25,000 placements of people into work. But we recognise that we need to do more. That is why we are piloting the measures in "pathways to work", giving people on incapacity benefits early and continuing support from specialist advisers, access to a range of condition management programmes, and improved financial incentives for returning to work.

Mr. Watts: May I inform my hon. Friend that unemployment in my constituency is now down to 3 per cent? However, there are still 13,000 people on incapacity benefit in St. Helens. The local authority and the chamber of commerce are putting together a plan to try to deal with this important matter. Will my hon. Friend assure me that her Department will do all that it can to support this important initiative?

Maria Eagle: I can give my hon. Friend that assurance. I am glad to hear him say that there are some locally devised programmes that are being considered in addition to what we are trying to do nationally. We are talking of one of the great remaining challenges in respect of employment. We know that there are many people on sickness and incapacity benefit—up to 1 million—who say, according to surveys, that they would like to work. Until recently there has not been enough help in place to ensure that they can meet that ambition. We are determined to ensure that we find the best way of putting support into place, and that is what we are trying to do.

Disability Discrimination Act

16. **Mr. Anthony D. Wright** (Great Yarmouth) (Lab): What plans he has to publicise the introduction of changes in 2004 to the Disability Discrimination Act 1995. [153186]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Eagle): In October, those providing goods, services and facilities, whether for payment or not, will have to make reasonable adjustments to physical barriers that prevent access for disabled people. At the same time, the obligation not to discriminate against disabled people in employment will be extended to employers of fewer than 15 staff. These are welcome improvements for disabled people. We are undertaking information work to advertise these new requirements in conjunction with the Disability Rights Commission. This includes direct mail, advertising, website and media activity in addition to recognising those who do well through initiatives such as "access all areas" awards.

Mr. Wright: I thank my hon. Friend for that response. I congratulate her and the Government on doing more for disabled people than any other Government in the past 25 years. With the Disability Discrimination Act 1995, the Government will extend the definition of disability to certain groups, including those with HIV infection, cancer and multiple sclerosis. I ask the Minister also to consider those people who suffer from ME, which has now again been recognised by the Government and by the chief medical officer as a debilitating illness and one that should be recognised as falling within the Disability Discrimination Act.

Maria Eagle: I know that my hon. Friend is the chair of the all-party group on ME, and I congratulate him on his interest in the subject, which has not always been top of the popularity lists, so I am grateful to him for taking such an interest. I am not aware of any difficulties encountered by those with ME that relate to the definition in the Disability Discrimination Act. Unlike cancer and HIV, where people can suffer discrimination in advance of having any symptoms, it would be unusual for anyone to be diagnosed with ME before they had had symptoms. However, if he is aware of any specific problems in his capacity as a Member of Parliament or as chairman of the all-party group, I would be more than happy to listen to what he has to say on the subject.

Morecambe Bay (Deaths)

3.30 pm

Geraldine Smith (Morecambe and Lunesdale) (Lab) *(urgent question)*: To ask the Secretary of State for Environment, Food and Rural Affairs if she will make a statement on the measures that the Government intend to introduce to regulate the activities and operations of gangmasters following the recent tragedy in Morecambe bay.

The Minister for Rural Affairs and Local Environmental Quality (Alun Michael): I start by underlining the fact that the death of 19 Chinese cocklers in Morecambe bay is a human tragedy. The deaths happened in horrific circumstances and shocked the local community, as they shocked us all. I recognise that the first reaction of my hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith) and her local constituents was that of human sympathy for the dead and the survivors. We extend our sympathy to the families and friends of all involved.

This incident is not the first involving migrant or illegal workers, but it involves the largest number of work-related deaths since the Piper Alpha tragedy some years ago. We must do all that we can to prevent another tragedy of this sort. The efforts of the rescue services were exemplary and I pay tribute to the professionals involved and to the local volunteers, who played a vital and courageous part in the rescue attempts.

Lancashire police have already made significant progress in their hunt for the people involved in organising the cockle pickers, and three men and two women have been arrested. While the police investigations are continuing, it would be premature to comment further on the specfics of the case.

The exploitative activities of some gangmasters are already well understood. Gangmasters bring together and supply a flexible work force to meet the changing demands of employers. Historically, that activity has been associated with planting and harvesting agricultural crops, but, as this latest incident shows, gangmasters appear to be becoming active in other areas too. The Government have been active in seeking to tackle this difficult and complex area, and the Environment, Food and Rural Affairs Committee has undertaken an extremely helpful inquiry.

The activity undertaken by gangmasters is not inherently illegal, and some run legitimate businesses. Indeed, there are farmers and growers who would face great difficulties without such a supply of labour. However, it is clear that a number of gangmasters meet shortages of seasonal and casual labour, in the agricultural and horticultural sectors in particular, by supplying non-EU citizens working in the UK illegally. They are also known to supply UK nationals working illegally while in receipt of benefit. Other illegal activity includes non-payment of the minimum wage, tax, national insurance and VAT. Those abuses of workers, some of whom do not have a voice due to their illegal status, cannot be condoned.

It has been suggested that the cockle picking industry in Morecambe bay should be regulated further. Cockling in Morecambe bay is regulated by the North Western and North Wales sea fisheries committee, operating under byelaws confirmed by DEFRA. Some 700 permits have been issued to individual fishermen to date. Numbers cannot be restricted under the current permit scheme. Further, sea fisheries committees have no powers to limit public activity in the bay to daylight hours on safety grounds. It is not clear at this stage whether the Chinese cocklers involved in last week's tragedy had permits. Applicants have to provide proof of identity, such as a national insurance number, and photographic identification.

There have also been calls for regulation of gangmasters, as my hon. Friend said in her question. As I explained to the House last week, DEFRA fully supports the work of Operation Gangmaster. That co-ordinates enforcement activity in relation to gangmasters and brings together the key Departments with an interest, which include the Department for Work and Pensions, which takes the lead, the Inland Revenue, Customs and Excise, the immigration service and others, including DEFRA, as required. As I reported to the House last week, this work is delivering results. However, incidents such as the one in Morecambe bay last week show that we cannot relax our efforts.

The Gangmaster (Licensing) Bill, a private Member's Bill, will be presented to the House by my hon. Friend the Member for West Renfrewshire (Jim Sheridan) for Second Reading on 27 February. The Bill seeks to curb the exploitative activities of gangmasters operating in agriculture by introducing a statutory licensing scheme. The Government fully support the objectives of the Bill. Like hon. Members in all parts of the House, the Government wish to see an end to the misery and exploitation that unscrupulous gangmasters operating outside the law can cause. The Government's normal approach is to consider alternatives to statutory regulation first, and we have been working very closely with the Ethical Trading Initiative to establish whether an industry-led accreditation scheme would be effective in curbing the exploitative activities of certain gangmasters. That work is continuing.

In this case, we appear to be dealing with criminal gangs. Such people will take no notice of a non-statutory solution. As my hon. Friend the Member for West Renfrewshire said on the radio this morning, we can never legislate for people who are determined to undermine any kind of laws. The Government have not ruled out legislation, although we have yet to reach a final conclusion on the merits of a statutory licensing scheme. However, I recognise the depth of support that he has for his Bill, and we are carefully considering it with colleagues in other Departments. If a licensing scheme is introduced, the work done in association with the Ethical Trading Initiative will provide a valuable contribution to any statutory licensing scheme that may be introduced.

Gangmasters who operate outside the law cannot be allowed to continue to put workers' lives at risk. The Government will therefore ensure that the full force of the law is brought to bear on those committing these crimes.

Geraldine Smith: I am grateful to my right hon. Friend for his comments, and especially his very positive comments about possible regulation of gangmasters. I

[Geraldine Smith]

hope that he will support the private Member's Bill introduced by my hon. Friend the Member for West Renfrewshire (Jim Sheridan) and that Government time will be provided to allow it to proceed through Parliament.

I appreciate the fact that my right hon. Friend sent a message of condolence to the families and friends of the 19 young people who died so tragically last Thursday evening while picking cockles in Morecambe bay. What happened has appalled people in my constituency. There is a deep sense of sorrow and sympathy, and people feel that some good must come out of this appalling tragedy. May I, too, pay tribute to the magnificent efforts of the emergency services, which acted in atrocious weather conditions on Thursday night and worked so hard, displaying remarkable courage? They were fantastic and they deserve our full support.

What measures could be introduced to regulate public fisheries such as Morecambe bay? At present, just about anyone can collect cockles 2 miles out into the bay. Often, they will know little or nothing of the dangers of Morecambe bay. What can we do to improve health and safety, and what urgent steps can be taken? One thing that we should think of doing immediately is closing that public fishery during the hours of darkness. People should not be working out in Morecambe bay in the dark. I will be interested to hear my right hon. Friend's comments. Will he arrange for me to meet the Fisheries Minister as soon as possible can so that we can consider possible legislation for Morecambe bay?

Finally, I hope that some good comes out of this appalling tragedy. I hope that we can stop the exploitation not only of foreign workers, but of British workers. Some of these gangmasters are absolutely despicable, ruthless and evil people. The reputable gangmasters—after all, there are some decent people who employ casual labour, and we must give them our support—would welcome legislation. I would like the Government to support the private Member's Bill or introduce legislation as soon as possible.

Alun Michael: On my hon. Friend's last point, I agree that exploitation must be tackled, whoever the victims are. Anything we can do to strengthen the hands of those who provide important labour legitimately while observing proper health and safety and employment regulation must be right. My hon. Friend is right that some good must come out of such a tragedy. I endorse everything she said about the courage of the rescue workers and the conditions in which they had to work.

My hon. Friend asked about the regulation of access and for action to close off access during the hours of darkness. Members will recognise the common sense of that proposal. However, access is regulated under the Sea Fisheries Regulation Act 1966, which allows closure of access for fisheries reasons, such as conservation of stocks and protection of the environment. There is not the ability to do what she suggests through that avenue. We are looking at whether other legislation would allow access to be closed for public safety reasons. If that proves to be impossible, clearly we will have to look at ways to tackle the issue.

I am sure that the Fisheries Minister would be pleased to meet my hon. Friend to discuss these matters. I and other ministerial colleagues are happy to respond to the concerns that she has raised, which have been raised over time by a number of organisations, including the Transport and General Workers Union, which supports the private Member's Bill.

Mr. James Paice (South-East Cambridgeshire) (Con): On behalf of the Opposition, I join in the expressions of sympathy and condolence to the families and friends of those who died in such horrendous circumstances. In particular, I join the hon. Member for Morecambe and Lunesdale (Geraldine Smith) in paying tribute to her constituents and others—the lifeboat and helicopter crews, the coastguard and the police—who risked their own lives in trying to save others.

It seems clear to me that those who lost their lives were victims in many different ways, not just because they lost their lives, but because they were working for gangmasters for very little money while living in conditions that would seem squalid to all of us. Like the Minister, I welcome the news of some arrests earlier today, but clearly we await the outcome of those investigations.

Many people will be concerned by the Minister's words. Is it not the truth that the tragedy sadly highlights the failure of the Government's policy on illegal working and on immigration and asylum, and their failure to fulfil their own commitments to combat unscrupulous gangmasters and remove illegal immigrants? Those of us who represent East Anglian constituencies know full well the role of good gangmasters in the food industry. The majority are fully legitimate, look after their staff and are used by responsible farmers and growers. But there is ample evidence—there has been for some time—that perhaps up to 1,000 are not so scrupulous.

Last year's Select Committee report, to which the Minister referred, stated:

"It appears to us that Operation Gangmaster serves as a convenient reference point for Ministers to give the impression that the Government is doing far more about dealing with the problems associated with gangmasters than is the case."

That was partly based on the statement of Lord Whitty in evidence to the Committee, when he said:

"We do not have a sufficiently comprehensive view of the situation."

If that is the case, why not?

Operation Gangmaster has been in existence for six months. Only three months before that statement, the Government had to respond to the private Member's Bill proposed by my hon. Friend the Member for Boston and Skegness (Mr. Simmonds). The Government did not give that Bill a clear passage.

The last Conservative Government's Asylum and Immigration Act 1996 made it unlawful to employ any illegal immigrants. In the first four years, there were a total of 34 prosecutions. In 2001, there was just one. How many prosecutions have there been since then?

In recent months, sadly, three suspected Kurdish gang workers were killed in collision with a train in Worcestershire. Following a house fire in King's Lynn, 36 Chinese were discovered living there illegally and working in the food industry. That led to 60 arrests. Can

the Minister tell the House how many of those people were deported? In November 2002, 20 illegal Chinese workers were arrested in the Wirral after returning from a cockling expedition. How many of them were deported? In August 2003, 37 suspected illegal Chinese workers were arrested in Morecambe bay. How many of them were deported? Last year, the Minister for Citizenship and Immigration is reported to have said:

"The Government is cracking down on illegal working and making good progress in removing increasing numbers of immigration offenders from the UK."

Can the Minister tell us how many have been removed?

In the case of this tragedy, it is reported that nine of the survivors were asylum seekers and five were unknown to the authorities. How was it that the Government did not know where those asylum seekers were? What happened to the tracking systems that the Government were going to introduce? Do the Government agree with the reported remarks of Thomas Chan of the Chinese in Britain Forum that the problem will continue unless the Government are more robust about illegal immigration?

Is it not clear that, as many people have said, this was a tragedy waiting to happen? The Government knew of the presence of large numbers of illegal immigrants working in Morecambe bay and of the risks involved in working there, but they did nothing. Within 48 hours of the tragedy, the police were able to track down the gangmasters and to make the arrests that we have heard about, whereas the Government agencies had failed for months and years. The Home Secretary appears on the media to declare that we need more migrant workers, yet does nothing to combat the ruthless exploitation of migrants who are working illegally for slave wages. Does not this tragedy expose the hypocrisy of inaction from a Government who talk tough but act weak while the vulnerable pay the price?

Alun Michael: I am grateful to the hon. Gentleman for his initial words, including his conclusion that these individuals appear to have been victims in a variety of ways, but it is a pity that he took the opportunity to try to score political points, given that this Government have acted on this whole area, yet the previous Government did not. I think that he will find that his remarks were ill judged.

The hon. Gentleman asked why we do not have a comprehensive view of what is going on. That point was addressed by my noble Friend Lord Whitty in another place. The reason is that we have a complex, changing problem that involves illegal activity. By definition, people do not undertake illegal activity in the open, so it is an area of considerable difficulty.

The hon. Gentleman referred to several events that are in the public domain precisely because the Government and a variety of agencies are working together to tackle the problem. He rightly said that the Home Secretary has referred to wishing to see legitimate workers coming into this country to work. We need people working seasonally in this country, but they should be legitimate workers, not people who are being exploited in the way that the Select Committee identified.

The hon. Gentleman asked what the Government are doing about the problem. In 2002–03, the positive outcomes achieved against gangmasters and their employees included the identification by the Department for Work and Pensions of 235 overpayments and 1,023 adjustments to benefits worth £405,000, thereby securing 138 sanctions and prosecutions. *[Interruption.]* The hon. Gentleman wanted to know whether there have been prosecutions, but when I give him the answer, all he can do is mock. I wish that he would take the issue more seriously.

The Inland Revenue's specialist teams settled 46 inquiries and reviews, identifying unpaid tax and national insurance worth £4.3 million. There have been criminal prosecutions of 14 gangmasters for VAT offences, involving VAT of £5.9 million and resulting in prison sentences totalling 31 years. We do not say that enough has been done; that is why we are looking at the matter across Departments. In the past couple of weeks, I have had meetings with colleagues about what we can do to strengthen the work of Operation Gangmaster and to consider the private Member's Bill. The Government are determined to tackle the problem.

Mr. Hilton Dawson (Lancaster and Wyre) (Lab): Nothing can take away the wicked responsibility of the people who placed those poor souls and their fellow workers on the sands of Morecambe bay in such dangerous circumstances. However, in reviewing all aspects of the terrible tragedy, will the Government consider the effects of clause 55 of the Nationality, Immigration and Asylum Act 2002 and the potential effect of clause 7 of the Asylum (Treatment of Claimants, Etc.) Bill to ascertain whether making those who are perhaps failed asylum seekers destitute helps to create some of the circumstances in which people can be so cruelly and disgracefully exploited?

Alun Michael: I agree with my hon. Friend's first point about exploitation and the need to eradicate it. His point about the withdrawal of family income support applies to people whose applications for asylum have failed. That is a totally different set of circumstances. People who come into the country illegally may be exploited and such exploitation needs to be tackled, but that is not directly relevant to the problems that we are considering.

Norman Baker (Lewes) (LD): On behalf of the Liberal Democrats, may I express our horror at the human tragedy in Morecambe, our sympathy to the families of those who were lost and our thanks to the emergency services and others who performed so well, as always, last week? Does not such an incident bring shame on our country? We have uncovered circumstances in which up to 30 or 40 people were living in a house and in some cases being paid as little as £1 a day for nine hours of back-breaking work. All of us should be concerned about that and learn lessons from it.

Should not we do more to prosecute those who appear to be content cruelly to exploit migrant workers and pay them a pittance while making huge sums? Is the Minister aware that the revised figures issued last November show that, since 1997, there were only 22 prosecutions and eight convictions for employing a person subject to immigration controls? Although he referred to other prosecutions regarding VAT and so on, is he satisfied that the law is adequate and that sufficient enforcement is deployed to ensure that those responsible are caught and prosecuted?

[Norman Baker]

I am bound to reflect that the gangmasters are rightly being ruthlessly pursued in the case that we are considering—I am delighted by the law enforcement authorities' actions—but locals have known about such activity for some time. That suggests that this tragedy and others might have been avoided.

I do not want to make this a party political point—the human tragedy is too great—but hon. Members from all parties must learn from it. The Select Committee on Environment, Fisheries and Food stated that it was

"appalled by the lack of priority given to . . . illegal activity by gangmasters."

I hope that we all find ways to try to deal with that. It also said that

"no significant resources had been allocated",

to Operation Gangmaster, that it had no targets and that there was no Minister to take overall responsibility. We might all have been caught unawares, but we must now try to deal with the issues and ensure that such an incident does not happen again.

Will the Minister deal with the Select Committee's points, especially those about resources and ministerial responsibilities? Will he comment on links with the Home Office, the Department for Work and Pensions and especially the immigration service to ensure that the Government are providing as joined-up a response as possible? Does he accept that, although there is a need to regularise economic migration, thereby providing a genuine outlet for those whom we need in this country, there is an absolute need to clamp down on those who improperly exploit migrant workers?

Will the Minister consider the suggestion of a requirement on farmers and growers to sign a form for the Home Office saying that they will pass on details of subcontractors responsible for employing labour? It would not have helped in the case that we are discussing, but it would provide some chance of keeping a check on some of the activities.

Alun Michael: The hon. Gentleman makes several important points and I am grateful for the constructive way in which he raised each issue. He is right to say that it is shameful that such circumstances exist and that "all of us"—his term—should do all that we can to eradicate such activity and prevent any such incident from happening again.

We need to do more to prosecute those who are responsible. That is why so much work is going on throughout Government. As I said earlier, we are considering a complex and changing sphere of activity, where people are making a lot of money. Some people are undertaking that activity legitimately and others are not. It is important to get the best possible intelligence and co-operation between Departments, as he also pointed out, to achieve the best possible outcome.

A variety of different ways exist in which prosecution can be undertaken because of the variety of different offences, whether in relation to health and safety, avoiding payment of tax or paying below the minimum wage. We are considering carefully whether the different forms of offence and enforcement can be simplified so that enforcement by all the agencies involved can be easier and simpler.

The hon. Gentleman referred to the lack of targets in respect of Operation Gangmaster. There has been very good co-operation, as I know from talking to my noble Friend Lord Whitty, who has lead responsibility in the Department for Environment, Food and Rural Affairs and has been doing a lot of work with colleagues. An effort has been made to get under the surface of the problems to their roots to see how to tackle and prevent such activity. I assure the hon. Gentleman that that co-operation is strong.

It is difficult to set meaningful targets unless the scale of the problem to be eradicated is known. Targets for prosecution, for instance, do not necessarily help towards a minimisation of the activity. We need to improve the instruments available for the authorities so that undertaking such illegal activity does not pay. That is what we are trying to consider in terms of how the law might be treated.

On the hon. Gentleman's point about passing on details, anyone who knows anything about this tragedy, or about other examples given by various hon. Members of people being put in impossible and unacceptable conditions, should feed that information to the authorities. We are trying to make sure that the authorities exchange information between each other so that enforcement can be crisp and effective on every occasion.

Mr. Andrew Miller (Ellesmere Port and Neston) (Lab): My right hon. Friend will know that, after the successful joint departmental action on 6 August last year in the Dee estuary, I wrote to the chief officers of all the Departments concerned to congratulate them on the work that they had undertaken. He will also know how difficult that action was, as although 420 people were interviewed and there were hundreds of questionable activities and offences, no illegal immigrants were identified. Will he ensure that any regulatory changes, including those with regard to the Dee estuary, which comes under a different regime—that of the Environment Agency Wales—have teeth? Clearly, toothless regulations are pointless. Will he ensure that the regulations target primarily those who co-ordinate the illegal activities: the ruthless gangmasters who appear to be responsible for the terrible tragedy that we have seen this weekend, which could occur in many other places around our coast unless co-ordinated action is taken—

Mr. Speaker: Order. Hon. Members' supplementary questions must be brief.

Alun Michael: I am grateful to my hon. Friend for his comments. He refers rightly to the operations on the Dee estuary and to what those revealed. He identifies the heart of the problem by saying that this is a difficult and complex area. We always ought to bear it in mind in this place that laws cannot always prevent what they forbid. It is important not only to regulate but to make sure that regulations are enforceable. In many ways, what we need is an antisocial behaviour order for gangmasters rather than an increased bureaucracy. That is the way in which Departments are approaching the matter;

looking for that which is effective to try to nip the problem in the bud rather than increasing the bureaucracy involved. I take my hon. Friend's points about making sure that regulations are enforceable to heart.

Mr. Tim Collins (Westmorland and Lonsdale) (Con): Will the Minister join me in paying tribute to the professional and volunteer rescue workers from the northern end of Morecambe bay—including Arnside, Grange-over-Sands and Kendal in my constituency—who took part in the activities on Thursday night? This was a real tragedy, and it was a horrendous night for everyone.

Will the Minister also understand, however, that there is real anger about all this in my constituency? Why, for months and months, were warnings from local residents and members of the legitimate Morecambe bay fishing community ignored? Why was no action taken until Friday morning? If it was so hard to find out what was going on and where it was going on, why were journalists—both local and national—able to track down dozens of people taking part in this activity within hours on Friday morning? Has there not been a gross dereliction of duty on the part of many of those responsible? Why has it taken bloodshed for action to be taken? Is it not time for Ministers to accept that there is a right and a wrong way for people to come into this country, and that members of ethnic communities who are scrupulous in observing the right regulations and legislation are among those who are angriest about the hundreds of thousands of people in our country who do not obey our laws and do not pay our taxes because of a Government who will not enforce proper border controls?

Alun Michael: There is a right and a wrong way to raise a point in the Chamber, if I may say so.

I certainly join the hon. Gentleman in paying tribute to people from his constituency who were involved in the rescue effort. Indeed, I pay tribute to those who contributed to that effort, wherever they came from. It was a great credit to all of them, and it is a tragedy that those skills and that bravery had to be demonstrated in such tragic circumstances.

The hon. Gentleman suggested that warnings had been ignored. It is always easy to place more emphasis on warnings after the event than before, but the circumstances, and how this came about, will need to be examined carefully. If there were warnings that were ignored, we will certainly need to look into it, but I am not aware that that is the case.

The hon. Gentleman also suggested that journalists had been able to track people down immediately after the event. The police, too, appear to have been able to work very quickly. It sometimes takes an event—a tragedy—of this sort for a lot of information that has not been made available before suddenly to be made available. I hope that one of the consequences of what has happened will be that anyone anywhere in the country who knows of individuals being exploited will inform the authorities, whether those people are being exploited in the way that may have been involved in this case—we do not have all the facts yet—or in the manner highlighted by the report of the Select Committee on Environment, Food and Regional Affairs, so that together we can do all we can to avoid future tragedies.

Jim Sheridan (West Renfrewshire) (Lab): My Gangmaster (Licensing) Bill seeks only to protect workers wherever they are in Britain, regardless of their status in this country. I agree with what my right hon. Friend said about the work of the TGWU and other coalition partners who have supported the Bill. Does he agree with me that the voluntary code is not working, and that it is time for effective legislation? Can he flesh out what he said about sharing the objectives of the Bill, and help to end the human misery of what can only be described as modern slavery in today's society? Is it not time to move on? If it had been 19 dogs that had died at Morecambe bay, the RSPCA would have launched a criminal investigation to ensure that it did not happen again. A life is a life, whether it is the life of a dog or the life of a Chinese worker. Effective legislation must be provided to give protection.

Alun Michael: I certainly agree that whoever is affected by a tragedy of this sort, human sympathy is needed. We must learn the lessons, and ensure that wherever possible such tragedies cannot happen in the future.

My hon. Friend mentioned the work of the TGWU and its co-operation with other organisations. They include the National Farmers Union—and I must say that seeing the TGWU and the NFU on the same side gives one pause for thought. A number of organisations, including some representing the retail trade, are co-operating with a wide variety of interests, all of which understand different parts—different strands—of this complex problem.

We share my hon. Friend's wish for measures that can help to end exploitation. We want to ensure that any legislation is effective, rather than only appearing to tackle the problem, or increasing the amount of bureaucracy without preventing the evils that my hon. Friend and I, along with my colleagues throughout Government, want to be eradicated.

Mrs. Gillian Shephard (South-West Norfolk) (Con): The Minister has spoken of the need for the Government to know the scale of the problem, yet Operation Gangmaster has been in existence since 1998. What has it been able to do to inform the Government about the number of migrant workers employed illegally by gangmasters? If it has not been able to provide that information, is he disappointed?

Alun Michael: It is always disappointing to know that there is a problem and to try to deal with it when it is difficult to pin down its scale, but, as I indicated earlier, no previous Govt took the steps that we have taken to try to tackle the problem—not just to measure it but actually to deal with it. I referred earlier to the public money that has been recovered and to the prosecutions that have taken place. We have made progress, but I agree with Members on both sides of the House that more needs to be done, so I hope that minds will have been concentrated in all organisations, as well as in the Government, to ensure that that happens in future.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): The House is aware both of the need

[Ms Diane Abbott]

for seasonal casual labour in agriculture and of the strong emphasis that the Home Secretary has put on dealing with traffickers in illegal immigrants, but those 19 dead Chinese young people were treated little better than 19th-century coolie labour. Whatever people's immigration status, no one in Britain wants them to be treated like that—no one is mourning them, no one has claimed their bodies and their nearest and dearest probably still do not know that they are dead—so I urge the Minister to look very seriously indeed at licensing gangmasters.

Alun Michael: I have already indicated to the House that we are looking carefully at the private Member's Bill being promoted by my hon. Friend the Member for West Renfrewshire. Police activities are under way at present, so we should await full information before jumping to conclusions on some of the issues involved. It is difficult to respond to every aspect in this debate; there is the tragedy that took place last week in specific circumstances, but also the general activities of gangmasters about which the Environment, Food and Rural Affairs Select Committee and many Members have made observations. Although we can talk about the general, the specific will need specific answers when we have full information and the result of the investigations.

Mr. Peter Luff (Mid-Worcestershire) (Con): The Minister speaks of minds being concentrated by the tragedy, but should not minds in Government have been concentrated by the tragedy in my constituency seven months ago when three exploited vulnerable agricultural workers travelling in a minibus were killed by the train in which I was travelling? Is it not true that although personal tragedy is a real reason for quiet voices in the Chamber, it does not mean that the Government can escape criticism for inaction? The Government's response to the report of the Environment, Food and Rural Affairs Committee on gangmasters, although full of fine words and platitudes, shows no sense of urgency to deal with the problem. When will the Government show that sense of urgency?

Alun Michael: The trouble is that the House sometimes shows a sense of urgency when a tragedy takes place—not only the one last week but the one in the hon. Gentleman's constituency, to which he referred—yet the work of the Government goes on between such events. From discussions with Lord Whitty, who has been working with colleagues across the Government, I know how much work has been going on to tackle the problem of gangmasters and those who are exploited by them. It is not right to underestimate the amount of work and effort, not just of Ministers and Departments but also of those who work in the enforcement agencies. I referred in an earlier response to the figures that demonstrate how much work is being done. We are dealing with a difficult and almost intractable problem, to try to find mechanisms that will really work to eradicate it. I agree with the hon. Member for Mid-Worcestershire (Mr. Luff) that the problem is important and that we should concentrate on it—that is why the Government are indeed concentrating on it.

Mr. John Denham (Southampton, Itchen) (Lab): My right hon. Friend said that he would use the full force of the law. Does he accept that the fines in prosecutions for the employment of illegal labour are at trivial levels? Will he now act on the recommendation, made just two weeks ago by the all-party Select Committee on Home Affairs, that the Proceeds of Crime Act 2002, which can be used to seize the assets of drug dealers and of people traffickers, should also be used to seize the assets of those people who employ illegal workers and subject them to the sort of conditions in which tragedies happen?

Alun Michael: There are examples bordering on the trivial, and I agree with my right hon. Friend on the need for concern about that. I believe that in a recent case a fine of about £100 was given, which clearly does not get across the message that the matter is taken seriously by the courts, or, indeed, by Parliament, but responses from Members on both sides of the House demonstrate the seriousness with which the House approaches the matter. Fines of up to £5,000 are possible, and I believe that it applies per worker, so we could have multiples of £5,000 fines in respect of the number of people employed. We shall certainly keep the matter under review.

UK Supreme Court

4.10 pm

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): With permission, I should like to repeat a statement made in the other place by the Lord Chancellor and Secretary of State for Constitutional Affairs on the proposed new UK supreme court.

On 14 July we published for consultation our proposals to establish a supreme court for the United Kingdom. We published last week a summary of responses, and today I am setting out our plans in detail—a key element of our comprehensive programme of constitutional modernisation and reform, aimed at enhancing the credibility and effectiveness of public institutions and increasing trust and accountability.

Just as our proposals on the judicial functions of the office of Lord Chancellor rest on the separation of powers between the judiciary and the Executive, so too with our court system: we believe that the time is right to make a clear and transparent separation between the judiciary and the legislature. By creating a supreme court, we will separate fully the final court of appeal from Parliament.

Nothing in the proposal intends or implies any criticism of the way in which the current Appellate Committee or its members have discharged their functions. They are not in the other place today, because they are at work hearing cases. They have asked for it to be made clear that they do not intend any discourtesy by their absence: indeed, it is another manifestation of the singular consequences of situating our highest court within the legislature. The Government take the view that, as part of our plans to sustain and enhance the vital independence of the judiciary, the present position is no longer sustainable. The time has come for the UK's highest court to move out from under the shadow of the legislature.

The Government have been in close consultation with the Law Lords since these proposals were announced and they are aware of the detailed proposals being put before Parliament today. We will introduce legislation to create a supreme court. Under our proposals, the supreme court for the United Kingdom will replace the existing system whereby the Law Lords operate as a Committee of the House of Lords. The supreme court will exercise the same appellate jurisdiction as the Appellate Committee exercises, in respect both of the courts from which appeals may lie and of reviews by appellate petition. There will be no changes to the rules governing leave to appeal.

The supreme court will also take over the jurisdiction of the Judicial Committee of the Privy Council in respect of devolution issues under the Scotland Act 1998, the Government of Wales Act 1998 and the Northern Ireland Act 1998. The creation of a separate and free-standing supreme court does not in any way imply the creation of a new body of United Kingdom law. Being the ultimate court of appeal in the UK does not mean that the court hears "UK appeals".

As is currently the case with hearings in the Appellate Committee, decisions made in an appeal from a court in one of the three jurisdictions within the UK will be of binding effect only within that jurisdiction, and of persuasive effect in the others. Only on devolution issues, as at present, will the decisions of the court be binding in all legal proceedings. The avenues of appeals from Scottish courts will remain the same for the supreme court as they were for the House of Lords, so that only Scottish civil appeals will be heard by the new supreme court. The final court of appeal for criminal cases in Scotland will continue to be the High Court of Justiciary.

As the key objective is to achieve a full and transparent separation between the judiciary and the legislature, it follows that justices of the supreme court, other holders of full-time judicial office, or retired justices of the supreme court who continue to sit, will no longer be entitled to sit or to vote in the House of Lords, or to participate in the work of Parliament for as long as they hold their judicial appointment. The same will apply to the Lord Chief Justice, the Lord President of the Court of Session and the Master of the Rolls. I pay tribute to the valuable contribution to the work of the other place that they and the Law Lords have made.

Judges of the new supreme court will be known as "Justices of the Supreme Court". We propose that the first 12 justices will be those holding office as Lords of Appeal in Ordinary at the commencement of the new supreme court. Two of them are from Scotland and one from Northern Ireland, so their appointment would ensure an appropriate balance of expertise across the UK at the creation of the new court, as well as providing continuity. Qualifications for appointments will be unchanged.

Appointments will be made on the recommendation of a new supreme court appointments commission, to be convened when there is an actual or impending vacancy. The composition of the commission—consisting of members of the appointments commissions from across the United Kingdom, with Members of Parliament and the Government ineligible for membership—guarantees nominations free from political interference and influence. The president of the supreme court will chair the appointments commission and the deputy president will also be an ex-officio member. That will ensure a proper balance of lay and judicial input to its deliberations. The commission will consider candidates eligible for appointment by reference to criteria that have been approved by Parliament, subject to the overriding principle of merit. It will have a duty, each time it meets, to survey the field of all eligible candidates across the three jurisdictions and focus on the most meritorious.

The commission will recommend to the Secretary of State a minimum of two and a maximum of five candidates for each vacancy. On receipt of the nominations, the Secretary of State will be under a statutory duty to ensure that the court has, among its members, sufficient knowledge and expertise of the law in each United Kingdom jurisdiction. In doing so, he will be required to consult the senior judiciary in each of those three jurisdictions. The Secretary of State will then submit a name from the shortlist to the Prime Minister, who will make a recommendation to Her Majesty accordingly. There will also be an obligation to canvass the views of the First Minister of Scotland, the First Minister of Wales and the First Minister and Deputy

[Mr. Christopher Leslie]

First Minister of Northern Ireland, if responsibility for criminal justice matters has been devolved to the Northern Ireland Assembly.

The requirement for a longer shortlist than is presented to the Secretary of State for vacancies for judicial offices in England and Wales derives from the UK-wide jurisdiction of the supreme court. Justices of the supreme court must be the best available in the UK as a whole, but the court must always contain the necessary breadth of experience of each constituent jurisdiction. To balance those requirements, it will be necessary for the Secretary of State to consult on a wider range of candidates. It is envisaged that there would never be less than two Scottish justices, and there would normally be one justice from Northern Ireland.

The supreme court will be administered as a distinct constitutional entity. Special arrangements will apply to its budgetary and financial arrangements to reflect its unique status, and it will present annual reports, which will be made available not only to the Westminster Parliament, but to the Scottish Parliament, the Northern Ireland Assembly and the National Assembly for Wales. The chief executive, who will be appointed through fair and open competition, will be responsible for accounting for the court's finances and will report on a day-to-day basis directly to the justices of the court. The court will have a staff of its own, working to that chief executive.

The supreme court will stand at the apex of the judicial systems of England and Wales, Scotland and Northern Ireland. As such, it is appropriate that it should be based in London, as the capital city of the United Kingdom. However, it may be appropriate, on occasion, to hear cases—such as devolution cases, or cases raising issues specific to Scottish or Northern Ireland law—in other parts of the United Kingdom. However, it would be for the president of the supreme court to decide when it would be appropriate for it to sit elsewhere.

It is clearly important that the new supreme court should be housed in an appropriate building. I have therefore commissioned an extensive property search to identify suitable locations. That search has been based upon a statement of requirements that has been discussed and agreed with the Law Lords and has considered a wide range of options—both commercial sites and those already on the Government estate. An evaluation is currently being conducted to identify the preferred location. I will seek the views of the Law Lords, the First Ministers of the devolved Administrations and the Lord President of the Council before any final decision is made. Until that process has been completed, it could be prejudicial to our commercial position to disclose all the details. However, I will undertake to inform both Houses of the preferred option at an appropriate time.

There will be other opportunities for debate and scrutiny of those proposals in both Houses. I also look forward to receiving the report of the Select Committee on Constitutional Affairs, which will comment not only on the supreme court, but on the judicial appointment commission for England and Wales. I believe that those proposals will result in a supreme court that will be, in the words of the noble and learned Lord Steyn,

"a badge of independence and neutrality . . . a potent symbol of the allegiance of our country to the rule of law".

Mr. Alan Duncan (Rutland and Melton) (Con): I am grateful to the Minister for early sight of the statement. I do not ever want to say that the House should not have statements, but my gratitude is somewhat tempered by our growing despair at the piecemeal manner in which the Government's proposals are unfolding.

The proposals' origins lie in a farcical reshuffle in which the Prime Minister's approach to constitutional matters was paraded as fact and then immediately transformed into fiction. The Lord Chancellor was publicly sawn in half by the Prime Minister—no mean feat, I have to say—and then magically reappeared in a puff of smoke. There then followed a private deal with an incumbent judge, which bypasses proper parliamentary procedures or which, at the very least, has pre-empted them. That was then followed by a statement.

Now, a matter of 14 days later, we have another statement. Apart from an ill-attended debate in Westminster Hall on the supreme court, there has been no debate at all in the House, no public debate on the proposals—let alone any public call for them—and only on Thursday, for the first time, will there be the debate in the Lords, which is long overdue. There have been consultation documents and published reactions to them, but no comprehensive response whatsoever from the Government to that consultation process.

This statement today gives the impression that the Government are making it all up as they go along. It contains no intellectual coherence at all; rather it contains many practical dangers and backward steps. It is a mess. Once again the Government show that they are incapable of understanding the difference between judicial independence and the separation of powers. They use the concepts interchangeably and therefore nonsensically. We have never had the separation of powers, and the Government's illogical appetite for establishing the separation of powers will come at the expense of the effective judicial independence that we already enjoy.

The title of supreme court—in a facile replication of an American name—is itself a misnomer. A supreme court is supreme because it sits in adjudication of any dispute's conformity to the supreme authority of a written constitution. We have no such constitution, and therefore have nothing against which the supremacy of a court has to measure up. Indeed, this very statement admits, "The supreme court will exercise the same appellate jurisdiction as the Appellate Committee exercises". Why then this needless upheaval?

Is there not another logical fallacy in the Government's position when they say, as if they think they are making a valid point, that "the key objective is to achieve a full and transparent separation between the judiciary and the legislature"? That is an absurd notion. The insinuation is that there is some sort of parliamentary influence over the courts. There quite clearly is not. But the influence of judges, with all their expertise within Parliament, is important, and that is going to disappear.

May I add in passing that it is a bit rich for the Lord Chancellor to say that the Law Lords mean no discourtesy by being absent today because they are

sitting in court? It is a most obvious discourtesy that the Lord Chancellor should make his statement when they have no option but to be absent. To describe this diary conflict as "another manifestation of the singular consequences of situating our highest court within the legislature" is a comment of such unparalleled triviality that it leaves the distinct impression that the Lord Chancellor is taking the mickey.

This proposal may separate the judges from the legislature—and for no apparent benefit at all—but it is a perilous step backwards because it will extend the influence of the Executive over the judges. How can it be said that this proposal enhances either the separation of powers, or the independence of the judiciary, when the role of the Secretary of State, probably by then an ambitious youngster on the make sitting in this House—[HON. MEMBERS: "Oh!"]—has been made central to the proposed judicial appointments procedure? Is it not the case that he will be able to exercise substantial discretion in selecting supreme court judges, and that he will be doing this from a highly politicised office? How is this an improvement on the present role of the Lord Chancellor in the selection of Law Lords, when he is circumscribed by having taken the judge's oath and by the conventions of his ancient office? Why do the Government have such contempt for convention when it has been shown to work so well over such a long period? Is it not the case that whereas the Lord Chancellor takes the judge's oath, the Secretary of State will not? What does the Minister understand by that? Is it not the case that the Lord Chancellor can accept no further political office and is therefore likely to protect judicial independence, whereas a future Secretary of State, who would probably sit in this House, would be subject to no such restriction?

Will the Minister clarify the position of the Judicial Committee of the Privy Council? It will continue to deal with appeals from overseas and other matters, so any possible savings from amalgamating the two bodies will not now arise. Will he now drop any such claim?

What is the Government budget for the court building and for staffing the supreme court? Will the Minister confirm that the net cost, apart from judicial salaries, of running the existing Appellate Committee is in the order of a mere £200,000? Will he not accept that, especially in the absence of any perceived need for the proposal, even if it costs only a fraction of the dome it risks bringing discredit and derision to the entire project? How much will the chief executive of the new court be paid? The way things are going, that person's salary alone will double the current net costs of the court.

The Government proposals are a hotch-potch of utterly shallow design. Changes of this magnitude should ideally enjoy consensual support. At the very least, they should have been argued for, shown to be necessary and proved to be better than what they replace. The Government owe it to the country to allow this House pre-legislative scrutiny of the entire package instead of making this fragmented series of announcements.

The whole enterprise is a classic new Labour construct: it wins a momentary headline; it projects an image of radical momentum; it brings no benefit to anyone; it has shallow intellectual roots; it will probably cost a fortune; and it pollutes a proven structure with the taint of party politics. I say to the Government, "Nice try but bin it—you're wrong".

Mr. Leslie: Well, powerful stuff there, which did not include a single proposal from the Opposition about where they want to take the constitution in this country, whether they would repeal a new supreme court and whether they would reinstate the office of Lord Chancellor. We must find out a little bit more from the Opposition before their conservatism, which is cloaked by the hon. Gentleman's fine language, is exposed to the wider population. *[Interruption.]* The Opposition obviously do not want to see any change, believe that the status quo is sufficient and do not see any particular problem with a politician sitting at the heart of the judiciary. *[Interruption.]*

Mr. Speaker: Order. The Under-Secretary must be heard.

Mr. Leslie: I cannot make out whether the hon. Gentleman is saying that there has been too much scrutiny of the proposals—he bemoans our bringing them to the House for debate—or whether he is saying that there has not been enough scrutiny. On the one hand he attacks the Government for making sure that there is an opportunity to scrutinise the proposals in quite a lot of detail, but on the other he attacks the scrutiny as piecemeal. He must carefully think through his line of attack. It is right to give the details, and the time has come to separate the judiciary from the legislature, not only because the change brings clarity and transparency, but because, more importantly, it creates a more effective Parliament and final court of appeal, which will enable both entities to focus on their core roles.

The hon. Gentleman asked a number of questions, one of which was about the title, "supreme court". Somehow he sees the title "supreme court" as inexorably connected with a written constitution, but that is not the case. We can have a supreme court—in effect, our highest court of appeal—and that is what we propose.

The hon. Gentleman raises concerns about how the Executive are perhaps extending their influence over the judiciary, but nothing could be further from the truth. We intend to do precisely the opposite by removing Ministers' powers to be involved in the nomination process for the supreme court. It is also important to take the highest court of appeal out of the political realm by removing it from Parliament. If that is not enhancing independence, I do not know what is.

The hon. Gentleman mentioned the Judicial Committee of the Privy Council, and said that there was no particular issue on that. However, under that system, if there were to be an appeal on a devolution case that involved the National Assembly or the Scottish Parliament it would be heard, absurdly, by a Committee of the United Kingdom Parliament. That is not a sustainable position, which is why, by removing the highest court of appeal from Parliament, we are seeking to enable a more independent approach, and end that potential conflict of interests.

The hon. Gentleman asked a number of questions on the building. As I have explained, we are searching for a potential location for the new supreme court. He

[Mr. Leslie]

focused on the cost, and it is proper that we take value for money into account, but we must also consider the quality of the facilities required by the highest court in our land. I happen to believe that the justice and court system is an exceptionally important part of our country and deserves the very best facilities available.

The hon. Gentleman needs to reconsider his stance. Parliament makes the laws and the judiciary must apply them. We need that separation of powers, and this forward-looking, modernising step is overdue. I am glad that we can take it now.

Mr. Tam Dalyell (Linlithgow) (Lab): Inquiries that I have made to the apex of the Scottish legal establishment suggest that the Scottish position has been carefully addressed and that the establishment in Edinburgh is satisfied, so I thank my hon. Friend the Minister for that. However, is it not essential to the creation of a truly UK body that it be administered and financed separately from the English court system? Is this body to be run through the Department for Constitutional Affairs?

Mr. Leslie: I am grateful to my hon. Friend for his comments on our conclusions on the relationship between the Scottish jurisdiction and the UK supreme court. It is indeed important that we have absolute respect for the three distinct jurisdictions in our country, and his second point touched on that. We do not want the United Kingdom supreme court to become subservient to the England and Wales jurisdiction, and that is not our proposal. As far as possible within the accounting rules that Parliament expects, we want that supreme court to have a separate accounting officer and separate budgetary arrangements. Although there will have to be some accountability to Parliament for all the taxpayers' money that is expended, we recognise the unique position of the UK supreme court in that respect.

Mr. Mark Oaten (Winchester) (LD): I thank the Minister for his advance notice of the statement. Does he recognise, however, that although my party supports the move towards a supreme court, much good will has been lost through the Government's approach to consultation on the exercise? The proposals are designed to build trust in the system, but the Government will need to consult much more properly and widely in the months ahead if they are to gain the trust of the judicial system and Members of Parliament.

On today's announcement, why do the Government want to require up to five names to be put to the Prime Minister? Does the Minister not acknowledge that that could lead to greater interference from the Prime Minister and accusations in the media over his reasons for choosing certain individual names from the list of five? Would it not be better to stick with the suggestion of having just two names in the first place?

Does the Minister have concerns over the loss of expertise? We fully support the planned break in the link between the Lords and the justices, but current knowledge could then be lost from the other place. With that in mind, do the Government plan that those who have served as justices of the supreme court will be able to be appointed to the House of Lords afterwards? There might then be concerns, however, over accusations of political involvement because the Prime Minister had chosen certain individuals who had served as justices of the supreme court. Further to that, does the Minister have any plans to set an age of retirement for the new justices?

Finally, the new building will be controversial. Will the Minister explain why it has to be sited in London, and will he assure us that the building will not be entirely new, with all the costs involved in that, but will be an existing site?

Mr. Leslie: I thank the hon. Gentleman for his approach, which is slightly more constructive than that of the official Opposition. He asked why London is the preferred location. It is an obvious thing to say, but given that London is the capital city of the United Kingdom, it should be the main permanent base for the supreme court. However, it would be open to the president of the supreme court to decide, if required, that the court could occasionally sit elsewhere. I will not rule out or rule in new buildings or refurbished buildings at this stage, as that would be prejudicial to commercial consideration of the matter.

The hon. Gentleman asked about the age of retirement. We propose that 70 should be the normal retirement age for justices of the supreme court, and 75 if they are on the reserve or supplemental list. As for his comments about whether we should remove sitting judges from the second Chamber, I believe that it is right to do so, particularly if we want to underline the separation of the legislature and the judiciary. There is, of course, scope in the proposals for retiring justices to enter the House of Lords after they have concluded their contribution to the justice system. A shortlist of two to five names is necessary in these particular circumstances, given that appointments cover three jurisdictions—Northern Ireland, Scotland, and England and Wales. We need to ensure that we have the capability to reflect the full breadth of knowledge required for all those jurisdictions, and there is scope for that in the shortlisting process. The nomination process will, however, be taken out of politicians' hands, and that is a major step forward.

Mr. David Kidney (Stafford) (Lab): Will there be pre-legislative scrutiny of the draft legislation in due course? Looking ahead to the time when the Judicial Committee of the Privy Council loses its UK devolution work load, will my hon. Friend say something about the sustainability of its remaining work load, which consists of the cases that it takes from some Commonwealth countries? In particular, have those countries said anything about his proposals?

Mr. Leslie: On the latter point, the Judicial Committee of the Privy Council will still be required as long as Commonwealth countries need that final court of appeal to be available for their own legal systems. It is a matter for them whether they wish to use it or end such usage. Recently, for example, New Zealand decided not to continue with that relationship, but to end it. However, we will sustain the Judicial Committee of the Privy Council for those purposes. Pre-legislative scrutiny is not currently part of the proposals. There have been five months of consultation on proposals for

the supreme court. The period from the beginning of that consultation to the end of legislative consideration will involve about 18 months-worth of scrutiny. It is important that we look at the details but also make progress as soon as we can.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does the Minister accept that he is proposing change to an institution that does not require change? In fact, it is working admirably. He has spoken about advancing credibility, improved independence, greater effectiveness and enhanced trust, but does he not understand that the Judicial Committee possesses all those things now, and nothing that he has said will reinforce them? Surely the truth is that we are hearing arguments in favour of change for the sake of change, and are tinkering around with accepted institutions. Such tinkering will increase cost, extend political interference in the choice of senior justices and ultimately bring the system through which we administer the law into disrepute.

Mr. Leslie: I am sorry that the right hon. and learned Gentleman takes that view. Improved independence for our judiciary is a cause well worth striving for, and his considerations about cost should not override that—not that the process would necessarily be costly. There is a need for change, as I have said, and not just because the role of the justices is blurred—are they legislators or they are acting in a judicial capacity? There is currently a self-denying ordinance under which Law Lords cannot speak adequately or vote on particular proposals. If they do so, they disqualify themselves from involvement in certain legal matters. That proves that there is a requirement to act, and we need to do so.

Keith Vaz (Leicester, East) (Lab): I strongly welcome my hon. Friend's statement and the detail that he has given to the House. It must be right that the Prime Minister and the Secretary of State should be involved in the selection process. That is the nature of democratic accountability. However, will my hon. Friend clarify two points? First, will the person chairing the selection panel be judicially qualified. Secondly, my hon. Friend told the House that the Law Lords were aware of the statement, so can he confirm that the Lord Chancellor will meet the Law Lords to discuss the detail that has been given to the House? As he knows, they were split 50:50 in favour of or against the reforms. It is extremely important that they are fully on board in terms of these proposals.

Mr. Leslie: It is important that my noble Friend the Secretary of State and I engage in debate with all involved in Parliament, not least with the Law Lords as they currently work. We shall continue to have that dialogue and ensure that we refine our proposals. It is important that we have the final passage of the recommendation from my right hon. Friend the Prime Minister to the Queen to make the appointment.

A justice of the supreme court is an important appointment to make and all actions in the name of the Crown need to go through Ministers so that somebody can be accountable to Parliament for that action, even if Ministers are effectively taking the nomination and selection process from a shortlist from an independent appointments commission. It is envisaged that we shall have the president of the supreme court chairing the appointments panel, so I can satisfy my hon. Friend that there will be legal qualification in that respect in overseeing the work that is carried out. I know that we will continue to work together with my hon. Friend to make sure that we scrutinise these proposals as legislation emerges.

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): I welcome the fact that the statement addresses a number of concerns that came up in the public evidence sessions that were held by the Constitutional Affairs Committee. May I have some assurance that the more detailed points that the Committee will put in its report tomorrow will be considered carefully in the context of legislation, including our concern about the budget of the supreme court? Will the Minister give an assurance that the Department for Constitutional Affairs, which is effectively an English Department for this purpose, will have no role in the budget of the supreme court? Above all, will the hon. Gentleman listen to the voices of Labour Members as well as Members from other parts of the House who are asking, "Why the rush?" If this is so important, should we not take the necessary time to get it right, by scrutinising legislation in draft and then moving on to do the job properly?

Mr. Leslie: I believe that we are taking the necessary time to get this right. There has been a great deal of consideration, not least from the Select Committee that the right hon. Gentleman chairs, which proves that point. We have had five months of consultation on the document that was published in the summer. I look forward to receiving and reading the report that his Committee will publish tomorrow. The Department for Constitutional Affairs is not just an English Department; it is a UK Department and is capable of being involved in UK issues as well as its devolution responsibilities. I understand the right hon. Gentleman's concern about the budgetary arrangements that we put in place to protect the UK position of the supreme court. In our proposals we want to ensure exactly that. We want a separate accounting arrangement and a separate chief executive and staff who belong to the UK supreme court. We are trying our best to ensure that we satisfy that point.

Mr. Clive Soley (Ealing, Acton and Shepherd's Bush) (Lab): My hon. Friend will know that I am a strong supporter of the continuing reform of the British constitution, which is long overdue. Bearing in mind the complexity of the issue, will he tell us a little more about the relationship between the appointments commission and the political process to achieve that? If, as I understand it, between two and five names are to be put forward to the Secretary of State, and then one name to the Prime Minister, will both the Secretary of State and the Prime Minister have any powers other than to accept or reject those names? In other words, is there an opportunity for discussion, or is it simple acceptance or rejection of the process? If that has not yet been considered, can we address that issue in the near future?

Mr. Leslie: I am grateful to my hon. Friend for highlighting a particular point of importance that we

[Mr. Leslie]

shall need to discuss as the legislation progresses. My understanding is that the shortlist from the supreme court's appointments commission of between two and five names is precisely to ensure that the Secretary of State can reflect the need for a wide knowledge of all the jurisdictions on the supreme court in his choice, and a single name will go forward to the Prime Minister and then to Her Majesty. My understanding is that the shortlist will be a final shortlist from the appointments commission, but again we need to consider that as the legislation progresses.

Peter Bottomley (Worthing, West) (Con): I hope that the Minister will confirm that the only time that we did not have a Lord Chancellor was when the Government decided to interfere with the present arrangements for appeals in the Judicial Committee of the House of Lords.

Who responded to the Government's consultation with the recommendation that between two and five names should be put forward for a member of the Cabinet to decide which single name should be recommended by the Prime Minister to the Queen?

Why could the Minister not have held the statement back for at least one day so that the Select Committee's report could have been published in advance of the Government's statement?

Mr. Leslie: We need to ensure that when we have proposals we bring them before Parliament, and that is precisely why I made the statement today.

The hon. Gentleman goes through some of the history of the office of Lord Chancellor, but to have the Lord Chancellor as the head of the judiciary is unsustainable given the political nature of that appointment—and if hon. Members seriously consider that the Lord Chancellor is not a political figure they have not truly understood the nature of that appointment.

I think that we had 174 responses to the consultation, and a number of key stakeholders believed that the appointment at this particular level required the involvement of the Prime Minister in making the final proposal to the Queen, and the responses have been published in a document to which the hon. Gentleman has access.

Mr. Frank Doran (Aberdeen, Central) (Lab): I welcome my hon. Friend's statement, which I hope will lead us to the correction of a long-standing political and legal anomaly in our system. I particularly welcome the possibility that the supreme court will meet in Edinburgh. That is important, and I hope that that will not be an unusual event when the new court gets under way. As a Scots lawyer no longer in practice, I should say that we take a particular pride in the influence that Scots law has had on the development of English law and the transfer of principles south of the border, and that has usually been done through the House of Lords. The most famous case was that of Donoghue *v.* Stevens in 1932—one Scots lawyer had to mention it, so I will be the one—which radically reformed the English law on duty of care in contracts, and still influences the law. Will the opportunity for that beneficial flow continue in the new system?

Mr. Leslie: My learned Friend the Member for Lewisham, East (Ms Prentice) informs me that the case to which my hon. Friend refers involved a snail in ginger beer, but I shall look into that case law. I understand and respect his point about the court having the opportunity to sit in places other than London and we do not want to rule that out. It would be for the court to determine where it wanted to sit, but it would be able to sit in Edinburgh.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Does the Minister recall that in the debate on 16 December I brought to his attention the evidence of Lord Hope of Craighead to the Constitutional Affairs Committee—namely, that what the Government anticipated amounted to an amendment of the Court of Session Act 1988, which is within the provenance of the Scottish Parliament? Has the Minister formed a view on Lord Hope's opinion and, if so, what role does he anticipate there being for the Scottish Parliament in the Bill's passage?

Mr. Leslie: We have not brought forward our own Bill at this stage, so we do not have details about any consequential arrangements, Sewel motions or other legislative requirements in the Scottish Parliament. I am sure that, in consultation with the Scottish Executive, we will be able to ensure that any requirements for legislation are pursued and brought forward. I know that the Scottish Parliament would want to scrutinise the matter to which the hon. Gentleman refers, on which I shall no doubt continue my dialogue with him.

Mr. Jim Cunningham (Coventry, South) (Lab): Will my hon. Friend be a little clearer about the housing of the supreme court? Can he tell us how many buildings are on any list that he may have and what he estimates to be the running costs, both in revenue and capital terms?

Mr. Leslie: I want to ensure that the House has an opportunity to look at our proposals, but I know that my hon. Friend will understand that, at this stage, not least given that we are moving forward with legislation shortly, it would be potentially prejudicial to our commercial position if we were to reveal all the different potential sites that we were considering, in case the costs then escalated or, conversely, location opportunities were closed off to us. I hope that he will understand that we do not wish to go into such detail at this stage, but I intend to ensure that we have the opportunity to disclose our preferred location to the House and explore those matters in more detail at the appropriate time.

Mr. Edward Garnier (Harborough) (Con): Does the Minister accept my happiness about his acceptance that no criticism of the current Law Lords is implied by his statement? Will he further accept that the proposals are based on a complete misunderstanding of our constitutional history and the theory of the separation of powers? The Law Lords in no sense operate under the shadow of the legislature, but are a useful adjunct to it and gain much from their membership of it. Does he

accept that the only result of what is proposed will be a huge and unnecessary additional expense that he has not condescended to detail to us? Would not the millions of pounds that he is bound to have to spend on this exercise be better spent on establishing a purpose-built commercial court that will attract millions of pounds in inward investments from overseas and/or on legal aid?

Mr. Leslie: I know that the hon. and learned Gentleman will be aware in a professional context of many of the requirements for improvement and modernisation throughout the legal system. We are looking at the commercial court arrangement, which is a matter for England and Wales in particular, but I do not believe that he is right to say that we have misunderstood the need for reform of our constitution. I believe that it is an important principle that we should have greater clarity between the different branches of our constitution and allow the judiciary and Parliament to focus on their core roles. That makes for a more effective Parliament and a more effective final court of appeal. The blurring that exists does not give any credence to the idea that we have the justice system for the 21st century that I believe this country deserves.

Mrs. Ann Cryer (Keighley) (Lab): Will my hon. Friend clarify one point? Did he say that, where Commonwealth countries currently use the Judicial Committee of the Privy Council as a final court of appeal, they would be able in future to develop a home-grown variety of that final court of appeal? If that is the case, I shall have some anxieties, as a number of those countries retain the death penalty.

Mr. Leslie: I have to tell my hon. Friend that I do not believe that it is for us to dictate to Commonwealth countries the nature of their justice system. If they choose to retain the final right of appeal to the Judicial Committee of the Privy Council, that is their right, but if they choose to move away from that arrangement, we should also respect that decision. I believe that that is the correct position to take, and I hope that she will understand that.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Although I am broadly sympathetic to the Minister's argument for the concept of a separation of powers, may I ask him to reconsider the need for a written constitution at this stage, not only to protect us against the depredations of Governments with large majorities, but to clarify the relationship between our judicial system and his proposed supreme court, and, for example, the European Court of Justice? I should be grateful if he would say another word about how he believes that relationship will develop. Furthermore, given his proposal that there should be an age limit of 70 for supreme court justices, does he see any read-across to Members of Parliament in that regard, and if not, why not?

Mr. Leslie: One reform at a time, Madam Deputy Speaker—*[Interruption.]* We have no proposals on that matter. The age limit of 70 reflects as closely as we can the current arrangements on the Appellate Committee, and our proposals make good sense. We do not propose to have a written constitution at this stage, but the package of reforms and changes that we are putting before the House is sufficiently ambitious and wide ranging to give the right hon. Gentleman plenty to consider. This Parliament is sovereign on all matters. We choose to delegate some of our legislative considerations to European bodies and elsewhere, but, again, we do not propose any change to the relationship between our highest court of appeal and the European Court of Justice.

Mr. Michael Weir (Angus) (SNP): Despite the comment of the hon. Member for Aberdeen, Central (Mr. Doran), the House of Lords has not always had a beneficial effect on Scots law. I refer him to the case of Bartonshall Coal Company *v.* Reid and its effect on workmen's compensation—*[Interruption.]* Look it up; it would interest Labour Members. Given that the Minister said that the new supreme court would deal only with Scottish civil appeals and that such appeals will be binding only in Scotland, what is the sense in having these heard in London? Is not the logic of the proposal that Scots law should be repatriated to Scotland, where it belongs? If the Minister goes ahead with this crazy scheme, will he at least assure us that any Scots appeal will be dealt with only by justices who have a thorough knowledge of Scots law, so that we do not get a repetition of the Reid case?

Mr. Leslie: While Scotland remains a part of the UK, those civil appeals should continue to go to the UK supreme court. I do not believe that it would be right to change that.

Mr. Alex Salmond (Banff and Buchan) (SNP): Why not?

Mr. Leslie: Having that appeal to the UK supreme court can be of benefit to the whole of the UK—even in Scottish civil cases—because we all have opportunities to learn from the interpretations and applications made by those justices.

Point of Order

4.57 pm

Mr. Alex Salmond (Banff and Buchan) (SNP): On a point of order, Madam Deputy Speaker. We read in the Scottish press this morning that the Secretary of State for Scotland is about to announce the acceleration of an all-party commission to investigate the various electoral systems in Scotland. Given Mr. Speaker's many strictures on such matters, would it not be usual to have the consultation and then the announcement in Parliament, as opposed to having the announcement in the press and then the consultation?

Madam Deputy Speaker (Sylvia Heal): That is not a point of order for the Chair. We are about to begin the main business of the day.

Orders of the Day

Scottish Parliament (Constituencies) Bill

[Relevant document: The First Report from the Scottish Affairs Committee, Session 2003–04, HC 77, on the Coincidence of Parliamentary Constituency Boundaries in Scotland and the Consequences of Change.]

Order for Second Reading read.

4.58 pm

The Secretary of State for Scotland (Mr. Alistair Darling): I beg to move, That the Bill be now read a Second time.

The Bill is short and to the point. It will keep the composition of the Scottish Parliament at 129 Members by removing the link in the Scotland Act 1998 that makes the constituencies of the Scottish Parliament the same as those for Westminster. The Bill will also provide for the separate review of the Scottish Parliament constituencies and regions by the Electoral Commission, which takes over the responsibilities of the boundary commission after the completion of the current review cycle. Without these provisions, there would be no mechanism for reviewing the boundaries for the Scottish Parliament constituencies.

I also want to set out my proposals for dealing with the difficulties that many people believe will arise from having four different voting systems in Scotland, and other associated matters. I shall return to that in a moment, but first let me set out why this Bill is necessary.

Mr. Eric Forth (Bromley and Chislehurst) (Con): I hope that at some point the Secretary of State will touch on the relationship between Members of the Scottish Parliament and Scottish MPs. If we are to have a large number of MSPs doing all the—no doubt excellent—work that they do at local and constituency level, will he have something to say about the reduction in the responsibilities of Scottish MPs—to say nothing of their allowances—in this House? With all these additional politicians in the Scottish Parliament, how can we justify the continued activity of Scottish MPs, apparently on the same basis as their English and Welsh counterparts?

Mr. Darling: I shall have something to say about MPs and MSPs. The other matter that the right hon. Gentleman raises is for this House, not for the Government.

The Government accepted from the outset that devolution removed the need for special consideration for Scotland in terms of representation in this House, and that there should be the same electoral quotas for Scotland as for England. That was an integral part of the devolution agreement. Section 86 of the Scotland Act 1998 provided for that reduction in MP numbers, but the Act also made the constituencies of the Scottish Parliament the same as those for Westminster, with the exception of Orkney and Shetland.

Mr. Martin O'Neill (Ochil) (Lab): My right hon. Friend was in the House during the passage of the Scotland Act. Did he envisage—I certainly did not—that there would be an increase of some 250 per cent. in

Scottish representation as a consequence of devolution? That is what one gets if one adds together 59 and 129 and compares it with what we had before.

Mr. Darling: As my hon. Friend knows, when these matters were originally debated it was envisaged that the number of Members of the Scottish Parliament would reduce as and when the number of MPs being sent to Westminster reduced. As I was about to say, however, the Government said at the time that they would consider how the Scottish Parliament was working and keep the matter under review. Indeed, the Government were not the only people who said that. I note that although the Conservatives tabled an amendment—which, sadly, Mr. Speaker was unable to select—the right hon. and learned Member for Devizes (Mr. Ancram), who still speaks for the Conservative party, at least on foreign affairs, said on 12 January 1998:

"it cannot be good for Scotland to find that, within a year or two of the Scottish Parliament getting going, its numbers are cut to reflect the changes in the number of Scottish Members at Westminster. It makes little sense to set up a Parliament, ask it to bed down and then make fundamental changes to its size and composition."—[*Official Report*, 12 January 1998; Vol. 304, c. 43.]

So it was not only members of the Government who took the view that these matters would have to be kept under review; it was the view of Conservative Members, too. That may explain why the right hon. and learned Member for Devizes does not have his name on the Conservative amendment.

The answer to my hon. Friend the Member for Ochil (Mr. O'Neill) is that when the Scotland Bill was going through the House, it was anticipated that there would be a reduction in the number of MSPs to match the reduction in the number of MPs being sent to Westminster—but my noble Friend Lord Sewel made it clear that the Government would keep the matter under review. They did so, and subsequently consulted. The conclusion, which was announced by the former Secretary of State for Scotland, my right hon. Friend the Member for Airdrie and Shotts (Mrs. Lidell), was that the Government would legislate to keep 129 Members of the Scottish Parliament.

Mr. Alex Salmond (Banff and Buchan) (SNP): Rather than relying on who said what to whom, surely the most convincing illustration of the situation is the question that if it was envisaged—or at least, if it was a strong probability—that the Parliament would keep 129 Members, would not the late Donald Dewar have accepted a design for a Parliament with 129 rooms for MSPs?

Mr. Darling: I should have thought that most Members of this House would be more than happy to leave the accommodation arrangements at Holyrood to those at the Scottish Parliament charged with the responsibility of overseeing the project.

Mr. Peter Duncan (Galloway and Upper Nithsdale) (Con): The right hon. Gentleman referred to remarks by my right hon. and learned Friend the Member for Devizes. He may recognise this comment, too:

"we also believe that the Parliament could operate efficiently with fewer Members, and that there are good arguments for maintaining the linkage in constituencies."—[*Official Report*, 12 May 1998; Vol. 312, c. 224.]

Those are the words of the former First Minister, Henry McLeish.

Mr. Darling: I recognise the words of the former First Minister. However, may I remind my hon. Friend the Member for Ochil that when the Scotland Bill was considered, it was envisaged that the number of Members of the Scottish Parliament would reduce as the number of Members of Parliament went down. Indeed, the legislation provided for that. However, we said at the time that we would keep the matter under review. We have done that, and the consensus of opinion—I know that the feeling is not universal—is that the number of Members of the Scottish Parliament should remain at 129.

Mr. Bill Tynan (Hamilton, South) (Lab): Will my right hon. Friend give way?

Mr. Darling: I should like to make some progress, or we shall never reach the exciting bit, but I shall give way to my hon. Friend.

Mr. Tynan: I thank my right hon. Friend. There seems to be some confusion about the number of offices in the Scottish Parliament. I understand that Reid's Close has 105 MSP offices, and that Queensberry House, for the Presiding Officer and two deputies, makes the total 108. Is that not the case?

Mr. Darling: I have no idea about the accommodation arrangements at Holyrood. Although it is currently in my constituency—the boundary commission has made sure that that will not remain the case for much longer—I have not yet had the pleasure of a guided tour of the building. Perhaps I shall one day.

Mr. Andrew Turner (Isle of Wight) (Con): Will the Secretary of State give way?

Mr. Darling: I must make some progress. If the hon. Gentleman wants to ask about the accommodation arrangements in Holyrood, he would do better to direct his inquiries to the Scottish Parliament.

As hon. Members know, the boundary commission recently finished reviewing Scottish Westminster constituencies and it recommends reducing the number to 59. The next stage would be for the commission to consider the boundaries of the regions that return additional Members to the Scottish Parliament. That work must be either concluded or made unnecessary by the Bill before the commission can report to me. The commission is considering the best way to proceed in the light of the Bill's progress.

The commission is required by statute to report by December 2006. When it does so is a matter solely for the commission itself, but in the light of its progress so far, the review is likely to be finished long before the deadline.

Pete Wishart (North Tayside) (SNP): I wrote to the Secretary of State about that matter a couple of weeks

[Pete Wishart]

ago. Does he envisage any circumstances in which we might not contest the next general election under new boundaries?

Mr. Darling: I am sorry, but I did not pick up the hon. Gentleman's question.

Pete Wishart: It is an important question for the Secretary of State. Can he imagine any possibility of not fighting the next general election with the new constituencies? Will we definitely fight the next election under new boundaries?

Mr. Darling: If there were a general election tomorrow morning, we would probably fight it on the existing boundaries. However, as I have said on many occasions, the boundary commission has finished all its work on the Westminster constituencies. It would logically consider the consequential effect on the regions that provide the additional MSPs. The commission is well aware of the Bill and it is currently deciding how best to proceed. The Prime Minister and I have often said that as soon as we get the report—the timing is a matter for the boundary commission—we shall implement it. I cannot make that any clearer.

John Robertson (Glasgow, Anniesland) (Lab): Will my right hon. Friend clarify the position—*[Laughter.]* Will he clarify it so that I can understand it? Will the commission start its deliberations on the Scottish Parliament boundaries immediately? Will that mean that its recommendations will be implemented by 2007?

Mr. Darling: Perhaps I have misunderstood my hon. Friend, but I believe that he is confusing two separate matters. As all hon. Members know, the boundary commission, which considers the boundaries for Westminster constituencies, has finished its work on that. Under current legislation, which the Bill would change, the boundary commission would consider the boundaries that govern the return of the additional MSPs. The Bill specifically stops that work because first, we want to maintain the 129 MSPs, and secondly, as I am about to say if I get that far—I propose that we should consider the consequences of having four different systems in Scotland. The commission that I propose to establish to examine that, is different from the boundary commission.

Mr. Andrew Turner: Will the Secretary of State give way?

Mr. Darling: No. That is hard on the hon. Gentleman, and I promise that I shall let him in before I finish, but not yet.

As I said, following the consultation, the former Secretary of State for Scotland, my right hon. Friend the Member for Airdrie and Shotts, told the House on 18 December 2002 that the Government intended to bring forward legislation to retain the existing number of MSPs, and that legislation is now before the House. We are aware of concerns about the future operation of different boundaries for Westminster and Holyrood constituencies. They have been raised on many occasions in this House and elsewhere. We therefore welcome the report published on 3 February by the Scottish Affairs Committee on the possible impact of non-coterminous boundaries on voters, party organisations, electoral administrators and others.

Hon. Members will recall that my right hon. Friend announced in December 2002 her intention regarding a commission to look at issues arising from the idea of different Holyrood and Westminster boundaries. At that time, she proposed an independent commission to be set up after the Scottish Parliament elections in 2007 to consider the impact of having non-coterminous boundaries for Holyrood and Westminster constituencies. It was also indicated that the commission would not be precluded from looking at questions of electoral systems, including proportional representation.

I have come to the view that we need to consider such questions not in 2007 but this year. I shall inform the House how I intend to take this matter forward, taking account of some significant changes that have occurred following the Scottish Parliament election last May. As the House will know, the Scottish Parliament is currently considering legislation that, if enacted, would lead to councils in Scotland being elected by the single transferable vote from 2007. Therefore, Scotland now faces the prospect of four different voting systems for an electorate of just over 3.8 million: for UK general elections, the first-past-the-post system; for European elections, a PR list system; for Holyrood, the additional member system; and, if the legislation goes through, STV for local government. In addition, the further complication exists that local government elections in Scotland are expected to take place on the same day as the Holyrood election.

Mrs. Helen Liddell (Airdrie and Shotts) (Lab): I very much welcome the fact that the Secretary of State is bringing forward the independent commission. He makes an important point about the multiplicity of electoral systems that might exist in Scotland. We should all have learned from the May election the lesson that it is important to engage the electorate. Would my right hon. Friend therefore be prepared to raise with the First Minister the possibility that the new independent commission might also consider the electoral system for local government? If we have 129 Members of the Scottish Parliament and 59 Members of the Westminster Parliament, the boundaries should be coterminous. We need to look at how the electoral system operates to make sure that we have a coherent whole.

Mr. Darling: First, I am grateful to my right hon. Friend for her welcome for the announcement that I am in the process of making. Secondly, I shall explain when I set out the terms of reference and the areas to be covered by the commission how local government would be included. In my view, however, the commission needs to be able to look at all the matters that are giving rise to the difficulties that I have set out. Of course, it is for the Scottish Parliament to legislate for local government, just as it is for this Parliament to legislate in relation to the elections to the Scottish Parliament.

As many of my right hon. and hon. Friends have said, the potential for significant confusion among voters is high as a result of us having four different systems. As the low turnout of voters at the May elections last year suggests, we ought to try to do all that we can to make voting more straightforward and understandable for the electorate, not more complicated. Indeed, since the Scottish Parliament elections last year, debate has been growing in Scotland on the subject of the electoral arrangements for the Scottish Parliament.

I have also considered the concerns raised about the divergence of boundaries for Westminster and Scottish Parliament constituencies, which will arise from the passage of the Bill before the House and the reduction in the number of Scottish MPs. There may also be scope for further confusion among the public as to their representation in such a circumstance—which, of course, was the conclusion of the Scottish Affairs Committee. That Committee further commented on the difficulties in relations between elected Members, the electorate and other bodies, such as local authorities, because of the sometimes overlapping responsibilities of constituency and list Members of the Scottish Parliament.

I think that, so that we can deal with all those aspects of possible confusion in our systems of election and representation, the establishment of the commission should be brought forward, and it should start work as soon as possible. It will examine the consequences of having four different voting systems in Scotland, and different boundaries between Westminster and Holyrood. It will consider the implications for voter participation, the relationship between public bodies and authorities in Scotland and MPs and MSPs, and the representation of constituents by different tiers of elected members. It will be asked to make representations on whether the consequences require action to be taken in respect of arrangements between elected representatives, to ensure that constituents and organisations receive the best possible service; the pattern of electoral boundaries in Scotland; the relationship with other public bodies and authorities in Scotland; and the method of voting in Scottish parliamentary elections.

The commission will be independent. It will consider the case for change, and make recommendations to me and to the First Minister. I intend to discuss the chairmanship and membership of the commission with the other political parties in the House, and I will announce its membership in due course.

Several hon. Members *rose—*

Mr. Darling: I will give way to everyone with pleasure, but I give way first to my hon. Friend the Member for Motherwell and Wishaw (Mr. Roy).

Mr. Frank Roy (Motherwell and Wishaw) (Lab): I welcome the establishment of an independent commission, but will it come up with recommendations or with what I am sure many Members would favour—various options?

Mr. Darling: I expect it to make recommendations, but it might recommend the adoption of one of two possible courses. I do not want to fetter its discretion before it even gets going. It may produce a firm recommendation, having reached a conclusive view, or it may say "You could do such and such, or something else." I do not want to say at the very beginning that it must come up with a definite conclusion.

There is an important point here. As I have said before, if we are to change the way in which the Scottish Parliament is elected, a degree of consensus is needed. Unanimity will never be possible, but this is not something that a single political party can do.

The commission may produce a recommendation, or a series of recommendations, but it should be remembered that it is for us in this Parliament to decide which—if any—to accept, just as it is for the Scottish Parliament to make decisions relating to local government.

Several hon. Members *rose—*

Mr. Darling: I will give way to everyone in due course, but I want to be as fair as possible. I give way to the spokesman for the Liberal Democrats.

Malcolm Bruce (Gordon) (LD): I welcome what the Secretary of State has said about consensus, and I recognise the value of the commission, but will the right hon. Gentleman acknowledge, without binding it in any way, that the settlement that created the Scottish Parliament was endorsed in a referendum on the basis of the principle that the Parliament would be elected under a system of proportional representation? That was a done deal with the Scottish people. Does the right hon. Gentleman accept that the recommendations of the Scottish Affairs Committee, for instance, are totally inconsistent with that principle endorsed by the Scottish electorate?

Mr. Darling: It is open to the commission to consider the Select Committee's recommendations—along with, I dare say, many other representations. As for the hon. Gentleman's general point, it is true that the broad devolution settlement was agreed after a referendum. As I have always said, and as I said a moment ago, there must be a degree of consensus throughout Scotland. This is not just the province of political parties in Scotland; it is a matter for the public—the electorate—in Scotland. I repeat that I do not want to fetter the commission's discretion before it even gets going. It would be best for it to reach its own conclusions.

Mr. Brian H. Donohoe (Cunninghame, South) (Lab): Can the Secretary of State give us some idea of the time scale he envisages? As it is nearly two years since we began to discuss the whole question of the 129 seats, would it not be sensible to complete the process sooner rather than later?

Mr. Darling: I agree. My view is that if we are to look at these issues, it should be done quickly. We should come to a conclusion as quickly as possible, consistent of course with having a proper examination of the views—

Mr. Andrew Turner: Will the Secretary of State give way?

Mr. Darling: I will give way to the hon. Gentleman in due course.

[Mr. Darling]

Although devolution is of importance in Scotland and electoral systems are of great importance to some and, I suppose, of general importance to us all, I come from the school of thought that believes that no purpose is being served by keeping the process going year after year after year. I thus have a lot of sympathy with the point made by my hon. Friend the Member for Cunninghame, South (Mr. Donohoe). An inquiry should be set up, with time to consider the options open to it; it should report and then we should decide what to do.

David Hamilton (Midlothian) (Lab) *rose—*

Mr. Darling: In the interests of balance, I shall give way to the hon. Member for Isle of Wight (Mr. Turner) and then to my hon. Friend.

Mr. Turner: The Secretary of State has referred twice to consensus, but on the second occasion he qualified his remarks by saying that it had to be consensus across Scotland. However, we are discussing United Kingdom legislation and it is certainly the consensus in my constituency that one Member of Parliament can serve 100,000 people. Why have my constituents not been asked for their view on this consensus, and why is it necessary for Scots to be served at the rate of one Member of Parliament per 20,000 people?

Mr. Darling: With respect, the hon. Gentleman's question seems to flow from a misunderstanding of the constitutional arrangements in this country. We determine what the consensus is through Parliament—through the House of Commons. We all have a vote on these matters. When proposals eventually come before the House, we all have to decide whether to vote. On the general point about the size of the hon. Gentleman's constituency, I have already said that, as a result of the Scotland Act 1998, the same electoral quota as currently applies in England is now being applied in Scotland through the work of the Scottish Parliament. That point is already being dealt with.

David Hamilton: When the last review took place I was a member of the public and voted on the establishment of a Scottish Parliament, not on the detail of how the election would be held. May I bring my right hon. Friend back to the question put by my hon. Friend the Member for Cunninghame, South (Mr. Donohoe)? When the recommendations are made, which will, I hope, be sooner rather than later—they should be made quickly—we should talk not about recommendations but about the alternatives available to us. It is for us to make the decisions, not the professionals who make recommendations to us. That is extremely important; there should be alternatives, not recommendations.

Mr. Darling: It will always be a matter for the House of Commons to decide which recommendations, or parts of recommendations, it wants to pursue. That is well understood. The point that I was making to my hon. Friend the Member for Cunninghame, South is that it would be wrong for me to say at the very start of the process, "Here's an independent commission, but by the way this is what I want you to conclude", or to say that the commission should offer only us alternatives. A commission might set out a range of options—either because it could not come to a unanimous view or because it felt that some things should be considered further by the House or the Scottish Parliament. I do not know what the commission will decide, but I must tell my hon. Friend the Member for Midlothian (David Hamilton) and other Members that I think it is the best way for us to look at the present electoral arrangements in Scotland, as well as those planned for 2007, so that we can then consider the best option in the future.

Mr. Salmond: In the interests of consensus, I welcome the consultation process. However, a few seconds ago, the Secretary of State said that the commission would report to him and the First Minister. Is not there a strong argument that such a commission should be established by the Scottish Parliament and, given the fact that the current electoral system, which so many Labour MPs find so distasteful, was actually voted for in the House, would not it be far better to let the Scottish Parliament have a go to see whether it can find a better electoral system, as its politicians are the ones most immediately concerned?

Mr. Darling: No, I disagree. The way in which Members of the Scottish Parliament are elected is reserved to Westminster; it is an integral part of the devolution settlement. The hon. Gentleman is a nationalist—he is a separatist, so of course he does not agree with that. However, the Labour party is not separatist—we are a party of the Union. We believe in the devolution settlement, and that is not up for grabs.

Mr. Roy: I understand the Secretary of State's argument, but my point is that he does not know that the commission will not come back with just one recommendation. I would like my right hon. Friend to ask the commission expressly to come back with various alternatives. As I said, there is nothing to stop the commission providing just a single recommendation. Frankly, that is not enough.

Mr. Darling: I understand my hon. Friend's point, but if we are to set up an independent commission, it is important that we do not end up with a position where, right from the start, we steer it in a direction in which it might not want to go. For all I know, the commission might provide a range of options—

Mr. Roy: Or one.

Mr. Darling: It might come up, as my hon. Friend says, with one option, but we must remember that the Government of the day, the House and Parliament as a whole have a perfect right to accept all, none or only parts of the recommendations.

In setting out this course of action, I have consulted the First Minister, who shares my concerns and welcomes taking the debate forward. I want to make it clear that I have an open mind on these matters and that we should not pre-judge the conclusions, although, as I said earlier, the outcome must respect the basic principles of the devolution settlement.

I reiterate that the interests of the electorate and the ease and effectiveness with which they exercise their democratic rights are paramount in all those matters. I have also made it clear that any future decision to change the present electoral arrangements should try to reflect a consensus within Scotland. The commission will therefore be expected to carry out its remit through wide-ranging consultation designed to achieve general support for any change. There will never be unanimity, but the system of election to the Scottish Parliament does need broad agreement. It is our responsibility to provide the basis for a debate on electoral arrangements for that Parliament because the matter is reserved to Westminster.

Mr. Brian Wilson (Cunninghame, North) (Lab): I am listening carefully to right hon. Friend, but will he confirm my interpretation that he is proposing to set up a commission in order to sort out a confusion that we are still in the process of creating today?

Mr. Darling: No, I would not agree with my hon. Friend. We are trying to resolve the difficulties arising from the fact that, by 2007—assuming that the legislation to set up local government elections is passed—we will have four different systems for electing various people in Scotland, which has an electorate of 3.8 million. That needs to be resolved and that is why I am setting up a commission. It would have been possible for the Government to propose a particular solution, but I believe that we need a consensus—inasmuch as it is possible to secure one—to ensure that the system is generally acceptable in Scotland.

Mr. O'Neill: Can my right hon. Friend tell us more about the sequence? The Bill is going through Parliament and will deal with the number of seats. Is the commission not in any way related to the functions or purposes of the Bill, or will it feed into some part of the parliamentary procedures? Will it result in legislation that is wholly separate from the legislation before us today? Frankly, I do not understand the timetable of what my right hon. Friend is talking about. Would it not be more sensible to withdraw the legislation and let the commission deal with the problem, so that we could then come back and deal with its recommendations?

Mr. Darling: I shall have to disappoint my hon. Friend on that. We said two years ago that we intended to introduce legislation to retain 129 Members of the Scottish Parliament. We promised to do that and the Bill to achieve it is now before the House. It is being dealt with separately from the issues considered by the commission.

I set up the commission because I am well aware that both within and outside political parties in Scotland there is concern about the number of different voting systems and the problems thrown up by the lack of coterminosity between Westminster and Holyrood. That is why a commission is being established, but its timetable is different from the timetable for the Bill. The intention is that the Bill, providing it gains the support of the House and the other place, will be on the statute book by the summer. We promised that we would do that, and going back on that promise would be to invite allegations of bad faith. The commission, as I explained, is operating on a different time scale.

Mr. Mohammad Sarwar (Glasgow, Govan) (Lab): Does my right hon. Friend agree that the four different voting systems in Scotland for councils and Scottish, Westminster and European Parliaments will cause confusion among the electorate and encourage voter apathy in all elections? I understand that the commission may consider whether it is impossible for the Scottish and Westminster Parliaments to have the same system, but we should at least have the same system for local government in Scotland and for the Scottish Parliament.

Mr. Darling: My hon. Friend is right to suggest that the commission will consider the arrangements for elections in Scotland—those for the Scottish Parliament and those in relation to local government—and I agree that there is some confusion. All of us who voted last May will recall seeing people who were confused about how the list system worked. Indeed, at the polling station that I was in, an old lady asked for advice from the polling clerk, who looked at me and said, "Not while he's here." *[Laughter.]*

We also need to consider the clarity of outcome. It is curious that everyone who stood in some elections got elected one way or another under the present system, and some voters find that difficult to understand—although many hon. Members might quite like such a system if we got elected regardless of what we did. My hon. Friend is right. Indeed, the Select Committee on Scottish Affairs, of which he is a member, considered those matters and believed that such confusion needed to be looked at.

Mr. Forth: Following the point made by the hon. Member for Ochil (Mr. O'Neill) and others, will the Secretary of State in the end use his huge majority of English MPs to stampede legislation through the House that affects Scotland?

Mr. Darling: I am glad that the right hon. Gentleman anticipates that we will have a huge majority for some time to come.

Mr. Russell Brown (Dumfries) (Lab): I return to the Select Committee's excellent report, which states:

"The Committee expects the Electoral Commission to produce its detailed proposals in time for the election to the Scottish Parliament in 2007 to be conducted under the new arrangements. It is, therefore, imperative that the Commission starts its work without delay"—

as my right hon. Friend is saying—

"and that it presents its findings to the Secretary of State for Scotland who should take the final decision based on all available information."

Does my right hon. Friend think it is possible for the new arrangements to be implemented at the next Scottish Parliament election in 2007?

Mr. Darling: As I said in relation to an earlier question, I want the commission to be set up as quickly as possible and then to report as soon as it can, subject to having adequate time to consider such things.

[Mr. Darling]

Thereafter, assuming that it recommends some form of change, primary legislation will be necessary. For obvious reasons, I cannot say when the Government might introduce such legislation, especially as we have not even got any recommendation to do so, but many people will take the view that, having set up the commission, it is best to ask it to get on with its work as quickly as it reasonably can because keeping such matters going for year after year would be unnecessary and not widely acceptable.

Mr. Michael Weir (Angus) (SNP): Much has been made of the Select Committee on Scottish Affairs report. I am a member of that Committee. Does the Secretary of State not accept that the defect in the report is that, after calling for a commission, it makes a specific recommendation for a system that many Labour Back Benchers are pushing for? Does he accept that that is wrong and that the commission should be completely independent?

Mr. Darling: The hon. Gentleman is relatively new to the House, but I can assure him that it is not unknown for Select Committees to make recommendations.

Mr. Jimmy Hood (Clydesdale) (Lab): I am trying my best to be sympathetic to the difficulties in which the Secretary of State finds himself, but is it not the truth that he is experiencing difficulties because we agreed—he says two years ago, but it may be more—to change the legislation without understanding the consequences of the change? We are now being asked to change the legislation and to rely on a commission of the great and the good to make decisions for us or to make recommendations. That does not point to good governance at all.

Mr. Darling: I do not agree with my hon. Friend. Anyone who considered the matter two years ago when the former Secretary of State made the announcement would have understood full well the import of what was being considered.

There is a simple point to make about the commission. Although, in theory, it would be open to the Government of the day to say, "Right, this is the voting system. Take it or leave it", I do not think that it would be possible to make a change on something as fundamental as the way in which we elect representatives without there being a degree of consensus. My hon. Friend and I might disagree on that point, but it is important.

I am not suggesting that a commission is the only way to proceed, but I propose to establish a commission and I have said that I shall talk to party representatives in the House to get it set up as quickly as possible. However, as I have said many times before, there needs to be a debate in Scotland the best way of electing MSPs about and so on. That is the best way to proceed.

At this stage, I shall briefly go through what is in the Bill.

Mr. Forth: Ah.

Mr. Darling: By convention, Secretaries of State do that, but I sense that the mood of the House is for me to do it quite quickly.

Mr. Tom Clarke (Coatbridge and Chryston) (Lab): I think that I have understood everything that my right hon. Friend has said to the House, but one issue is not clear in my mind because it is one for the Scottish Executive. On the proposals for electing councillors to local government, do the Scottish Executive take a firm view or are they prepared to submit proposals on that to the same commission or to arbitration in the way that my right hon. Friend will in respect of matters that are relevant to him?

Mr. Darling: As I said a while ago, the decision about the system for electing councillors in Scotland is entirely a matter for the Scottish Executive. We have no control at all over that. It will be for the Scottish Executive and the Scottish Parliament to decide what course of action they wish to follow. My right hon. Friend will be aware of the agreement between the governing parties in the Scottish Executive in relation to this and it is no part of my statement today to interfere in the working of it. The commission will be set up after discussions with the First Minister and it will consider not just how we elect MSPs, but the implications of the changes proposed for councils. Whether that has implications for what the Scottish Executive are doing is a matter for them and not for me. It would probably be against the spirit of the whole devolution settlement if I were to go any further than that.

As I have said, the Bill is short and to the point so I can deal with what it does fairly quickly. *[Interruption.]* Most of my speech has not been about the Bill. Clause 1 will replace the first schedule to the Scotland Act 1998, which makes provision for constituencies. It will keep the size of the Parliament at 129 Members.

Clause 2 will give effect to the provisions in schedule 3 on the review of Westminster constituencies and the Scottish Parliament regions that is being carried out for the boundary commission for Scotland. Schedule 1 will provide a mechanism for reviewing these boundaries whatever they may be once the Bill is on the statute book.

Schedule 2 will make transitional provisions to deal with the position before the Electoral Commission takes over, and schedule 3 is important because it ensures that the boundary commission's recommendations in relation to the Scottish regions will no longer be relevant.

The scope of the Bill is narrow and deliberately so, because its sole aim is to give effect to the Government's promise to retain the current size and structure of the Scottish Parliament. I believe that the commission that I have announced today will deal with a number of concerns that have been raised not just in the House but throughout Scotland, and it will make recommendations on how we elect Members to the

Scottish Parliament in future. However, as I have said, the purpose of this Bill is to make provision for retaining 129 MSPs. I commend it to the House.

5.39 pm

Mr. Alan Duncan (Rutland and Melton) (Con): The Secretary of State made it clear—perhaps I should say that he eventually made it clear—that the principal purpose of this short, four-clause Bill is to amend the Scotland Act 1998 to remove the link between constituencies for the Scottish Parliament at Holyrood and constituencies here at Westminster.

The current position is straightforward and widely understood. Schedule 1 to the 1998 Act contains provisions to reduce MSPs at Holyrood in proportion to any reduction in Scottish seats at Westminster. Under the current legislation, once Westminster constituencies are cut from 72 to 59, MSPs at Holyrood would automatically reduce from 129 to 108.

Clause 1 fundamentally changes that. It amends schedule 1 to the 1998 Act so that the existing constituencies for the Scottish Parliament remain the same, irrespective of any changes made to parliamentary constituencies for this House. That is set out in paragraphs 1 and 2 of schedule 1, which preserves 73 MSPs within the existing constituencies and 56 list MSPs in eight regions, with seven members per region.

In addition, the Bill provides that the Electoral Commission will review constituencies and regions for the Scottish Parliament separately from any review of Westminster constituencies. It represents a U-turn by the Labour Government on their previous commitments—put simply, it is undeniable that they have buckled under pressure from their own MSPs. That is why in December 2001 the then Secretary of State for Scotland, the right hon. Member for Airdrie and Shotts (Mrs. Liddell) launched her consultation on whether Westminster and Holyrood constituencies should continue to be linked. That is why, to little surprise on the Conservative Benches, on 18 December 2002 she announced to the House that she had been persuaded that the Scottish Parliament should remain as it is now at 129 MSPs.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The hon. Gentleman mentions U-turns, but the Bill seeks to undo the U-turn in the 1998 Act from the commitment made by the Labour party in the convention on Scotland that the size of the Scottish Parliament would be appropriate to its functions and not coupled to the reduction in MPs at Westminster. The Bill also helps in that it speeds up the delivery of the reduction in MPs at Westminster by allowing the boundary commission to report on that half of the Government's proposals once it is enacted.

Mr. Duncan: There is considerable doubt about whether the number of MSPs is appropriate to the Scottish Parliament's functions.

To pacify Labour and Liberal MSPs in Edinburgh, the Labour Government say that the 1998 Act must be amended. Having set out the constitutional settlement in detail, they have taken only six years to start tinkering with it. Let me be clear: Conservative Members believe that the Bill is wrong. The Government should uphold the terms of the 1998 Act and, as they originally intended, proportionately reduce MSPs and MPs. In our view—this is the answer to the intervention by the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith)—Scotland is already over-governed. It needs fewer politicians, not more. And there is no doubt that the Scottish Parliament could function as well, if not better, with a membership of 108.

Mr. Donohoe: The hon. Gentleman's argument does not take into account the proportionality within the Scottish Parliament and would reduce the numbers in the list system.

Mr. Duncan: That is one way of doing it. The argument is whether the constituency boundaries should be coterminous. I am aware of the logical point that the hon. Gentleman is about to make, which I shall address in a moment.

Mr. Salmond: I am struck by what the hon. Gentleman just said. The vast majority of MSPs, across a range of political parties—not the Conservatives, but everyone else—agree that 129 Members are necessary for the proper functioning of the Parliament. What exact specialty or knowledge does the hon. Gentleman have to gainsay that argument, given that it is the decided majority view of the majority of MSPs?

Mr. Duncan: It is the knowledge that I can spot a self-serving consensus when I see it.

Let me quote another authoritative source on this issue, who said:

"We understand the arguments in favour of maintaining the Parliament's size, but we also believe that the Parliament could operate effectively with fewer Members, and that there are good arguments for maintaining the linkage in constituencies."—[*Official Report*, 12 May 1998; Vol. 312, c. 224.]

Those are not my words, nor those of any Conservative: they are the considered judgment of none other than the former First Minister for Scotland, Henry McLeish, during the passage of the Scotland Act 1998.

Conservatives support smaller government and a smaller Parliament, while being firmly committed to making devolution work. As the Scottish Conservative manifesto for the Scottish parliamentary elections in May said:

"The Scottish Parliament should not be immune from this drive for leaner, fitter government. We will cut the number of MSPs, in line with the reduction in Scottish MPs at Westminster, by implementing the provisions of the Scotland Act."

But it is not just on those grounds that we oppose the Bill. Nor do we oppose it just on grounds that it is yet another reversal of policy by the Government. It is for many other reasons besides.

As a consequence of the Bill, if passed, future elections to Holyrood and Westminster would be fought on different constituency boundaries. It has been said that that

"will cause chaos and confusion".—[*Official Report*, 18 December 2002; Vol. 396, c. 864.]

Again, those are not my words, but those of the right hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes). [HON. MEMBERS: "Where is he?"] He is

[Mr. Duncan]

absent from his place today. There may be good reasons for that, as there often are when someone who attends as diligently as he does is not here. In the same debate, the hon. Member for Falkirk, East (Mr. Connarty) called the proposals "an absolute shambles".

The Bill runs counter to the arguments put by the Government in 1998 when the Scotland Bill was going through this House. As the then Scottish Office Minister and later First Minister, Henry McLeish, said, in rejecting a Liberal Democrat amendment to the Bill:

"We believe that the integrity of the Union will be strengthened by having common constituencies for the Scottish and United Kingdom Parliaments". —[*Official Report*, 28 January 1998; Vol. 305, c. 456.]

We can infer only that the purpose of the Government in introducing a Bill that breaks the link is to weaken the integrity of the Union.

Pete Wishart: In the hon. Gentleman's many travels to Scotland, has he ever come across any members of the Scottish public who have expressed their concerns about coterminosity?

Mr. Duncan: I know that there are some great intellectuals in Scotland, because I visit it regularly, as the origins of my name suggest.

Mr. McLeish also said:

"Having constituencies that cover the same geographical area will help to encourage liaison between MPs and MSPs in ensuring that the interests of their common electorate are served properly in whichever Parliament is responsible for an issue. Good working relationships between Members of the Scottish Parliament and Westminster will be essential if devolution is to be a success." —[*Official Report*, 12 May 1998; Vol. 312, c. 224.]

Last Tuesday, the Scottish Affairs Committee published its report, "Coincidence of Parliamentary Constituency Boundaries in Scotland and the Consequences of Change". Like all Select Committees, the Scottish Affairs Committee has a Labour majority, but even that did not prevent it from highlighting the tremendous tensions that would be created for the electorate by having different constituencies for Holyrood and Westminster. As the Committee concluded, in paragraph 11:

"The Committee considers the convenience of the electorate to be paramount. Based on the evidence we have received, we recommend that, in order to avoid possible confusion, the constituency boundaries in Scotland for elections to the United Kingdom and to the Scottish Parliament should remain coterminous".

The reality is that different boundaries for elections to Holyrood and Westminster will create a complete mess. As my hon. Friend the Member for Galloway and Upper Nithsdale (Mr. Duncan) has pointed out, keeping 129 MSPs will simply add to the instability created by such issues as the West Lothian question. We believe that there should be coterminous boundaries, as did the Government in the 1998 Act. We also believe that Holyrood constituencies should be reduced in line with Westminster constituencies. The simple way to achieve that is by upholding the terms of the original legislation.

There is of course another aspect to this debate, which is the question of Scottish representation in this House.

Mr. Weir: If the hon. Gentleman wants simply to reduce the number of seats in the Scottish Parliament, in line with the reduction in seats in this place, from 72 to 59, will he explain whether he proposes to have 59 directly elected MSPs and retain the 56 list MSPs?

Mr. Duncan: I suppose that that is what would happen under the 1998 Act. However, let us consider representation in this House.

Mr. Donohoe *rose*—

Mr. Duncan: Let me just move on. The Government have given several commitments that the reduction in the number of Scottish seats at Westminster from 72 to 59 will take place in time for the next UK general election. *The Scotsman* reported in July 2003 that the Secretary of State

"told a private meeting of the Scottish group of Labour MPs there were no plans to postpone the boundary changes which will see the number of Scottish constituencies cut from 72 to 59."

That followed a commitment given by the Prime Minister—who is struggling to ensure that everything that he says is fully trusted—in response to a question from my hon. Friend the Member for East Devon (Mr. Swire), who voiced the suspicion shared by many that the Government plan to renege on their commitment to reduce the number of Scottish Members of Parliament at Westminster. The Prime Minister replied that

"we made that commitment clear and we will of course carry it through."—[*Official Report*, 16 July 2003; Vol. 409, c. 278.]

Well, will he do that? Perhaps the Secretary of State can repeat that assurance today.

The Prime Minister made that comment the day before the Leader of the House said that the only commitment was to publish the report by 2006. The Secretary of State said in September that he expected to lay the order implementing the cut "early next year". Where is the order? Will he unequivocally commit to implementing this change according to that timetable, and before the next Westminster election if possible?

Mr. Darling: It is becoming pretty clear that the hon. Gentleman has scant knowledge of Scottish affairs in general. I think that he was in the Chamber when I made my speech, although he was chattering all the time. I said that the boundary commission had completed its work on the Westminster constituencies but not yet submitted its report to me as Secretary of State. As I have made clear on many occasions, and as the Prime Minister has also said, when it submits its report, that report will be implemented; but when it comes to me it is entirely in the hands of the independent boundary commission.

Mr. Duncan: If that is known to be the case, it seems very strange that such clear commitments were given in the first place. The Government should know better.

The Bill will reinforce the balances already created by the problem raised by the West Lothian question, and lead to a cut in the number of Scottish MPs here while maintaining the current number in Scotland. We

consider that the Bill is bad for Scotland and bad for the United Kingdom. It reverses the commitments given by the Government in 1998, breaks yet another link between Westminster and Edinburgh and will lead to chaos and confusion across Scotland. I therefore urge the House to vote no today, and to resile from supporting this illogical and unprincipled Bill.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. May I remind all right hon. and hon. Members that Mr. Speaker has imposed a 15-minute time limit on all Back-Bench speeches?

5.53 pm

Mrs. Irene Adams (Paisley, North) (Lab): This issue seems to excite hon. Members greatly. As has been pointed out, it is not first on the list of complaints at constituency surgeries, but it seems to have exercised us all for the past two years, since it was suggested that 129 Members should remain at Edinburgh.

We must ask ourselves how we arrived at this point in the first place. We did not come up with the figure of 129 overnight. The subject was debated in Scotland for at least 20 years, and that culminated in our setting up the Scottish Constitutional Convention, in which the Labour party, the Liberal Democrats, the unions and the churches all took part. Unfortunately, the Scottish National party did not, which is understandable given that it supports independence for Scotland, not devolution. The Conservatives, too, refused to take part, but that was not surprising at the time because 10 Scotland Members on the Conservative Front Bench—the Conservative party was then in government—decided everything that happened in Scotland, while 62 Scotland Members sat on the Opposition Benches.

That is how we reached the current position. The convention came up with 129, but it was not the original number; I think that that was 140 or 144. We made the decision to have 129 Members on an additional list system—so that there would be some proportionality—only after much discussion with the unions, the Liberal Democrats and the churches.

Mr. Peter Duncan: Does the hon. Lady accept that the consensus reached was on the balance between proportionally elected top-up Members and constituency Members? Therefore, if the number of constituency Members of the Scottish Parliament were reduced, it would be logical to maintain that proportion and reduce the number of list Members.

Mrs. Adams: Perhaps if the hon. Gentleman's party had taken part in those discussions, he could have said something on that at the time, but it refused to do so.

Another subject that raised its head in the search for consensus was gender balance. Some of us thought that the convention had also found agreement on that, but only the Labour party addressed that issue, and it still seems to be the only party that does so. I hope that other hon. Members will tell us why their parties never got to that point.

The 129 Members were to be made up by the direct election to Edinburgh of one Member per Westminster constituency, with a top-up—*[Interruption.]*

Madam Deputy Speaker: Order. May we have just one debate in the Chamber, please?

Mrs. Adams: There was then a top-up Member from a list system. Anyone who thinks that that system is working now is living in cloud cuckoo land. One directly elected Member operates surgeries in a given Westminster constituency, followed by, in my constituency, any one of eight list Members. My hon. Friend the Member for Glasgow, Anniesland (John Robertson) pointed out to the Select Committee that in Glasgow some 77,000 votes were cast for the Labour party in the second ballot, but that not one person was elected with them. I do not know where the fairness in that system lies, given that a member of a minority party could be elected with 10,000 votes. The system clearly is not working.

John Robertson: Does my hon. Friend agree that the more than 77,000 members of the electorate who went to the bother of filling in their ballot papers would have done as well to throw them in a bucket as to take part in the election?

Mrs. Adams: Many people at the polling stations found it hard to understand how the system worked. The most common question that they asked was what the second vote was for, and what its outcome would be, and they were being told by minority parties, "Don't vote for the majority party or the main opposition party because your vote won't count." There is something wrong with a system in which democrats stand at a polling station and say that to people coming through the doors.

Mr. Salmond: I very much agree with the point that the hon. Lady is developing, in that, in my experience, the vast majority of people regard the second vote as a second preference. However, does she concede that there are other list systems and other forms of proportionality that do not depend on having two votes and two ballot papers?

Mrs. Adams: Absolutely. I concede that that is the case. My point is that this system is probably the worst that we could have chosen at the time—*[Interruption.]* I give way to the hon. Member for Galloway and Upper Nithsdale (Mr. Duncan).

Mr. Peter Duncan: I am sorry; I was not seeking to intervene, but I shall take the opportunity to do so. The hon. Lady must accept that that was her system, decided on under the consensus that came out of the convention. She is seeking to deny the consensus on the one hand and uphold it on the other.

Mrs. Adams: Indeed I am not denying the consensus. This often happens when there is consensus: everyone gets what no one wants. That is part of the problem with consensus, but it is democratic. It does not always lead to the perfect system, but it gives everyone a little of what they want, although it does not give them all that they want.

[Mrs. Adams]

Taking evidence in the Select Committee, we did not find anyone who supported the existing system. Everyone thought that it was not the best way of doing things and that we should look for other ways. The Committee agreed that 129 MSPs should remain at Edinburgh, primarily because most of the Scottish Parliament's committee structures are built around that figure. I am quite happy to accept that. That committee system seems to be working well, even though it has not had a lot of time to bed in, and that is a good enough reason to leave that number as it is.

The problem that then arises is that we do not have coterminous boundaries. That is not a problem for political parties. It might be a pain in the neck for them, but we can all find ways of managing the situation. I would suggest, however, that it is a great problem for the electors.

Mr. Sarwar: I understand that the present system for electing MSPs is not perfect, but what is my hon. Friend's preferred option? Would she go for a first-past-the-post system, such as that supported by the Conservatives, and which gave them zero per cent. representation in the 1997 elections? Or would she support the single transferable vote system for local government and the Scottish Parliament?

Mrs. Adams: There are many ways of doing this, and the Secretary of State is right to put this matter to a commission. The Select Committee said that we should ask a commission to give various options. We also said that there should be two Members in Edinburgh per Westminster constituency, but I do not think that that necessarily has to be done by a first-past-the-post system.

Mr. Roy: My hon. Friend has raised an interesting point. She said that the Select Committee hoped that the commission would come back with various options. However, if it comes back with only one recommendation to which the House has to say yes or no, does she see a danger of our having to go back to the very beginning? If we are presented with a number of alternatives, it will broaden the debate and there will be a far better chance of reaching consensus.

Mrs. Adams: I hope that a commission will take account of what is being said here today when it considers these issues. My main concern about its bringing forward only one recommendation is that it would become a fait accompli, and there would be grave dangers in that. We should be presented with options for achieving two Members per Westminster constituency. It could be achieved through a first-past-the-post system, through an alternative vote system, or by linking two or three Members within each Westminster constituency to give a single transferable vote system. There are many and varied ways of achieving that goal.

David Hamilton: May I put one alternative to my hon. Friend? MSPs also share a frustration in relation to list Members. They have to do all the work, yet at the end of the day these other people parachute in to take the work away from them. The alternative vote system is worthy of consideration because a majority of the electorate in a constituency has to vote for certain candidates. The commission should consider such a system.

Mrs. Adams: That is why it is important that the commission lays down all the options and tells us what they will achieve. That would give Parliament a real decision to make, and I believe that Governments should make those decisions. That is what Governments are elected to do. They should carry the can if the decision goes wrong, but they are here to do that job.

Mrs. Liddell: I am following the gist of my hon. Friend's argument. My only anxiety relates to the fankle that we got ourselves into over the reform of the House of Lords, when a raft of different alternatives was put before the House. How would my hon. Friend envisage such a problem being dealt with?

Mrs. Adams: The Secretary of State would have to deal with the recommendations made by the commission and make some sense of them when presenting them to the House. *[Laughter.]* I know that he will be delighted by that thought, but that is the way the cookie crumbles. I take the point made by my hon. Friend the Member for Midlothian (David Hamilton) that concern has been expressed about list Members muscling in—I believe that that is the phrase that has been used—on directly elected Members' constituencies. This applies to all parties; it is not a party political point. Directly elected Members felt that specific issues were being cherry-picked, and that it was not necessarily the topic of the day that was being picked out but the one that was the most politically favourable. Campaigns were being set up.

Given the present boundary of my constituency, if we do not have coterminous boundaries, the new constituency will have three directly elected MSPs and eight list MSPs. That means that 11 people will have an interest in that one constituency. The Convention of Scottish Local Authorities told the Committee that it had great difficulty in answering questions coming from the directly elected MSP and also from the list MSPs. It said that it was sometimes asked as many as 600 questions on the same subject. That was causing a great deal of difficulty, and the bureaucracy involved was enormous.

Anne Picking (East Lothian) (Lab): I am happy to go on record as saying that I support the principle of coterminous boundaries for all elections in constituencies and wards, particularly in Scotland. Does my hon. Friend share my concern that although the Scottish Parliament has the right to introduce any electoral system that it likes for local government, if it does not participate in the work of the commission and listen to what it says, rather than going its own way, there could be a danger of the whole thing falling apart?

Mrs. Adams: The Scottish Parliament has indicated that it is prepared to participate, and we all welcome that.

Coterminous boundaries are necessary, mainly for the electorate. They should not matter to us—we should find ways round the issue—but the electorate need the easiest system that we can come up with to enable them

to vote. Until now, people have been used to building blocks from one part of the system to the other, in relation to each tier of government. In local government in my constituency, for example, there are 15 council seats and one MSP.

Pete Wishart: In the numerous surgeries that the hon. Lady conducts in her constituency, how many members of the public have come to her and expressed their concern about coterminosity?

Mrs. Adams: None of them would put it in quite those terms, but they might express the difficulty with having different systems. In fact, the Electoral Commission told us that, after the last Scottish parliamentary elections, it carried out a survey that found that 13 per cent. of those who did not vote did not do so because the system confused them. They honestly did not understand it. If the hon. Gentleman cares to read the Select Committee report, he will find that evidence in it.

People have been used to building blocks from one tier of democracy to the other. The old regional councils were probably the best example of that. There were five district council seats, three regional council seats and one MP. People understood that; they understood who their directly elected Member was and which tier of government was represented by whom. It is important that we retain that. That is why we considered that there should be two directly elected Members to Edinburgh per Westminster seat. The commission should come up with a way for that to be achieved.

Mr. Andrew Turner: The hon. Lady mentioned list Members parachuting into constituencies. I understand that the code of conduct for MSPs requires that they

"should not misrepresent the basis on which they are elected or the area that they serve".

Does that mean that list MSPs are not allowed to describe themselves as "the MSP for Paisley, North", in the way that Liberal MEPs in my patch describe themselves as "the MEP for the Isle of Wight"?

Mrs. Adams: There is a code of conduct, but, unfortunately, it is often broken. I do not know what the Liberals do in the hon. Gentleman's constituency, but some concern has been expressed over such issues.

I am also concerned that people see MSPs differently under that system. They see directly elected MSPs as having a different role from list MSPs, and I do not like the idea of a two-tier system of MSPs—or MPs, for that matter. That would not be a good way to go. I welcome the commission that has been announced today, but I am a wee bit concerned about commissions taking decisions such as these. As I have said, I believe that it is the job of Governments to take such decisions. I worry that when the commissioners report their findings they will not suit everybody, so people will say they are a whitewash and that they knew that that was what they would say. However, I hope that everyone accepts that a commission is the best way of proceeding. I hope that it will produce a list of options for the Secretary of State, rather than a single proposal that becomes a fait accompli before it ever reaches the House.

6.10 pm

John Thurso (Caithness, Sutherland and Easter Ross) (LD): There has been considerable debate this afternoon about various electoral systems, which I shall address later in my remarks—but as for the electorate's ability to understand the electoral system, in my constituency of Caithness, Sutherland and Easter Ross the good electors have no trouble whatsoever understanding the electoral system. In fact, I was extremely taken aback to discover when canvassing for my MSP colleague, Jamie Stone, just how well they understood the system and the tactical voting lengths to which they went to make good use of their second vote.

Mr. Roy: If the hon. Gentleman's constituents understood the system so well, what was the turnout?

John Thurso: I cannot remember the exact turnout, but it was approximately 50 per cent.

I welcome the Bill, which is short and, I hope, sweet. However, I have some reservations. I welcome the Bill for one reason alone.

Mr. Sarwar: Will the hon. Gentleman give way?

John Thurso: If the hon. Gentleman will give me half a chance, I shall give way to him shortly.

I welcome the Bill because it gives effect to the Government's promise to maintain the number of MSPs in the Scottish Parliament, thereby maintaining the status quo.

Mr. Sarwar: I accept that the hon. Gentleman advocates proportional representation, because it benefits the Liberal Democrats and the nationalists. However, I am at a loss to explain why he supports having four different voting systems for elections for councils, the Scottish Parliament, Westminster and the European Parliament. I believed that the Liberal Democrats were concerned about different voting systems.

John Thurso: If the hon. Gentleman would be kind enough to let me get past my opening remarks, he would discover that I do not support our having four voting systems. I hope that he will permit me to develop that argument in a moment.

The current proportional system does not favour the Liberal Democrats. If we do the maths, we can see that other systems are slightly better. However, the critical point is that proportionality benefits the electors, and that is what we should be thinking most about. It was apparent to most of us who were involved in the passage of the Scotland Act 1998 that a drop of almost 20 per cent. in the number of MSPs would almost certainly be unworkable. There were widespread reports at the time that the then Scottish Office and the then Secretary of State for Scotland, Donald Dewar, wished to amend section 86 and other relevant provisions to decouple the Scottish parliamentary constituencies from Westminster constituencies. Indeed, I can confirm that in a private conversation that I had with Donald Dewar after the passage of the Act, he admitted as much.

Mr. Salmond: The hon. Gentleman's recollection is exactly the same as mine, because I had exactly the same

[Mr. Salmond]

private conversations. However, the key point that people made was that imposing a number on an unwilling Scottish Parliament would be inconceivable. Does that not demonstrate that this discussion should be repatriated to the Scottish Parliament?

John Thurso: I shall not get into an argument about repatriation, but the hon. Gentleman makes a good point. Whether the matter is dealt with here or in the Scottish Parliament, it is inconceivable that it should be done without consultation and a consensus in Scotland.

John Robertson: As someone who took over Donald Dewar's constituency, and as a friend, I find that people rewrite history only after someone is dead. The rewriting of history never took place when that person was alive. Can the hon. Gentleman explain why those private conversations have suddenly come out, because they did not when the man was alive?

John Thurso: Other people were present when that conversation took place, and after our debate I would be happy to tell the hon. Gentleman to whom he could speak.

Mr. Tam Dalyell (Linlithgow) (Lab): It is important to know what Donald Dewar is alleged to have said. What did he actually say?

John Thurso: He gave me the impression that he would prefer the matter to be decoupled and the numbers maintained, but had lost the argument in Cabinet.

Mr. Roy: The hon. Gentleman says that Donald Dewar gave him that impression. Does that mean that he said those words, or did the hon. Gentleman just take it that that was what he meant?

John Thurso: That was my understanding of a conversation that took place in 1998—they are not the exact words.

I should like to make some progress. It comes as no surprise that this matter has required attention, and it is to the Government's credit that they have sought to remedy an obvious error. The Bill has certain merits, and I shall deal with two that strike me. First, it is commendably short—I always like short legislation—and secondly, without question, it does the job that it is intended to do, which is to maintain the status quo at Holyrood. My right hon. and hon. Friends and I therefore welcome it. However, the Government may have missed an opportunity to take a longer look at the way in which the electoral system in Scotland operates, and they could have introduced proposals to address the problem. However, the announcement by the Secretary of State today is extremely helpful, and I welcome his comments. I look forward to reading them in *Hansard* to make sure that I have understood his announcement.

It makes sense, however, for an independent commission to look at coterminosity and methods of election as soon as is practicable. I welcome the fact that, as I hope, the commission will begin work this year, and that its membership will be independent. I very much hope that it will stick with two key principles in the work of the Scottish Constitutional Convention—that a broad consensus will be sought, and that the commission will adhere to proportionality in representation. The Secretary of State made it clear in response to an intervention by my hon. Friend the Member for Gordon (Malcolm Bruce) that those two principles would be included in the commission's brief, or guiding principles.

My hon. Friends and I have long argued for the merits of the single transferable vote, and shall continue to do so. In addition to the obvious merit of being the most proportionate and fair system, it would, if adopted, have the added attraction of mirroring the proposed system for local government in Scotland, and dealing with the issue of coterminosity. However, I shall leave that for today, and look forward to submitting our evidence to the commission.

The report on the subject by the Scottish Affairs Committee is both timely and germane, and I am glad that we have had an opportunity to see it before the debate. First, it makes it abundantly clear that there is widespread support for maintaining the numbers. The proposal was backed by my party, the Scottish Labour party, the Scottish National party, the Scottish Parliament and the Executive, which is as broad a consensus as is possible in politics. The reason for that broad consensus is simple—it is the experience of the Scottish Parliament in action, particularly the Committee system, which everyone agrees has worked extremely well, and simply could not function satisfactorily with many fewer Members.

Mr. Andrew Turner: Will the hon. Gentleman explain, for the benefit of my constituents, why 100,000 Scots electors need five Members of Parliaments—and I mean Parliaments, in the plural—to represent them, whereas the constituents of the Isle of Wight need only one? */Interruption./* I know that that question has been asked before, but we did not get an answer.

John Thurso: I will leave the explanation to the hon. Gentleman's constituents to him. If I were in his seat, I would be looking to have proper representation for England. He should be asking why should the people of England have less representation than the people of Scotland, not saying that English Members are disadvantaged compared with those in Scotland. That is the answer to the West Lothian question, as we said in the debate on that question in the Chamber not long ago.

As the hon. Gentleman and others have observed, there was only one exception to the broad consensus that existed in Scotland, and that was the Scottish Conservative party, which wished the relevant provision in the current Act to remain in force. The Conservatives have made an amazing U-turn. They argued throughout the passage of the Scotland Bill in this House and the other place that the proposed reduction in numbers was wrong. One of my abiding memories from having been in another place is of watching Lord Sewel as he gamely attempted to fend off the penetrating arguments of Lord Mackay of Ardbrecknish, who, sadly, is no longer with us. Lord Sewel may have rebutted Lord Mackay's

arguments in that way because he was not particularly convinced of the arguments that he was trying to advance at the time.

Out of interest, I referred to the House of Lords *Hansard* for 22 October 1998. After a long, cogent, well argued and structured speech comprehensively debunking the idea of reducing numbers, Lord Mackay said in summation:

"Therefore, I cannot think of anything dafter for the Government to do than to say to this parliament, 'You can start off with 129 members, but when the House of Commons inevitably reduces that number to about 58 Scottish members . . . your numbers will be reduced in a similar manner—'".

He added:

"I hope that the Government are going to listen and amend the Bill accordingly because nothing short of that will do."—[*Official Report, House of Lords*, 22 October 1998; Vol. 593, c. 1600.]

What has changed?

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Perhaps the rationale behind the Conservative position now—and then—is that whenever it sees change proposed, and whatever that change is to be, it is against it.

John Thurso: I think that my hon. Friend is trying to say that the Conservatives are a tad opportunistic.

Lord Mackay and I disagreed on many things in politics, but on the occasion to which I have referred we were in accord. Later, when I moved an amendment to deal with the anomaly, I was delighted to see that all the Conservative Members of the other place followed me into the Lobby to support it. It was duly passed in another place. I regret that we were unable to achieve the same feat in this place, and it was duly removed by this House.

As I have said, I often disagreed with Lord Mackay, but I respected him both as a man and a parliamentarian. I believe that he was right in October 1998, and that nothing has changed except the current Scottish Conservative party, which seems hellbent on swapping obscurity for lunacy.

Jim Sheridan (West Renfrewshire) (Lab): On a couple of occasions the hon. Gentleman has mentioned friends and colleagues who are no longer with us. In the wake of the private conversations that he had with them, did either of them ever mention the hokey-cokey politicians who cannot make up their minds whether they will stay in this Parliament or in the Scottish Parliament?

John Thurso: Everything that I have quoted from Lord Mackay is in *Hansard*. As for the hokey-cokey, I remember that you, Mr. Deputy Speaker, said that as long as you were in the Chair there would be no hokey-cokey in this Chamber. I think we will leave it at that.

There clearly is nothing dafter than maintaining the reduction, and the Government are right to have addressed that point.

Mrs. Jacqui Lait (Beckenham) (Con): The hon. Gentleman has been having a little bit of fun about the Conservative party's position now compared with its stance during the passage of the Scotland Bill. He should acknowledge that Lord Mackay in the House of Lords and my hon. Friend the Member for Woodspring (Dr. Fox) in the House of Commons both made the point that the numbers should be reduced in the Scotland Bill—that is, that the Bill, as it went through Parliament, was wrong.

John Thurso: The hon. Lady is right, inasmuch as the noble Lord argued that whatever numbers we started off with, we should continue with them. I think that if Lord Mackay were here today he would maintain that position. Undoubtedly he would have preferred to start with 108. However, given the choice of 129 reducing to 108 or 129 continuing, he made it clear that he wanted to stay with the 129.

The Scottish Affairs Committee's report deals with coterminosity. All the evidence clearly shows that coterminosity is highly desirable, particularly for political organisers. It is also extremely convenient for the electors. In the short term, the status quo envisaged in the Bill is therefore the lesser of two evils, but in the longer term it must be right and desirable to achieve conterminous boundaries.

There is clearly far less consensus on voting systems, as has been evidenced this afternoon. The recommendation of the Committee, while clearly interesting and deserving of serious consideration, does not, in my opinion, maintain the concept of proportionality. However, I can see how that might be varied. As the proposal is currently written, four voting systems would still be involved. I suspect—perhaps the remarks made this afternoon confirm this—that the Committee's attention was more focused on reducing the interference that it perceives from this place than on what might be the best voting system.

I have already welcomed the Secretary of State's announcement bringing forward the review. I will leave it at that on electoral systems, because, like my right hon. and hon. Friends, I look forward to advancing the argument for the single transferable vote when the commission starts its work.

The Conservatives have tabled an amendment that a short while ago their colleagues would, as I have recounted to the House, have described as daft. Of all the opportunistic mumbo jumbo that has emanated from the Opposition Dispatch Box, this one takes the biscuit. We are invited to oppose the Bill, despite the support for it in all other quarters, because it is said not to address the proliferation of politicians in Scotland. What proliferation? What are we talking about? We are talking about either maintaining the status quo—that can hardly be described as a proliferation—or reducing the number by about 21 persons. How many politicians are there in Scotland, even with us, local councillors and MSPs? There must be 1,000 or more. If a reduction of 21 in 1,000 is a proliferation, I fail to see the logic.

Mr. Peter Duncan: I know that the hon. Gentleman has a vigorous campaign of surgeries in his constituency. If he were to ask people attending those surgeries whether there were too many politicians in Scotland or too few, what does he think most of them would say?

John Thurso: Most of my constituents would simply like to get something done by the politician to whom they are speaking—and I have never concerned myself about the Conservative list MSPs who parachute in from time to time.

[John Thurso]

The proliferation that the Conservatives choose to talk about is inexplicable, unless they are seeking to sabotage the devolution settlement and go back to the days before there was a Scottish Parliament. The amendment that they tabled makes no sense. Either the Conservative party still does not accept devolution or the amendment is illogical.

The Bill is short. It is, I hope, an interim measure before moving on to sunnier pastures, and I hope that that period will be short and sweet. It does not go quite as far as my right hon. and hon. Friends and I would like, but it does the job and starts the process, and for that reason we welcome it and will vote for it.

6.30 pm

Mr. Jimmy Hood (Clydesdale) (Lab): The hon. Member for Caithness, Sutherland and Easter Ross (John Thurso) started his speech by telling us about the wonderful plaudits for proportional representation. He said that PR benefits the public. I will tell the House who PR benefited at the last Scottish Parliament elections. The party that 86 per cent of the people voted against decided who would be the First Minister. That is what PR did for the people of Scotland. Those who argue the case for PR should remember that very simple fact.

Mr. Salmond: Did it come to the wrong decision?

Mr. Hood: It certainly did not, but I did not agree with some of the arguments that were put forward in support of that decision. I certainly did not support the move for PR for local government. I thank the hon. Gentleman for giving me the opportunity to put that on the record.

I, too, should like to put on record a bit of history. We have had some history from the Secretary of State tonight and from others. I was fortunate to be present for a lot of the discussions on the various electoral systems, and, as most Labour Members will know, the Labour party was dragged into supporting PR at the Scottish convention. Let me tell the House how the votes stacked up in the Scottish Executive when the decision was made. It was an equal vote and the chairman's casting vote decided it. The chairman at the time was a Member of Parliament from one of the Edinburgh constituencies. He is not with us, so I shall not name him. The Member of Parliament who was supposed to represent the Westminster Members of Parliament on the Scottish Executive, the overwhelming majority of whom were against PR, voted for PR against the wishes of his Westminster colleagues. Those Labour Members who, to put it politely, may wish to reconsider history, should remember that the Labour party is strongly against PR.

Sir Robert Smith: I accept that many in the Labour party are strongly against PR, but if the hon. Gentleman looks back at the history, was it not that those who believed that a Scottish parliament was essential to good governance in Scotland realised that the only way in which that could be delivered was by agreeing to PR to reassure the electorate in Scotland, particularly outside of Glasgow and Edinburgh, that they could vote for a Scottish parliament in the referendum? It was only by delivering PR that Labour, and people such as Donald Dewar, realised that we could finally get a Scottish parliament to look at legislation in Scotland.

Mr. Hood: In 1997, the Labour Government could have legislated for a Scottish Parliament with a first-past-the-post system and we would have had better governance in Scotland now than perhaps we have with the wishy-washy Liberals as part of the Executive.

To return to my trip down memory lane, the Labour party accepted—

Angus Robertson (Moray) (SNP): That is new consensus politics, is it?

Mr. Hood: The Labour party accepted the consensus of the convention and went into the election promising to legislate, but with a caveat that we would put it to the people through a referendum, and it would be, to use the words of the much maligned Donald Dewar—unfairly so—the settled will of the Scottish people. It was the Scottish people who decided by an overwhelming vote in the referendum what the electoral system should be, and it was partly first past the post and partly PR.

What we are debating today does not honour the settled will of the Scottish people or the consensus on keeping PR. I get the distinct feeling that Labour Members have been sleepwalked, and I say to my friends and colleagues in the Scottish Parliament that the MSPs have been sleepwalked, into PR, which the Labour party would never have supported in the convention. That was never part of the negotiations in that settlement. I do not share the point of view of those who say that it was always the intention to keep the size of the Parliament at 129 Members and to change the electoral system.

There was a huge row when the Prime Minister and Lord Robertson, then the shadow Secretary of State for Scotland, argued the case for the referendum. There were to be two votes, and I supported the argument for the referendum. I can remember telling the then Leader of the Opposition, now the Prime Minister, that I was supporting the call for the referendum to entrench the will of the Scottish people in the settlement. We argued for entrenchment because we were worried about a future Tory party coming in and undoing the Scottish Parliament, which we supported. Yet here we are debating a narrow change in the Scotland Act 1998, which those of us who strongly believe in first past the post—there are a number of us in Scotland, especially within the Scottish Labour party—think means that what we agreed to, which we supported in good faith, will be taken away from us, and I do not feel at all comfortable with that.

The reduction in the number of MSPs was part of that agreement. No one said to me at any time that they wanted to keep the same number of MSPs. Sacrosanct to me was the coterminosity of the constituency boundaries of the MSPs and the Westminster MPs, and that is so important today. For example, under the new boundaries there are two seats in Lanarkshire. One is Lanark and Hamilton, East and the other East Kilbride.

Mr. Roy: South Lanarkshire.

Mr. Hood: It is fair to draw that distinction, and I will too.

I shall speak slowly for emphasis. There has been talk of over-governance, but 19 MSPs will have a claim to the Lanark and Hamilton, East seat, and 19 MSPs will have a claim to the East Kilbride seat. How can we justify that so-called governance? We are not talking about over-governance. In moving away from what we originally agreed, we could be bringing ourselves into disrepute.

We had two consultations, because the first had to be extended for six months because no one was very interested. I have heard that there were 17 representations in support of the case for reducing the number of 129 Members. During the six-month extension, there was a considerable increase in the number of contributions.

Then we had the statement from my right hon. Friend the Member for Airdrie and Shotts (Mrs. Liddell) as Secretary of State for Scotland. One of the things in that statement that alarmed me, which I remember pointing out, was the setting up of the commission after 2007. I am pleased that the Secretary of State returned to that issue and spoke about setting up a commission straight away.

I share some of the views of my hon. Friends about this commission of the wonderful and good. I am sure that it will include experts and independent people, but I have yet to meet people who are independent but do not have a view on a range of issues. I do not want us to start hiring out—I borrow a phrase that I have heard in the House—the decisions of Parliament to commissions and committees. Decisions on legislation should be taken by the legislators. It is for us to take such decisions. There has obviously been an agreement with the Government to keep the 129 Members, and I have no difficulty with that, but the consequential changes in the electoral system must be looked at, and I do not think that they should be dealt with by independent commissions. I have no objections to such bodies having a look at those matters, but I must be firm in saying that it is a must that the decisions on whatever electoral system flows from the decision to keep the 129 Members should be for this Parliament and this Parliament alone. Such decisions should not be influenced by people who are outside Parliament, and even outside the Scottish Parliament. I hold that view very firmly indeed.

Mr. Sarwar: I support my hon. Friend 100 per cent. in saying that constituency boundaries for the Scottish Parliament and the Westminster Parliament should be coterminous. If the Electoral Commission came up with a proposal that gave us coterminous boundaries with proportionality, would he accept it?

Mr. Hood: No. I support the first-past-the-post system. Unless the system has a first-past-the-post ingredient, I shall certainly not support it.

Mr. Roy: Does my hon. Friend agree that, for many people, proportional representation is something that is spoken about by the chattering classes and not the ordinary men and women of Scotland? Does he think that, when the independent commission is formed, it will include miners, steelworkers, shipbuilders, doctors, nurses and housewives?

Mr. Hood: I would be pleasantly surprised if such people were included on the commission. Of course, I am sure that there will be no lawyers and so on!

I shall not support the Conservatives in their opportunistic approach. A fortnight ago tomorrow, the hon. Member for Galloway and Upper Nithsdale (Mr. Duncan) said that he would not vote in principle on an English issue. I wonder how many English MPs will traipse through the Lobby this evening.

Mr. Peter Duncan: Does the hon. Gentleman not understand the simple truth that the matter under discussion is not devolved to the Scottish Parliament? Higher education in Scotland is devolved to the Scottish Parliament.

Mr. Hood: Having listened to the Secretary of State and read the Bill, I take the view that the decision will affect only the Scottish Parliament. That is my reading of the Bill, and I suspect that the hon. Gentleman entirely understands that.

If the decision is that the 129 figure is sacrosanct, I want common boundaries. I congratulate my hon. Friend the Member for Paisley, North (Mrs. Adams), the Chairman of the Select Committee on Scottish Affairs, on an excellent report and on raising all the issues. It is important that we have a first-past-the-post element and an element of proportionality, to keep faith with what was decided in the convention that was agreed before the Scotland Act took effect. Along with some colleagues, I hope to table amendments on that issue for consideration in Committee.

I wish to end my speech with a message for my colleagues in the Scottish Parliament. When they get the opportunity to make representations to the august commission that is going to be set up they should remember that the best way of preserving the rights of their representation and of keeping their job in that Parliament will be to support the system that still includes first past the post. Without that, they will be sleepwalking into a 100 per cent. PR system that will give the Liberals total power over their Parliament and which will not give that power to the people, where it should be vested.

6.46 pm

Mrs. Jacqui Lait (Beckenham) (Con): It is a pleasure to take part in this debate, which has been somewhat hijacked by the announcement of the inquiry into the number of voting systems. I have a certain sympathy with the need for the commission, but I think that we will be doing down Scotland's education system if we suggest that the Scottish people cannot cope with four different voting systems. Perhaps it would be neater if the systems were the same, but I do not think that it is beyond the wit of Scots men and women to be able to cope with different voting systems, even in the same election.

The Secretary of State referred to this Bill as a small Bill. In my view, it will be the first of many such small Bills. While most of us in the Chamber would agree that the devolution settlement is here to stay, the Scotland Act 1998 is not perfect legislation, as the Bill before us indicates. Not very long ago, we saw the report from Lord Norton, which pointed out the difficulties in respect of any seriously robust mechanism for dispute resolution. We may well find, for instance, that the publication of the NHS tariff in England and Wales has

[Mrs. Jacqui Lait]

a knock-on effect on the Scottish health service, which could lead to disputes with the Scottish Parliament and Executive. Section 28(7) of the 1998 Act states:

"This section does not affect the power of the Parliament of the United Kingdom to make laws for Scotland."

That could cause difficulties in due course. That is why I think that this will be the first in a series of small Bills that will detain the House. We should not be complacent about the finality of the settlement.

Mr. Carmichael: I am anxious to explore why the hon. Lady thinks that the power of this place to legislate on Scottish matters should be a source of difficulty. Does she anticipate that, perhaps under some future Government, this place will seek to legislate on an otherwise devolved matter in defiance of the Scottish Parliament?

Mrs. Lait: I am happy to deal with that point. Indeed, that is why I cited the NHS tariff, which could have a knock-on effect on the Scottish health service. Under the 1998 Act, the Scottish Parliament controls the delivery of the Scottish health service, so it may have a difficulty with the way in which the tariff interacts with the Scottish health system. As time passes and different policies are introduced, perhaps under different parties, there will be no reason why such difficulties should not emerge, and they will have to be dealt with one way or another.

I take great pleasure in supporting my Front-Bench colleagues in opposing the Bill. I am not doing that entirely because of the arguments made during the passage of the Scotland Act. I thought it was a mistake that the Government were not prepared to decide that the number of MSPs should be a responsibility of the Scottish Parliament. That showed that the Government were not quite prepared to treat the Scottish Parliament as a grown-up Parliament.

Mr. Salmond: Hear, hear.

Mrs. Lait: I would hate to give any comfort to the Scottish National party, because I recognise that that is its policy.

Sir Robert Smith: The hon. Lady says that she will vote against the Bill but feels that it should be up to the Scottish Parliament to decide what size that Parliament should be. The Scottish Parliament has asked for this Bill to be passed. If she believes that the Scottish Parliament should be listened to, should she not listen to it and vote for the Bill?

Mrs. Lait: I said that the Scottish Parliament should make the decision, not this House. The Labour Government did not have the courage of their convictions in giving the Scottish Parliament that power.

Mr. Salmond: Just because the Labour Government do not have the courage of their convictions is no excuse for the hon. Lady not to have the courage of hers. By a massive majority, the Scottish Parliament wants to stay at 129. Why will she not support it?

Mrs. Lait: In my view, the Scottish Parliament has not had a true opportunity to examine the reduction in numbers. That is not the principal reason why I am against the Bill; the key reason is that I believe in smaller government.

Mr. Donohoe: Given that Opposition Front-Bench spokesmen have been unable to give the numbers they are proposing, will the hon. Lady do so?

Mrs. Lait: If the hon. Gentleman took part in the Scottish Parliament elections, he will remember that we made it clear how we believed the Scottish Parliament should be structured. We believed that the number of first-past-the-post Members should be reduced to the same number as the Westminster constituencies. There should then be a top-up of 49 from the list system, making 108. We also said that we could not understand why 22 Ministers were required in Scotland. I used to work in the Scottish Office in the good old days when four Ministers managed to run all the legislation. [HON. MEMBERS: "The poll tax?"] I should point out that I worked there when the Labour Government were in power between 1974 and 1979. [HON. MEMBERS: "Is that why they lost?"] I would love to think that one civil servant could have that impact on a Labour Government; they imploded in the same way as this one is imploding.

In terms of the way in which legislation is dealt with in the Scottish Parliament, there is an argument for more Ministers; we argued for eight. We argued also for a reduction in the number of Committees in the Scottish Parliament. We believe that Scotland is over-governed and there are too many politicians. Approximately 10 per cent. of the population of the United Kingdom live in Scotland, but there are 129 MSPs compared with 659 Members here; that proportion is equivalent to about 20 per cent. Scotland would benefit from a reduction in the number of politicians, which is why we oppose the Bill.

Mr. Carmichael: The hon. Lady says that it is her party's policy to make the number of Members here the same as the number of constituency MSPs in the Scottish Parliament. Is she telling my constituents that she will end the separate representation of Orkney and Shetland? My constituents would be interested to hear that.

Mrs. Lait: I apologise; that was a small slip. I thank the hon. Gentleman for correcting me. However, the principle remains the same.

The support expressed for the retention of 129 MSPs brings to mind a phrase that no one has yet quoted, concerning trotters and troughs. Over the past two years, there has been huge criticism in Scotland of the number of MSPs and people believe that the Parliament would benefit from a reduction in numbers.

Many people have talked about the difficulty of coterminosity. I sympathise with those who are dealing with, potentially, 19 Members of both Parliaments. That must be difficult, but it is not beyond the wit of man

or woman to work with those numbers. To a much lesser extent, all of us are dealing with coterminosity problems because, as a result of proportional representation, we have to deal with a multiplicity of Members of the European Parliament.

Mr. Roy: The hon. Lady says that it is not beyond the wit of man to work with 19 MSPs. Is she saying that we should keep the same number? That is not what she was saying earlier.

Mrs. Lait: I was sympathising with the difficulty of dealing with a multiplicity of Members of the Scottish Parliament and of this Parliament; I talked about "Parliaments". In my constituency of Beckenham, I have to deal with eight MEPs; not as many as 19, or the 15 that that might be reduced to. However, there is a problem of coterminosity throughout the system, largely because—here I agree with the hon. Member for Clydesdale (Mr. Hood)—of proportional representation. If we got rid of PR, we would not have coterminosity problems. With first past the post, all these problems iron themselves out. I do not have a problem with the first-past-the-post system; neither do the Conservatives. The foreign importation of PR is causing a lot of problems.

Mr. Roy: Will the hon. Lady give way?

Mrs. Lait: Have I confused the hon. Gentleman again?

Mr. Roy: Slightly. If the hon. Lady is saying that the first-past-the-post system is not a problem and that she agrees with it, why does she not say that the whole of the Scottish Parliament should be elected according to that arrangement?

Mrs. Lait: If I were a purist, I could be tempted down that route. I am tempted also to compare the opinion polls now with those before the last parliamentary elections, but I will resist. I support the first-past-the-post system for all elections and I have sympathy with hon. Members who talk about coterminosity. I cannot see how the proposed election system will sort out that issue. However, it is much more important to give better governance to the Scottish people, and that will come about by reducing the number of MSPs. That is why I will be voting against the Government.

Mr. John MacDougall (Central Fife) (Lab): Are you making the point that you want to decide today to reduce the number of MSPs, but that you want to give the Scottish Parliament the decision on whether it should retain the figure of 129?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am not seeking to make any decisions. I think the hon. Gentleman means the hon. Lady.

Mrs. Lait: Thank you, Mr. Deputy Speaker. I would suggest that the issue before us today is that of the number of Members of the Scottish Parliament. On that basis, I shall vote against the Bill, because it maintains that number.

No hon. Member—other than the Secretary of State, for which I give him credit—talked about the second part of the Bill, which deals with boundaries and the demise of the boundary commissions. That is covered by the legislation on the Electoral Commission. Nevertheless, it is a great shame that the boundary commissions are disappearing, given their very high reputation for impartiality. I hope that the breadth of responsibilities assumed by the Electoral Commission will not in any way, shape or form impinge on the boundary commissions, which have done such a good job for us throughout the country over many years.

On those grounds, I will vote with the Opposition tonight to oppose the maintenance of the number of Members of the Scottish Parliament.

7.1 pm

Mr. Brian Wilson (Cunninghame, North) (Lab): I need hardly say that I shall not be joining the hon. Member for Hastings and Rye—

Mrs. Lait: I am hugely grateful to the hon. Gentleman, but my constituency is Beckenham—it used to be Hastings and Rye.

Mr. Wilson: I apologise to the hon. Lady—I have clearly been here too long. She has refreshed my memory; I now remember that she was first burned in effigy, then voted out in Hastings.

I am afraid that this is the last point at which I can bring much comfort to my right hon. Friend the Secretary of State. I sympathise with my right hon. Friend, whom I do not hold responsible in any way for what we face, and who is doing his best to bring some sort of reason and order to a very bad job. However, questions must be asked and fundamental criticisms made regarding how we got here.

Usually, when a Bill comes before the House it can be argued for, however misguidedly, on the ground that it advances the public interest in some way. However, this Bill is the exception: I cannot find any conceivable public interest that will be served by it. On the contrary, it is, as we all know, simply the legislative follow-up to a political fix. The problem that initially confronted us was quite straightforward. Our Government had made two relevant commitments, both of which I accepted and subscribed to: first, to cut the number of Scottish MPs being returned to Westminster; and, secondly, to amend the number of MSPs sitting in the Scottish Parliament in the same proportion.

So far, so good. If proceeded with in conjunction, those measures would have enjoyed general public support, apart from a few bleatings from the political fringes in Scotland. The problem is that the second commitment was reneged on to appease those political fringes and their vociferous supporters among the Scottish chattering classes. However, going ahead with the first commitment and abandoning the second is not a victimless solution. Without doubt, our two commitments were interdependent in their logic and symmetry: if one is abandoned, the other makes no sense, or, at the very least, will have to be paid for in another way.

I feel sufficiently exercised to speak in this way on a Government measure because I believe that the confusion that will be created by abandoning the second

[Mr. Wilson]

part of the Government's commitment will be paid for by the people whom we are all supposed to be here to represent. That is the nature of the fix that has been entered into. In order to avoid reducing the number of MSPs, further confusion will be heaped gratuitously on to the old, the frail and the vulnerable, who from time to time need to consult their elected representatives. In arriving at that fix, no member of the political classes gave a single thought to those people—our constituents. That, I regret to say, has been the spirit of the debate. With the exception of one brief reference by the Secretary of State, no mention has been made of the Bill's effects on the people who do not necessarily always want us, but sometimes need us.

There is already a great deal of confusion in Scottish politics about the delineation between reserved and devolved matters, although most of us can help to overcome that problem simply by sharing offices and providing what amounts to a joint service—admittedly, not in every part of Scotland, but in most parts. Further confusion is created by that curious breed of humanity, list MSPs, who, to all intents and purposes, have no constituencies and no constituents. Some of them find that extremely satisfactory, for obvious reasons, and do not trouble anyone; others are Walter Mitty characters who set themselves up as alternative MSPs in specific constituencies and tout for business from the unwary. However, as long as there are recognisable constituencies, the vast majority of people in Scotland at least know which constituency they live in and who their elected constituency representatives are—where to go and to whom to go. Now, gratuitously and for no good reason, even that safeguard of the public interest is casually to be dispensed with. Hundreds of thousands of people throughout Scotland will find themselves in one constituency for Westminster purposes and another constituency for Holyrood purposes. Constituencies where MPs and MSPs work well together to give an integrated service will be split two, three or even four different ways. As we have heard, some Westminster constituencies will be shadowed, for devolved purposes, by up to 20 MSPs. The whole thing is ludicrous—and entirely unnecessary, because all we had to do was stick to the two original commitments.

What I find really offensive about this episode is not some abstract political aspect, nor any of the stuff that has been bandied about this evening, but the complete lack of regard for the consumer interest. It has been all about politicians looking for a way out of a minor political dilemma that will cause the least inconvenience to other politicians: never mind the punters who have to track down the person who can be of use to them at a particular time; never mind the view that the public will take of a new system that might have been designed for the sole purpose of confusing them and bringing political representation into further disrepute; and never mind the highly relevant fact cited by my hon. Friend the Member for Paisley, North (Mrs. Adams), that 15 per cent. of voters have been driven away from the polls by the confusions already created in Scottish politics.

The horse must be put back in front of the cart—the anomalies must be addressed in advance of the changes being made, not at some dim and distant point in the future. That is where I disagree with the hon. Member for Caithness, Sutherland and Easter Ross (John Thurso). He spent half his speech talking about the virtues of coterminousity—or coterminality, or whatever term happens to be in fashion tonight—but we are introducing legislation that will abolish that virtue. This is not a done deed—we are setting up a commission to revise what has not yet been legislated for. Would it not be better to do things in chronological order by addressing the problems before they have been created?

All along, the starting point for this exercise should have been that the boundaries remain the same for Westminster and Holyrood: non-negotiable, full stop. That was the way in which to concentrate minds, and that is what we should still do.

Mr. Salmond: Surely, as the Secretary of State said, there are already problems in relation to different electoral systems. Any of us might share the hon. Gentleman's thoughts about the list system—which, after all, was introduced by the Government in whom he served—but are we not being offered the prospect of some of those difficulties being attended to?

Mr. Wilson: I respectfully suggest that acceptance of that proposition displays some naiveté on the hon. Gentleman's part; and I suspect that if there is one thing that he does not like being accused of, it is that. To me, the commission sounds like a classic Sir Humphrey mechanism. One can imagine the discussion that took place: "We are creating a shambles—what are we to do? We'll set up a commission. When will the commission report? After the shambles has been created." I revert to my original point—why not get the chronology right and sort everything out before the shambles is created?

I have no quarrel with the remit or the outcome of the boundary commission review of Scottish seats, but it is not too late to say that it will be implemented only when a compatible formula, based on coterminal constituency boundaries, has been agreed for the Scottish Parliament.

I do not believe that the figure of 108 is any more sacrosanct than 129. If people want 130, 150 or 170 seats, I do not care very much. Electoral systems can be devised to satisfy any of those numbers. However, the system must be created on the basis of the same boundaries for both elections. I am not, therefore, devising a way of getting rid of 21 MSPs, although I doubt whether maintaining, under all circumstances, 129 MSPs is a great popular cause in Scotland. If that is the stumbling block, there are other methods of dealing with it. However, the way is not to destroy one of the few things that provide political and representational comprehension in Scotland: the fact that we have the same boundaries, the same offices and the same representation.

I repeat that I do not blame my right hon. Friend the Secretary of State, but I ask him to consider the course that I have outlined if it is the only way to force progress on the wider issue, and not to implement the Bill until coterminality has been sorted out. Surely there can be unanimity in the parties in Scotland: whatever the perceptions of marginal short-term political advantage or disadvantage, we do not want to legislate to establish an electoral system that we all know will work to the practical, and in some cases serious disadvantage, of our constituents.

If, even at this late stage, we do not stop to contemplate the essential stupidity of what is being done, people in Scotland who are adversely affected by the measure will have a long time to wonder how politicians could create a total mess out of something that should be as straightforward and comprehensible as possible.

7.12 pm

Pete Wishart (North Tayside) (SNP): It is a pleasure and a privilege to take part in the first debate on the Scotland Act since it was passed in 1998. We follow many illustrious speakers in the debates on that measure, including my hon. Friend the Member for Banff and Buchan (Mr. Salmond), and many Labour Members. It is unfortunate that the way in which the Bill is framed means that we have no opportunity to discuss the many pertinent issues that affect the Scottish Parliament. An opportunity has been lost.

With due respect to the Secretary of State, the debate is a little hypothetical. We are working on the assumption that the number of Scottish Members of Parliament will be reduced at the next general election. However, no one has said definitively that that will happen. Let us imagine that a general election takes place in two months—that was entirely possible a few weeks ago. We would fight with the existing boundaries. What would happen in 2007? On what sort of membership would we fight an election for the Scottish Parliament? There are many questions to ask. Our debate is based on an assumption that the number of Members of Parliament will be reduced. I appeal to the Under-Secretary to tell us when she replies to the debate whether we shall fight the next general election under existing boundaries.

This first debate on the Scotland Act since it was passed is timely. The Scottish Parliament is at a crossroads and faces severe challenges. It has lost the confidence of the Scottish people, and we should be considering many other subjects, instead of wasting time on coterminosity and voting arrangements. We wanted to introduce a series of amendments that would give the Scottish Parliament new powers. It is unfortunate that we will not have an opportunity to do that.

I examined the Scottish social attitudes survey, which has appeared in several newspapers, and the Scottish people appear to be two or three steps ahead of the Government and the Scottish Executive, because their solution to some of the Scottish Parliament's difficulties is to increase its powers. The overwhelming majority of the Scottish people who took part in the survey suggested giving the Scottish Parliament more powers as a method of tackling its difficulties. Every survey that has been conducted appears to yield the same results: people believe that the Scottish Parliament needs more powers to meet the genuine expectations that the Scottish public had when it was established.

I was impressed with the debate that we held in the Scottish Grand Committee a couple of months ago on a Liberal Democrat motion about the evolution of the devolution settlement. Much good came out of that. We did not agree on many things, but we all signed up to one overriding statement: devolution is a process, not an event. We might have difficulty in defining where the process ends—that is a legitimate debate, which it is right to hold—but I listened carefully and eagerly to Labour Members, and they too said that devolution was not an event but a process. We might be different from hon. Members of other parties because we are impatient for the process to continue. We want some progress to show that devolution is a process. I hope that we shall get there.

I am sure that the Secretary of State has been impressed by some of the debates in the Scottish Parliament. Even some notable and eminent Labour MSPs now believe, along with so much of Scottish civic society and the business community, that the Scottish Parliament needs greater fiscal and economic powers. We have a notable new recruit to that campaign in the shape of Robert Crawford, the former chief executive of Scottish Enterprise.

Rosemary McKenna (Cumbernauld and Kilsyth) (Lab): The hon. Gentleman should not be surprised at Mr. Robert Crawford's return to the Scottish National party fold.

Pete Wishart: I am not sure about that, but we cannot ignore the views of someone who ran Scottish Enterprise and knows much about what the Scottish economy requires and what makes it tick.

We will support Second Reading. We believe that a minimum of 129 MSPs is required to ensure that the Scottish Parliament runs efficiently and effectively. All the political parties—apart from the Conservative party—are signed up to that figure. I was impressed by some of the evidence that was given to the Select Committee on Scottish Affairs when the question was put. Many people said that 129 MSPs were required to make the effective Committee system work. It was identified as one of the Scottish Parliament's strengths. Its pre-legislative scrutiny is one of the most valuable aspects of work in the Scottish Parliament. The Select Committee report clearly concluded that 129 MSPs were required.

There are honourable exceptions in the Labour ranks who do not support the figure of 129, and we have heard some contributions from them this evening. I am thankful that they, in conjunction with the Conservatives, are lonely and isolated voices. I shall be interested to note how many Labour Members vote with Conservative Members, in alliance against the Scottish Parliament. As I said, they are isolated, forlorn voices.

It will surprise the Scottish public to find that the House of Commons determines the membership of the Scottish Parliament and that distant Westminster decides on its voting arrangements. Surely our national Parliament should have that task, and be able to determine its voting arrangements and membership.

Mrs. Adams: How many people in the hon. Gentleman's surgeries have asked him about that?

Pete Wishart: The hon. Lady might be surprised to learn that no one has asked me about such matters. However, MSPs are exercised by the question because the Scottish Parliament should be wary if the House legislates on its behalf about membership and voting arrangements. Surely a national Parliament should legislate on those matters. The Scottish Parliament is

[Pete Wishart]

unique among national Parliaments in having to cede power on those matters to another national Parliament. That is not right.

We noted with interest the establishment of the Secretary of State's new commission to examine the arrangements. Like the Liberal Democrats, we are waiting for an invitation to serve on it. I read about the matter in *The Herald* today. I do not know why the Secretary of State did not tell the House before going to the newspaper. The commission appears to be a political fix. I sympathise with the Secretary of State because I know that he has a little local difficulty. On the one hand, hon. Members from the Scottish Labour ranks are determining the agenda about voting arrangements and the membership of the Scottish Parliament, and on the other, there is great anxiety among Labour MSPs who are worried about the activities of the crowd who sit behind the right hon. Gentleman. Labour MSPs should be worried about what Labour Members of Parliament are up to.

Mr. Donohoe: Does the hon. Gentleman not accept that the biggest problem in Scottish politics today is the list system? The list mainly consists of members of his party.

Pete Wishart: The list system may be the biggest problem in Scottish politics for the hon. Gentleman, but it certainly is not for me. There are much more important issues to address, and I wish that he would sometimes recognise that.

List Members have two key functions. One is to provide the proportionality required by the Scotland Act 1998. The second function, however, at which they seem to be effective, is to wind up Labour Members. They perform that task spectacularly, and Labour Members fall for it every time. I have a list Conservative Member in my constituency, who has set up an office in my constituency and sniffs around for any scrap of attention, but we deal with him effectively. He has stood previously against me and my SNP colleague, John Swinney, and we have beaten him in successive elections. That is no problem, but I can understand why it is a problem for Labour Members, because most of them have run their constituencies like personal fiefdoms. When an energetic, enthusiastic list Member appears and tries to do things, it is a real challenge to them. If we cannot rise above the challenge of energetic and enthusiastic list Members, perhaps we do not deserve a place in this House at all.

Mr. Hood: Does the hon. Gentleman think it right that a Conservative Member, or a member of any political party who has not been elected in his constituency by the will of the people, is allowed to spend taxpayers' money on funding offices to work against an elected person?

Pete Wishart: That is the very system for which the hon. Gentleman voted in the Scotland Act. It is a consequence of the decision that you took, and you must accept it. He may not have voted for it personally—*[Interruption.]* I am told from a sedentary position that he did. You voted for it, and you must accept the consequences.

Mr. Hood: Will the hon. Gentleman give way?

Mr. Deputy Speaker: Order. First, let me make it clear that I never voted for anything. Secondly, I do not think that the hon. Gentleman is giving way a second time.

Pete Wishart: I have looked at the amendments suggested by the Scottish Affairs Committee, which effectively propose the death knell of proportionality for the Scottish Parliament. [HON. MEMBERS: "Hear, hear."] I hear hon. Members say, "Hear, hear." I know that that is their intention and their agenda. What I do not understand about the Scottish Affairs Committee report, which I have examined carefully, is that the great and the good came down to give evidence—all the political parties, all the local authorities, the whole of civil society in Scotland—but it is as if the Committee made up a conclusion different from the evidence that it took. Most of its conclusions fly in the face of the evidence that it was given. I suggest respectfully to members of the Scottish Affairs Committee that instead of getting the great and the good down from Scotland to give them evidence for an agenda on which they had already made up their mind, they should have just had the right hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) as the sole witness. Their conclusions would then probably have been much more credible.

I have studied the evidence given to the Committee, and nowhere does any witness come forward and say, "I think that the solution to Scotland's electoral problems is to have two-Member constituencies." None of them said that, and some of them would probably laugh in the face of anyone who suggested it to them. I am intrigued as to whether any of the later contributors to this debate will explain how it will work. We have heard Labour Members' hostility to PR. They loathe it and think that it is an absurd system—that is their point of view. I presume that in two-Member constituencies the winner and the runner-up will be elected to the Scottish Parliament. What a ridiculous way to elect a Parliament—regardless of the fact that my party would do quite well under such a system.

Mr. Hood: Is the hon. Gentleman suggesting that it would be better if the winner and the candidate who came last were elected, as is the case under the list system at present?

Pete Wishart: I find the arrangement suggested by the Scottish Affairs Committee bizarre. I hope that the hon. Gentleman will catch your eye, Mr. Deputy Speaker, and explain how it works. It is like turning up to play the Scottish cup final, picking up the ball and deciding not to have a competition—both teams share the cup. It is a bizarre sort of first-past-the-post-plus.

Most of the witnesses to the Scottish Affairs Committee have little to say about coterminosity. Yes, most of them would like to see it happen, but it did not seem to be the defining issue for most of them, although the Scottish Affairs Committee concluded that it was the defining issue in Scottish politics. The public do not care

a whit about coterminosity. It is not on their agenda at all. When I am out and about in Blairgowrie, members of the public do not come up to me to tell me how concerned they are about coterminosity. I have had a series of surgeries in the past few weeks throughout my North Tayside constituency, and I have not had anxious constituents coming to my surgery saying that they cannot sleep at night because the constituency boundaries of their MP and their MSP may be different.

David Cairns (Greenock and Inverclyde) (Lab): Will the hon. Gentleman give way?

Pete Wishart: I am sorry, but I have no more time. I have a big speech to make.

Yes, this is an issue for political parities, and it will present challenges for them. There are solutions, however. The Scottish National party has already framed solutions, and I am sure that with its resources and organisational ability, the Scottish Labour party can arrive at a solution, too, and I suspect that it will do so. People just do not care about this issue, however. For example, people in Pitlochry know that I am their MP—some of them might think that I am quite effective. People in Brechin, which is 50 miles away, also know that I am their Member of Parliament. It comes as a great surprise and shock to people in Brechin, however, to discover that I am the MP for Pitlochry, and people in Pitlochry are equally surprised to find that I am the MP for distant and remote Brechin. They could not care less, however, as long as they know who their MP is, know that their MP is effective, and know how he can be contacted. That is what concerns them most.

I was impressed by the Secretary of State's evidence to the Scottish Affairs Committee, because he concluded that that was also true in city centres. People in city centres do not know where one boundary ends and the other begins—those were his words, and he is right. He gave a very good example: somebody could move through his Edinburgh, Central constituency and arrive at George square believing that they were in his constituency, but they would be in the constituency of the hon. Member for Edinburgh, North and Leith (Mr. Lazarowicz). Nobody knows where constituency boundaries are. They are boundaries that exist in the heads of politicians. The public could not care less.

Mr. Andrew Turner: Will the hon. Gentleman give way?

Pete Wishart: No, I am sorry. I have only a few minutes.

What the Scottish Affairs Committee should have been doing was looking at the powers of the Scottish Parliament. As I said earlier, the Scottish Parliament is facing many severe challenges. It should be considering the sluggish economic growth in Scotland and the massive issues with which we must wrestle. What does it spend time doing? It has looked at the issue of co-terminosity, taken all the evidence, rejected the evidence that it received, and come to its own conclusions. I suggest respectfully that it should have been doing something more important. We look forward to the Secretary of State's commission, but let us hope that it will not just be a political fix to settle the difficulties in the Labour party between Westminster Members and Edinburgh Members.

7.27 pm

Mr. Brian H. Donohoe (Cunninghame, South) (Lab): I intend to be brief to allow more of my colleagues to speak in the debate.

My first regret is that in the euphoria of the election campaign and afterwards in 1997, when the Bill that became the Scotland Act 1998 came to the House, I and some of my colleagues did not pay more attention to some of its content. If we had understood that we were going to sleepwalk into a situation in which we would be crawled all over by list Members, we would have looked at the Bill in a very different way. Tonight, we have the first stage of the opportunity to try to address that. On the basis of what the Secretary of State said in his statement, that process will be allowed to start.

I commend to the House the Select Committee's report, as I believe, and have done for some considerable time, that the main problem in Scotland—

Mr. Salmond: The hon. Gentleman may recall that I am very much in favour of proportional representation, and I have never thought that a regional list was a particularly good system. In relation to his solution, however, if he is concerned about list Members crawling all over this constituency, how much more would the person who came second want to crawl all over his constituency?

Mr. Donohoe: That person would be entitled to do so, but the responsiblities of the list Member were never defined as they should and probably could have been in that Act. That was a fundamental flaw. To a great extent, if that had been addressed, we would not be here tonight facing this quandary.

I suspect that few people in my constituency and probably throughout Scotland, apart from the chattering classes, are unduly concerned about the number of MSPs, or indeed the number of MPs. What concerns people, and what is more important, is the delivery of a service. They care about education, the NHS, the economy and employment levels, and to that extent the Labour party has indeed delivered, both down here and in Edinburgh. What they will not recognise is the existence of some magic in the requirement for 129 MSPs to be retained, or in the method adopted for their election. Not one ordinary constituent has complained to me about the way in which the present system affects him or her—because it does not affect my constituents at all. What it does is create confusion in the minds of the public. As has been said, the big problem relates to who represents the public in the Scottish Parliament and in this Parliament.

Why have we found ourselves in this position? While the Scotland Act 1998 was being debated, it was made clear that coterminous boundaries would be maintained. Only now do we find that what has happened since then is leading us towards a problem. I foresee a major problem, and have for some time. For some time I have argued forcefully, in any forum that has allowed me to do so, about the whole question of coterminosity, because I cannot accept any other arrangement.

All today's speeches so far, apart from those of SNP Members, have suggested that there is much to be said for coterminous boundaries. Both Conservatives and

[Mr. Donohoe]

Liberal Democrats have expressed that view; the SNP is out on a limb, but we know that its sole aim is to separate Scotland from the rest of the United Kingdom.

Aspects of the independent commission also worry me. Although it has been said that the time scale will be as limited as possible, we have been told nothing more about it; nor has the Secretary of State told us how many members the commission will have, and where they will come from. He must clarify both those points before he receives the support that would otherwise be forthcoming.

As I have said, we have heard many arguments today about possible systems, such as proportional representation and the single transferable vote, but I do not think that the Bill's narrow drafting even allows for such arguments. It allows only for simple clauses dealing with coterminosity, and I want to concentrate on that rather than those other questions, or the question of reduction. I must point out, however, that the arithmetic of the hon. Member for Galloway and Upper Nithsdale (Mr. Duncan), or that of the Tory party, is not very good. The hon. Gentleman says that, under his preferred system, there would be about 108 MSPs. According to a simple calculator, the figure is 104.26. I would not like to say who the 0.26 would be, but maintaining proportionality would require some 45 additional Members. I do not know where the hon. Gentleman got the figure that he gave.

Mr. Peter Duncan: There is a straightforward explanation. The fact that Orkney and Shetland are separate constituencies results in a greater proportion of the total number of MSPs.

Mr. Donohoe: That does not add up. There are still four Members coming from somewhere in the system who are unaccounted for.

I want to simplify the position. I have heard many arguments about what is possible, but I want to concentrate on what is feasible. Something must be put together that will be accepted not just by my colleagues and me, but by the mainstream in the Chamber and outside. I believe that allowing two MSPs per Westminster constituency would simplify everything, although Orkney and Shetland would remain separate. According to my arithmetic there would then be some 118 Members with a first-past-the-post system, if the commission adopted it. I do not want to close any doors in that regard. Then there are the additional Members. If there were 11, with six in one region and five in the other, we could maintain the total of 129, which seems to have been accepted by everyone.

7.37 pm

Mr. Robert Syms (Poole) (Con): I am beginning to feel a little sorry for the Secretary of State, who has had to sit there and be subjected to a barrage from his Back Benchers. Some of my comments may prove to be more supportive of his position than those of many members of the Scottish Labour party—although I hasten to add that I will be joining my colleagues in the Lobby to vote against the Bill.

In deciding whether to reduce the size of the Scottish Parliament from 129 Members to 108, we must establish whether it would still be able to scrutinise the Executive properly, whether the reduction would increase the value of Ministers to the detriment of both Government and Opposition Back Benchers, and whether—given that the Scottish Parliament is unicameral—it would be able to fulfil its roles adequately. No one has made a case for that so far today. I suspect that whether the Bill proves to be good or bad will depend on the Parliament's output. No doubt, during the Bill's progress, we shall hear more arguments of that kind rather than arguments about electoral systems in general.

Much of today's debate seems to have been concerned with the additional member system and the list. Many Members representing Scottish constituencies clearly find that system frustrating. That does not surprise me: during the passage of the Scotland Bill I made a number of speeches opposing it. I am a thorough believer in first past the post, for many fundamental reasons. I think that, partly owing to its simplicity but also because of the accountability it involves, it is the best system for the electorate.

I do not think that a lack of coterminosity matters greatly if there are no list Members. Many other countries manage without coterminous districts, although they use first past the post. Indeed, for more than 70 years Northern Ireland elected Members to this Parliament—the imperial Parliament, as it was then—and Members representing much smaller constituencies to Stormont, both under first past the post. Canadians elect a federal Parliament and state Parliaments. The ridings and the state parliamentary areas are very different, except in the case of Ontario.

John Robertson: When the Scotland Bill was being put together, coterminosity, in terms of constituencies, was one of the building blocks for the country. Does the hon. Gentleman agree that taking away those building blocks would leave the way open for the disintegration of the Union as we know it?

Mr. Syms: An argument made by many people when the Scotland Act 1998 was passed was that embedding Scottish representation in the Westminster constituencies would give rather more unity than the alternative system, but my point is that we do not necessarily have to have that system. The confusion is caused by having a list system, where several Members have an interest in lots of constituencies. It is perfectly possible to have different-sized constituencies, under first past the post, and proper parliamentary representation. In English constituencies, it is normal for county councillors to cover more than one parliamentary constituency; it does not make them bad county councillors, nor does it affect representation to this place.

In federal Parliaments, such as those in Canada and the United States, there are districts of different sizes, with the exception of Ontario. In Australia, Tasmania is the only state where districts are the same size—most others have different systems. In Germany, the Länder have different sized districts and there is AMS at both federal and state level. In the United States of America, which uses a first-past-the-post system, there are some bizarrely designed districts—there are all sorts of different sizes for all sorts of different offices—yet the system works pretty effectively.

I do not think that we need to have a fetish about coterminosity, but the electoral system is key. That is why AMS is causing problems north of the border, although, apart from first past the post, no other system would be preferable. However, there is no doubt about the problem and the Secretary of State is correct to look into the systems. There is a first-past-the-post system for Westminster, AMS for the Scottish Parliament and a list system for Europe and we may be moving towards a single transferable vote system for local government, which will cause confusion. The line taken by the Government has helped that confusion; for example, there was no need for them to bring in a list system for the European Parliament. I voted against that, as I preferred a first-past-the-post system.

The confusion will inevitably give rise to concern, which could lead to lower turnouts, because people will not understand the system. There is a big misconception in the AMS system. The second vote is more important than the first one, as the second vote determines the relative relationship of all the other parties. I was talking to the German ambassador about that point and even he had not realised it, yet under the German system the second vote is important.

Overall, it seems sensible to hold an independent inquiry into the relative systems, as, if possible, we do not want a proliferation of systems. It would have been better to go back to first past the post, which is a simpler and more accountable system. I do not necessarily believe that everything has to be coterminous; providing that the system is simple, we do not need the same districts for representation—I have given several examples of that.

On balance, I shall vote with my colleagues for 108 rather than 129, because I do not believe that the arguments have yet been made on scrutiny and on balance between the Executive and Back Benchers or about whether the Scottish Parliament would do a better job. Perhaps those arguments will be made in Committee.

Some aspects will add a political cost. If there are separate boundaries, we shall have to have separate reviews and separate electoral registers. A dual system will mean costs for local government north of the border and they will fall on the Scottish taxpayer. When Members vote, they should take account of the fact that duplication may have certain costs.

As many Members want to speak, I shall conclude my remarks.

7.43 pm

Mr. John Lyons (Strathkelvin and Bearsden) (Lab): The Scottish Affairs Committee took extensive evidence before it published its report. At the outset, may I refute the claim that the reports of the evidence did not match what we had heard? That was not the case. For example, on the 129-Member question, almost everyone who appeared before the Committee—whether from political parties or independent groups—came down in favour of retaining that number.

The report stated:

"During its evidence sessions, the Committee was not made aware of any good case for the current number of MSPs to be either reduced or increased. We are satisfied, therefore, that the number of MSPs should remain, for the time being, at 129."

That exactly reflects the evidence that was given to the Select Committee.

What was important for the Committee was not the mechanics of the 129 figure, or the mechanics of coterminosity but whether any changes would hinder or assist the greater involvement of the electorate. Would the changes be voter friendly? Would they clarify issues for the electorate or would they confuse the electorate even further?

The hon. Member for North Tayside (Pete Wishart) has made a consistent point throughout the debate. He has asked whether our constituents tell us that they are worried about coterminosity and the answer is that they do not. However, in Strathkelvin and Bearsden, they ask me, "John, why should the town of Kirkintilloch be split in two for the new Westminster constituency, but remain as one for the Scottish Parliament constituency?" That is how they ask questions about coterminosity. They ask, "Why should the villages of Lennoxtown, Milton of Campsie or Twechar be taken away from the Westminster constituency but remain in the Scottish constituency?".

Technically, those are arguments about coterminosity. That actual question is never asked, but people—quite properly—are interested in their local community and its past. For example, Kirkintilloch has never been split in its parliamentary history, but now it is being split for the Westminster constituency, while remaining whole for the Scottish Parliament. I agree that people do not say, "What about coterminosity?", but they ask pertinent and important questions about how their local communities are represented.

In its evidence to the Select Committee, the Convention of Scottish Local Authorities said:

"The creation of 59 Westminster Constituencies which do not have coterminous boundaries with 73 Scottish Parliament constituencies is likely to cause confusion among constituents who will be in different constituencies."

No one will argue with that. There seems to be broad support for the view that that would be a major difficulty and a major problem.

Even non-political groups agreed. The Association of Electoral Administrators said:

"The lack of coincidence between Parliamentary Boundaries in Scotland is more likely to cause bewilderment for electors, especially those who reside in cross-boundary areas."

That is not a political viewpoint; the association is independent and the administrators are politically objective. They know how to run elections and they clearly say that the lack of coterminosity could cause major problems.

In its recommendations, the Committee stated:

"Based on the evidence we have received, we recommend that, in order to avoid possible confusion, the constituency boundaries in Scotland for elections to the United Kingdom and to the Scottish Parliament should remain coterminous."

The Committee did not reach that conclusion on its own; it was based firmly on the evidence that we heard.

Another issue that has been raised in the debate was the possibility of two Members from the Scotland Parliament being balanced in a Westminster constituency. The Committee said that

"our favoured option is to have 2 constituency MSPs for each new Westminster constituency, totalling 118 MSPs, with the remaining 11 MSPs being elected from a national list".

[Mr. John Lyons]

As my hon. Friend the Member for Paisley, North (Mrs. Adams) said, the Committee did not recommend how that should be done.

Mr. Weir: Is that not a difficulty with the report? I was a member of the Committee, and that recommendation did not seem to me to be backed up by the evidence. The report could have made a good point, but it chose to recommend the establishment of a commission and to suggest what it wanted the commission to find—the very thing that the Secretary of State was arguing against.

Mr. Lyons: I appreciate the hon. Gentleman's point, but the evidence before the Committee was overwhelmingly about the list. People were reasonably satisfied about the possibility that there would be two MSPs in each Westminster constituency; the big and continual criticism was about the list system—for good reason. Questions about the list system have been repeated in the debate today. We have a system for which there is no public support: a candidate can stand for direct election to the Scottish Parliament, come last out of four or five candidates, yet walk into the Scottish Parliament by the back door and take their seat.

That is clearly unacceptable to the Scottish people; they regard it as a fraud. It does not matter which political party gains by that system, or what it says about it; all of us should be embarrassed about it.

Mr. Hood: The agriculture Minister of the Scottish Parliament—Captain Mainwaring himself—little Ross Finney, stands for election in Greenock year after year and always gets trounced; indeed, he was trounced in the last two Scottish parliamentary elections. Does my hon. Friend share my amazement at the fact that every morning, the people of Greenock wake up, having trounced Ross Finney, only to find out that he is not only in the Scottish Parliament, but in the Scottish Executive?

Mr. Lyons: I am grateful to my hon. Friend for making that point, because this is clearly a problem. Such people can enter not only the Parliament but the Cabinet. The fact that such things can happen must be an affront to us all, and to the democratic process.

Angus Robertson: Just to be clear that the hon. Gentleman is not making a cheap partisan point, does he include in his criticism the third place candidate in the Scottish parliamentary elections in Moray, Mr. Peter Peacock? He is now serving as a Scottish Executive Minister, having been defeated as a Labour candidate in Moray by the Scottish National party; indeed, he even came behind the Tories.

Mr. Lyons: The point that I am making is an apolitical one: the system is not one that the Scottish people agree with. Those who come last in a direct election should not then be able to transfer to the list. If we are to have a list at all, there should be clear separation between those who want to stand in constituencies, and those who want stand in respect of the list.

I shall give a few facts and figures, which have been provided by the Library. In the 1999 election, 56 list MSPs were elected, 12 of whom were not fighting constituency seats. The remaining 44 had been defeated and then entered Parliament via the list system. We might think that a big enough affront to us all, but let us consider what happened in 2003. Of the 56 list MSPs elected in that year, 44 were losing candidates in constituency seats.

Pete Wishart: The hon. Gentleman is being very generous in giving way. I understand and appreciate his hostility towards list MSPs, but we have heard it all before, so it is not really new. Can he explain why he wants to have two-Member constituencies? We do not know how they will be elected, except for some vague reference to the Electoral Commission's deciding on such matters. Is it being suggested that the winner and runner-up will be selected for those constituencies? If so, that is a far more ridiculous idea, because whoever is directly defeated—be it by a majority of 800 or 8,000—will get to serve. Such a solution is 10 times worse than that of list Members.

Mr. Lyons: The hon. Gentleman misunderstands where I am coming from. I want to encourage more people to participate in elections for the Scottish Parliament, for Westminster and for the councils, but the fact is that the list system turns people off. According to the hon. Member for Paisley, North (Mrs. Adams), the Electoral Commission said the following of the question of the percentage:

"Opinion polling following the 2003 elections in Scotland . . . suggested that 13 per cent. of non-voters claimed that confusion over the voting systems being used led them not to vote".

We cannot afford to allow 13 per cent. of that populace to turn away from elections. We need to encourage them, and to try to ensure that they participate in elections in the way that we would like.

Mr. Weir: I remember what was said well, because I questioned Mr. Younger at the time. The figure of 13 per cent. has gone into legend, but the hon. Gentleman should read on a little further in the report to discover what Mr. Younger said. He said that we should treat that figure with caution, and that

"there is quite a lot of experience of earlier polling that suggests that some of these reasons are those that people think are the ones which make it look more respectable for their not having voted".

In other words, he was casting doubt on the robustness of the 13 per cent. figure. On the face of it, that figure is very bad, but perhaps it is not quite as bad as it looks.

Mr. Lyons: I am happy for any Member to say that they disagree, or that the figure is not robust enough; I am simply quoting the report and the polling organisation. I have no reason to think that the organisation has a jaundiced view of people participating in voting for the Scottish Parliament. I think it objective and fair, and I am prepared to accept its view. One might well argue that 13 per cent. is an underestimate of the number of people who do not vote because of confusion in the system. But as I said, the list system and its lack of accountability undermine the political and democratic process. It helps no politician if people have no trust or faith in it.

I am old-fashioned enough to think that you should elect the person whom you want to represent you in the Scottish Parliament. It is as simple as—

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Gentleman is perhaps referring to hon. Members in his use of the second person.

Mr. Lyons: Thank you, Madam Deputy Speaker. People should have the opportunity to make that decision, which they make on their own. They do not rely on the list system to allow someone to get into the Scottish Parliament through the back door.

If we were to explain to students of higher modern studies or to first-year politics students that this is the system in the Scottish Parliament—

Mr. Tynan: Does my hon. Friend agree that those who condemn and deride a system through which those who come first and second in a constituency election are elected to the Scottish Parliament have to examine why it should be that someone who comes fourth in a list system, for example, can be successful?

Mr. Lyons: I am grateful for that intervention. There is no logic to the case made by those who argue that there is a major problem with the election of those who come first and second, or even with the creation of two separate seats. I am quite happy to go along with the list and all that that means, but the fact that we should have the system in question offends us all as democrats, irrespective of whether Labour, the Conservatives, the Liberal Democrats or any given party gains.

The report points one way forward. It is not the solution, but if nothing else it lays a foundation for discussing proposals and recommendations that we can consider in future. That, if nothing else, is a worthy conclusion.

David Hamilton: It is extremely important that constituents understand who their Member is. First and second past the post is a very important issue. Through such a system, people can say to their Member, "You're to blame for not doing this", or "Thank you for doing that." Under a list system, that does not happen. The former system would provide clarification.

Mr. Lyons: I am sure that it would. I am clear in my mind that the list is offensive to all democrats, and we should make that point clear.

7.57 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): It is a pleasure to participate in this debate, which, as the hon. Member for North Tayside (Pete Wishart) reminded us, is our first opportunity to revisit the Scotland Act 1998 on the Floor of the House. Indeed, it has been a good debate. I am sorry that the hon. Member for Cunninghame, North (Mr. Wilson) is not in his place, because his was one of the best contributions so far. I did not agree with a lot of it, but he made a powerfully argued and cogent case that demonstrated a certain and welcome independence of mind. I heard him speak on Friday's "Today" programme about the remit of the gas and electricity markets regulator in a similarly independent manner. I never heard him speak in that way when he was Minister with responsibility for energy, but we will leave that to one side for the moment.

As I said, however, I do not agree with the hon. Member for Cunninghame, North because he seems to be unduly concerned with starting points. He says that we are in a muddled situation. I have no difficulty in agreeing that we are not necessarily in the best starting place, but where we finish is more important than where we start. Once we have been through the Bill, and through the commission process that the Secretary of State said will be introduced soon, we will end up, I hope, where we need to be. Frankly, that is what is important.

I welcome the retention of the 129 Members of the Scottish Parliament. That is important, not least because it demonstrates to those Members that their views will be listened to here. Had we sought to proceed in open defiance of the clear majority of MSPs, we would have been introducing a constitutional tension into the debate.

It does not surprise me that the Conservatives are not part of the consensus. They have never been part of any consensus for the development of the constitutional position in Scotland. The hon. Member for Rutland and Melton (Mr. Duncan) took the best approach that he could have done in the circumstances when he ditched what looked like the last three or four pages of his speech, said that this was a bad Bill, and sat down.

The hon. Member for Beckenham (Mrs. Lait) made a more telling contribution when she outlined all the things that the Conservatives want for the Scottish Parliament: to reduce the number of Members; to reduce the number of Committees; and to reduce the number of Ministers. Everything that the Conservatives propose in the debate, it seems to me, is designed to reduce the effectiveness of the Scottish Parliament. That is no accident: they do not want the Scottish Parliament to succeed and they do not want it to be effective, because they never wanted it in the first place.

Mr. Peter Duncan: Is the hon. Gentleman absolutely convinced of the need for 22 Ministers to run the Scottish Executive?

Mr. Carmichael: The number of members of the Scottish Executive or the Cabinet is for the Scottish Parliament to decide, and it will be judged on that basis at the end of the day. I would remind the hon. Gentleman that the Conservatives stood for election in May last year on exactly the same set of proposals—to reduce this and reduce that—and were roundly trounced for their pains, so a little more humility from Conservative Front Benchers would not go amiss.

The question of the coincidence, coterminosity or coterminality—call it what one will—of boundaries is important. Several hon. Members came out with the old saw of asking how often people come to constituency surgeries to talk about coterminosity. Unless one is exceptionally unfortunate in one's constituents, they do not—and long may that continue to be the case. People may not talk about that in surgeries, but they often talk about how the Scottish Parliament operates, and there

[Mr. Carmichael]

is a feeling that it does not operate as well, as clearly or as effectively as it might. I believe that the coincidence of boundaries is part of that. As the hon. Member for Strathkelvin and Bearsden (Mr. Lyons) mentioned, the operation of the list system is also part of that, so we are right to deal with those points in the Bill. The Scottish Affairs Committee was right to identify it as a problem, and we need to find the solution to it.

I explored with the Leader of the House at last Thursday's business questions whether the long title of the Bill could be altered in order to entertain amendments in Committee that would examine those issues, because the Bill is narrowly and tightly drawn. I have to say that the Secretary of State's announcement about the commission today would make that unnecessary—indeed, even unhelpful. The commission is important and I certainly hope that my party will play an active and full part in it.

My other concern is the movement that I detect among some Labour Members—overtly among Conservative Members—away from proportionality. I believe that proportionality was crucial in selling the Scottish Parliament to the Scottish people. I say that because it was long held in many parts of the country—particularly in the highlands and islands and the borders—that, as my predecessor but one, the late Lord Grimond of Firth once put it, we do not want to be ruled by Glasgow trade unionists and Edinburgh lawyers. He said that, unfortunately, in 1983 when he was speaking in support of my colleague, Jim Wallace, who was then seeking to take over the seat. He was an Edinburgh lawyer, so it was not perhaps the most helpful intervention in the debate, but it does not seem to have done any lasting damage.

I say in all seriousness that proportionality in the Scottish Parliament means that we must not end up being, to use another expression, the Strathclyde region writ large. That is of supreme importance and any move away from proportionality must be deprecated. It is certainly something that my constituents and I would not countenance supporting. That is why I could not go along with the suggestion in the Scottish Affairs Committee report of having two Members in the Scottish Parliament for each Westminster constituency. Inevitably, in my view, that would have led to the end of proportionality.

Mr. Tynan: The hon. Gentleman is deluding himself. I believe that the Scottish electorate is more interested in the delivery of the Scottish Parliament and what it can provide in the way of better governance for the people of Scotland. It is not merely a question of proportional representation.

Mr. Carmichael: I thank the hon. Gentleman for that intervention, but his view does not concur with what I find in my constituency. My constituents would feel that a Scottish Executive and Parliament dominated by the central belt—and by the party of the central belt that would inevitably follow from first past the post—would, almost by definition, be deficient in its representation of their interests.

David Hamilton: Will the hon. Gentleman take into account the alternative vote system, under which a candidate would require the support of 50 per cent. of the electorate in any constituency? In those circumstances, there would be a mandate by a majority decision.

Mr. Carmichael: I can tell the hon. Gentleman that I believe that AV is preferable to a first-past-the-post system. My concerns remain, however, that in the end it does not produce a Parliament that is truly proportional. As with first past the post, there is a bigger element of accident and happenstance. It could be more proportional, but it almost certainly would not be. In order to secure a more proportional system, one needs larger constituency sizes. That is the fundamental difficulty with the hon. Gentleman's point.

Rosemary McKenna: I agree that the element of proportional representation was an important part of persuading people, particularly in the periphery of Scotland, to vote in favour of having a Scottish Parliament. Does the hon. Gentleman agree that removing proportionality now would be viewed as a very cynical exercise?

Mr. Carmichael: Cynical is putting it mildly. It would perhaps be kind to say that about it. I believe that with the passage of time and after learning from experience, we sometimes forget the importance of proportionality as part of the overall constitutional convention programme. What I am trying to achieve tonight is firmly to put that element back into the debate because it is so important. We should remember why we took certain decisions in the first place.

Mr. Andrew Turner: I do not seek to upset either way the proportional element in the current arrangements, but could the hon. Gentleman explain how having four regions using proportional representaiton for members of Parliament across the central belt reduces the dominance of the central belt on the proceedings of the Scottish Parliament?

Mr. Carmichael: No, I cannot because I have no idea what the hon. Gentleman is talking about. I just do not understand his logic at all. If this does not help him, he can try to intervene again of course, but I am trying to explain that the majority of people in Scotland—or certainly the largest element of people in Scotland—live in the central belt, which is why the majority of first-past-the-post seats are there, and that that tends to deliver a dominance under the first-past-the-post system.

Mr. Wilson: Perhaps I can help the hon. Gentleman. I think that the hon. Member for Isle of Wight (Mr. Turner) makes a perfectly valid point because proportional representation as expressed through the Scottish Parliament does not reduce the dominance of the central belt—what it does is make political representation in the central belt more diffuse—but I, for one, having some interest in highlands and islands affairs, would seriously question whether the net effect is beneficial to the highlands and islands.

Mr. Carmichael: Ah, well, I can understand the point when the hon. Gentleman puts it like that—I think that

we speak the same language. The danger is that we think of the central belt as a unified lump. Of course it is not; there is a diversity of opinion in the central belt, as there is throughout the highlands and islands as well. The fact that, under the first-past-the-post system, the central belt tends to return a preponderance of Labour MPs lies at the heart of the suspicion that exists in other more peripheral parts. It can be argued that things can be done differently or better, but that suspicion will not be overcome by diverting from the proportionality of the Parliament.

I broadly welcome the commission that the Secretary of State has proposed today. It is a worthy successor to the constitutional convention. It will advance the debate in the spirit and manner in which the constitutional convention was conducted. First, I hope that we will be able to keep the Conservatives and the Scottish nationalists on board because they are an important part of the process. Secondly, I should be interested to hear from the Under-Secretary of State for Scotland what role she envisages for the wider civic Scotland, because the remarkable success of the Scottish Constitutional Convention was shown in the manner in which it managed to include the Churches, the trade unions and other civic bodies. I hope that some of that spirit can be recaptured in the right hon. Gentleman's commission.

I wish to try to swim against the tide of the debate by briefly saying something about the Bill itself. I felt originally that the manner in which the Bill was drafted was tight and restrictive. I am very pleased that the commission will allow a wider debate to take place, perhaps outwith the Chamber, because politics does not begin and end at the doors at either end of the Chamber; there is a wider political debate to be had outwith. For that reason and with the assurances provided by the commission, I shall be pleased, along with my Liberal Democrat colleagues, to join the Government in the Lobby to support the Bill tonight.

8.13 pm

Rosemary McKenna (Cumbernauld and Kilsyth) (Lab): I align myself with the remarks about the Bill made by the hon. Member for Orkney and Shetland (Mr. Carmichael). The Bill, allied to the Secretary of State's statement on the commission, is exactly the outcome that I had hoped for, and it is exactly what the people of Scotland will welcome. I welcome the announcement on the commission's remit, particularly the reference to the four different types of voting systems that will be possible in Scotland under local government legislation. People will want to look at that very carefully, and there will be an opportunity to do so, given the commission's remit. I look forward to hearing the announcement about the commission's membership and about when it will start and when it will report.

The Secretary of State also indicated that the remit would include looking at voter participation. That is also important. I am not absolutely certain that the reduction in turnout is caused by the different types of electoral system. Unfortunately, the reduction in turnout is happening all over the world, and we as politicians have to address ourselves to finding out why that is so. Perhaps part of the reason is related to confusion about the voting systems. I am not absolutely convinced about that, but we must find out why that is happening.

The Secretary of State also announced that the relationship between public bodies, MPs and MSPs would be considered. Some people appear to think that that will create confusion. I cannot say from my experience that it has caused confusion in my local authority, where the relationship between the local authority, the MP, the MSP, the various public bodies—the health boards and so on—seems to involve a good dialogue. However, those relationships should be looked at if they are an issue in some areas.

On the representation by different tiers of elected Members, perhaps the Select Committee on Scottish Affairs report on multi-layered democracies could be borne in mind. I shall not quote the report, but I am certain that the Committee was convinced that there was absolutely no problem in working multi-layered democracies and that different levels of representation were perfectly acceptable in those countries in the world where it happens. For example, Germany, France and Spain have different tiers of government and various types of devolution in different areas. I hope that that report will also inform the commission.

I should like to tell hon. Members about one of my constituents when I was a lowly district councillor and we had several tiers of representation. She came to me to complain about an issue. When I was unable to respond favourably to the complaint, she went to the regional councillor. The regional councillor was unable to solve the problem, so she went to the Member of Parliament. The Member of Parliament was unable to respond to the problem, so she went to the Member of the European Parliament. Ultimately, she insisted that the only way to resolve the problem was to go to Rome, so she promptly took herself off to Rome to find a higher authority. I do not quite know what response she got, but constituents are well able to find out where to get the right answer to their problems.

No one thinks that the voting method for the Scottish Parliament is wonderful, but we must remind ourselves why we are where we are. The Scotland Act 1998 was taken almost entirely from the constitutional convention. While some did not expect the similarity to be so close, it turned out to be very close because it was created by consensus. That consensus was important because it ensured the inclusion in the Labour party general election manifesto of the proposal to legislate for a Scottish Parliament, after a referendum, in two years. The consensus was also important in ensuring a massive majority in favour of the Parliament in the referendum. I agree completely with the hon. Member for Orkney and Shetland, who said that that was an important part of achieving that consensus not only in the central belt, but around the periphery in Scotland.

Everyone obviously agrees about keeping the number of MSPs at 129, but let us not forget for a minute that the Conservatives say in their amendment that they want to

"address the proliferation of politicians in Scotland."

May I remind them that in 1996 there were more politicians in Scotland than there are at the moment? In 1996, the Conservative local government reform removed more politicians than the Conservatives suggest in their amendment. I am not exactly sure of the numbers, but about 400 councillors were lost to the Scottish electorate.

[Rosemary McKenna]

Their proposal is now to take away 20 or so MPs, but they take us nowhere near the reduction that took place then. However, they are consistent. The proposal has nothing to do with the Scottish Parliament; it is just about reducing people's ability to be represented by whom they want under a system that allows for far greater representation.

Mr. Peter Duncan: Our beliefs are consistent, and the hon. Lady will accept that they are consistent with our view that small government is better for the Scottish people. That is why we believe that we need a smaller Scottish Parliament and that the same agenda can be delivered by 108 rather than 129 Members.

Rosemary McKenna: The Conservatives certainly had small government when they had four Ministers running the then Scottish Office in the run-up to the 1997 general election and in the preceding 18 years. They performed no great service to the people of Scotland and that is why the Conservatives lost so resoundingly in 1997 and ended up without a single Member of Parliament. Unfortunately, small government did not work then.

We have to consider the boundaries, but I do not think that they matter all that much—certainly not in the short term. People quickly get to know their parliamentarian or councillor; they can certainly find out who they are by visiting the local library. I would like to think that everybody knows who is their Member of Parliament, who is their local councillor or who is their MSP. However, that is not the case. Not as many people as we think know who we are.

David Hamilton: They do in Midlothian.

Rosemary McKenna: Apart from in Midlothian, where my hon. Friend insists that every member of the electorate knows him. However, as long as the proposals are based on local government boundaries—which they are—we do not have anything to worry about.

The fact that a commission is being set up is important. I hope that it will allow for representations from all civic Scotland. People feel that they played a part in setting up the Scottish Parliament and it is important that they feel a part of amending it. I hope that the trade unions, the churches and local government will all be included in the consultation process and have an opportunity to express their views.

Let us never forget that the Scottish Labour party gave Scotland the Parliament that the people wanted and had asked for. The Scottish Labour party created it. One of the most important elements of proportional representation is that it allowed us to have a better gender-balanced Parliament than almost any Parliament in the world. The Liberal Democrats could have made the position even better if they had kept to their original agreement when they said that they would have a gender-balanced list. Unfortunately, they did not have such a list and the Labour party was the only party to present one. However, the pressure and impetus that that created meant that there were more women in the Scottish Parliament than in any other legislature. I know that some of my colleagues may not agree with that, but that was a great step forward even though the nationalists and the Tories did not take part.

Mr. Hood: Not only do I agree with my hon. Friend, but I want to help to get more women into the Scottish Parliament. Perhaps she will consider supporting an amendment in Committee to have two Members for each constituency. We could have one woman and one man and that would improve the gender balance throughout Scotland. As she says, the other political parties have not responded, but the Labour party has. Such an amendment would be an excellent idea in achieving a better gender balance.

Rosemary McKenna: I cannot support two Members for each constituency simply because that removes any element of proportionality. There is not a Parliament or a legislature in the world that would be created today in which one would have a first-past-the-post system. We live in a democracy, and we understand that democracy is not delivered by a first-past-the-post system. I am not talking about changing existing systems; I am talking about the system that we created for the Parliament in Scotland.

Like everyone else, I and my Member of the Scottish Parliament were followed about by a list MSP—

Mr. Russell Brown: You were being stalked.

Rosemary McKenna: I was not being stalked. The list MSP spent the entire proceeds of his advertising budget and was in my constituency nearly all the time, but we beat him in the election. We beat such people politically, and I hope that we shall continue to do that.

Mr. Brown: As I said to you, Madam Deputy Speaker, I had to leave earlier to attend another meeting, but I am sure that people have expressed grave concerns throughout the debate about list Members who seem to float around the system. Some land on a specific patch and concentrate on that. However, an even greater issue is now beginning to surface. List Members of the Scottish Parliament are being selected for the next election and they go around the patch in some form of legitimate fashion saying that they are still Members of the Scottish Parliament, which they are. However, they are doing nothing more than campaigning for the next general election with the taxpayers picking up the cost.

Rosemary McKenna: My hon. Friend has just demonstrated that the issue is about politicians. The subject is not discussed in the pubs and clubs in Cumbernauld and Kilsyth. Constituents have yet to come to me and say that they wish to make a complaint. However, if we try to impose change without proper consultation, the issue will be quickly raised. I worked with the convention through my involvement with local government and I am certain that the whole issue of proportionality was crucial in helping us to deliver the Scottish Parliament. I agree that the system is not perfect, but it is not worrying people in our constituencies. I have always supported proportional representation and nothing that has happened has persuaded me otherwise.

Mr. Tynan: My hon. Friend referred to the list candidate for the Scottish Parliament for Cumbernauld and Kilsyth. The way to defeat such individuals is by working hard and making sure that we beat them at the

poll. Does she accept that that person is not in the Scottish Parliament because the Scottish National party put him so far down the list that he could not win a seat?

Madam Deputy Speaker: Order. We are going a little wide of the debate.

Rosemary McKenna: My hon. Friend again demonstrates that this is a matter that politicians talk about. It is not discussed in our constituencies. People quickly suss out what is happening. I repeat that we defeat such candidates politically and not by complaining about the system.

I welcome the fact that the commission will have an opportunity to consider these issues. I am sure that many people will wish to give evidence and to express their views. I suspect that civic Scotland wants a proportional system that delivers a Parliament that reflects society. A first-past-the-post system does not deliver a Parliament that reflects society or gives the views of the people due credence. Every vote must matter, and a system of proportional representation is the one to do that.

Mrs. Irene Adams: Does my hon. Friend agree that every vote does not matter at the moment? In the constituency of my hon. Friend the Member for Glasgow, Anniesland (John Robertson), 77,000 votes were cast for the Labour party list but not one member was elected. However, someone from a minority party who received 10,000 votes was elected.

Rosemary McKenna: The votes are cumulative. Under the current system, a Labour Member has no hope of getting elected in the constituency of the hon. Member for Orkney and Shetland (Mr. Carmichael), but there is hope under proportional representation.

The Scottish Parliament is settling down, and recent opinion polls show a great deal of support for it and its achievements. Given the views expressed today, I hope that a consensus is reached, but I do not envy the work of the commission. How on earth can consensus be achieved? I wish the Secretary of State luck.

8.30 pm

Mr. Alan Reid (Argyll and Bute) (LD): I welcome the Bill, which will keep 129 MSPs in the Scottish Parliament, although I wish that it were much better. I also wish that the Bill were more wide ranging and that we could table amendments to it relating to different electoral systems. I also welcome the Secretary of State's announcement of a commission to consider changes to the electoral system for the Scottish Parliament.

Despite welcoming both the Bill, which keeps 129 MSPs, and the commission, which will review the electoral system, I regret the sequence of events that has taken us to this situation at this time. The commission should have been set up one year ago, when the Secretary of State's predecessor made her statement in the House in December 2002. The commission should have started its work after the 2003 Scottish parliamentary elections, because at that point we had seen the electoral system work for a full Parliament and had been through two elections. If the commission had been set up then, we could have discussed its recommendations in this debate.

Mr. Peter Duncan: The hon. Gentleman suggests that the commission should have been set up a year ago when the then Secretary of State, the right hon. Member for Airdrie and Shotts (Mrs. Liddell), made the announcement. Does he not take on board the powerful point made by the hon. Member for Cunninghame, North (Mr. Wilson) that the commission is being set up to deal with a problem that has not yet occurred? If the commission had been set up then, the problem would have been one year away. The problem of coterminousity and lack of boundary consistency is not yet there to deal with. Why should the commission have been set up one year ago?

Mr. Reid: When we envisage a problem, we should take steps to stop it arising. If I understand the hon. Gentleman's argument, he wants to wait until we have a problem, and only then take steps to deal with it.

The Scottish Parliament has undoubtedly been successful—we have a consensus on that point and no party wants to abolish it. It has passed many Bills because we needed to catch up. For many years, there had not been parliamentary time at Westminster to pass the number of the Bills required in Scotland to keep Scots law up to date.

When considering the numbers, it is important to remember that the Scottish Parliament is a single chamber. Earlier, Conservative Members were calculating the number of elected politicians in Scotland and comparing that figure with England. However, they all failed to take into account the many unelected politicians in Westminster in the House of Lords. The number of people scrutinising legislation in Westminster is far greater than the number of MPs alone.

Mr. Carmichael: On the subject of the large number of unelected members in the other place, does it strike my hon. Friend as strange that Conservative Members' enthusiasm for reducing the number of politicians never extends to that end of the building?

Mr. Reid: My hon. Friend makes an excellent point, which I wholeheartedly endorse.

Since the Scottish Parliament has a single chamber, its Committees play an important role both in scrutinising the Executive and in improving the quality of legislation. The Committees already have a full work load, and a cut in the number of MSPs would either greatly increase that, or reduce the effectiveness of the Committees. The recent Scotland Office consultation on whether the current number of MSPs should be retained also came out heavily in favour of keeping the number at 129.

I welcome the Government's decision to introduce the Bill rather than allowing the Scotland Act 1998 to reduce the number of MSPs to 106 at the 2007 election. However, I agree with the hon. Members who say that the Government's method, if it is ever implemented, will lead to confusion. It will have an impact only at the 2007 election, and if, as the Secretary of State has promised, the commission proceeds speedily, the Government and Parliament could have accepted its recommendations before the 2007 election. The legislation that we pass tonight may never come into effect, because it will be overtaken by events.

I also agree with many of the comments about the list system. Although constituents do not use the word "coterminousity" when they discuss the issue, as hon.

[Mr. Reid]

Members have pointed out, they raise the subject in other ways. Obviously, my constituency and the Scottish Parliament constituency currently share the same boundaries and the same name—Argyll and Bute. However, Argyll and Bute council covers a larger area than my constituency. The current parliamentary boundaries were drawn up under the previous local government boundaries, and follow the former local government district of Argyll and Bute, which was abolished in 1996.

If the Bill has its full effect and is not overtaken by the commission, the current Scottish Parliament constituency of Argyll and Bute will survive until 2011, despite being based on the boundary of a district council that was abolished in 1996. It is difficult to explain that situation to my constituents. Because the constituency boundary does not follow the council boundary, I spend a great deal of time explaining to constituents that my constituency does not cover the whole of Argyll and Bute and that people who live in the parts of Argyll and Bute council area that are not covered by the Argyll and Bute constituency are represented by the hon. Member for Dumbarton (Mr. McFall).

Mr. Weir: Will the hon. Gentleman accept that that will be the case in many situations? There are parts of three different local authorities in my constituency; under the new scheme, the new Angus constituency will not cover the whole of Angus, parts of which will go into two Dundee seats. The same problems will occur whatever system is selected.

Mr. Reid: There will certainly be an element of confusion, but it does not need to be this confusing. For example, the two Aberdeen, Norths and two Aberdeen, Souths will follow different boundaries, as will the two Dundee, Easts and the two Dundee, Wests. That is a recipe for total confusion.

The election of the Parliament on a proportional basis has been a proven success—and I say that as a member of a party that has derived little benefit from the top-up lists. They have produced only four Liberal Democrat MSPs compared with 13 elected in the constituencies. The main beneficiaries of the top-up lists have been not the Liberal Democrats but the Scottish National party and the Tories, but it is only right for SNP and Tory voters to have fair representation in the Scottish Parliament.

List MSPs do not have a properly defined role. They invariably cherry-pick, either by concentrating all their efforts on one constituency and setting themselves up as shadow constituency MSPs, or by taking up issues that provide them with a public profile, leaving constituency MSPs to do the less high-profile casework on behalf of individual constituents.

One unexpected outcome of the top-up list system has been that because the party that gains the most votes inevitably wins more than its fair share of constituency seats, and because most of the top-up list seats therefore go to the smaller parties, the bulk of the Ministers are drawn from the constituency MSPs. That leaves the list MSPs with little to do. The constituency MSPs have all the constituency work to do and make up the vast majority of Ministers. That was an unforeseen effect, but now that we can see the system in operation, we can see that as one reason for changing it.

I hope that the commission's remit will allow it to consider only proportional systems. It should choose a system under which all MSPs are elected using the same method, and avoid having two separate categories of MSP as we have at the moment. The obvious choice is the single transferable vote—STV—system. That could be implemented by pairing new Westminster constituencies, each pair to form a multi-Member constituency for the Scottish Parliament. Each of those multi-Member constituencies could then elect four or five MSPs.

That would mean that all MSPs were on the same footing and, importantly, that the voters would decide who was elected from each party—unlike the present list system, where the party members effectively decide who is elected by determining the order of the names on the lists. The STV system would also have the advantage that Scottish Parliament and local council elections held on the same day could be held using the same voting system. I hope that the commission will recommend STV.

I shall vote to give the Bill a Second Reading because it keeps the Parliament at 129 Members, but I regret that the Government have framed it so tightly that it excludes consideration of alternative electoral systems.

8.41 pm

Mr. Bill Tynan (Hamilton, South) (Lab): At this time of night it is often difficult to find something new to say, but I shall try my best. I can understand why Opposition Members want to pursue a PR system, which is in their interests, but as a Labour Member I take the view that if we are winning, I want to continue to win and to deliver for the people whom I represent. That is a clear difference between Opposition Members and me.

This could be a debate for anoraks, looking at different systems and discussing which way to go. So far as I can see, it is a debate for the chattering classes. I think that there was a demand for a Scottish Parliament because the people in Scotland were so fed up with voting constantly for a Labour Government and losing during the 18 years of Conservative rule, and of seeing the damage that the Conservatives did to ordinary people in Scotland, that they gave up and decided, "We're never going to win a general election, so let's have a Scottish Parliament. Let's have something new that will protect the people of Scotland." That is one reason why civil society and members of the Labour party were at one in trying to establish a Scottish Parliament.

I welcome what the Secretary of State has said today, but, as he said, we have to look at the system and at the issues that the Select Committee on Scottish Affairs has raised. I commend the Committee for its report, which covers several issues very well. When it was published on 3 February there was much interest in it, especially in view of today's debate. The report's third recommendation is that the commission should start work as soon as possible and that whatever it recommends should be implemented, through this Parliament, in time for the 2007 election. We should adopt that recommendation. I am delighted, as were the

majority of the members of the Committee, with its work. Its findings will allow the Secretary of State—and, I am now told, the First Minister—to implement the commission's decisions through this Parliament.

However, I have a confession to make. I was a list member in 1999, when the Labour party placed me first in the list for Central Scotland. I was lucky—I escaped and am here instead of in the Scottish Parliament. When I was standing, I could not campaign, because we were concentrating on the first-past-the-post candidate in the constituency—and, I am delighted to say, we were successful in securing his election.

The literature that we produced for the electorate targeted the first-past-the-post seat and did not target the list candidate. There were eight of us on the list, which was sent to constituents, who then had to make a decision. The Labour party achieved 130,000 votes that evening, and the Member who was elected to the Scottish Parliament won 17,000 votes. I have always thought that the list system was unfair—I am not just saying so because I was a list member. However, my experience demonstrated graphically that it was certainly not the way in which we should proceed.

The explanatory notes to the Bill say:

"The Scotland Act 1998 provides for the constituencies of the Scottish Parliament to be the same as those for the United Kingdom Parliament, except . . . Orkney and Shetland."

They continue:

"There are currently 73 constituency Members of the Scottish Parliament (MSPs) and 56 regional list MSPs. The Act also provides that the Boundary Commission for Scotland when reviewing the Westminster constituencies should use the same (larger) electoral quota as used in England. This is likely to reduce . . . to 59."

The Minister should take note of the fact that the boundary commission is currently examining the English constituencies for numbers. If we are going to apply the Scottish parliamentary model to Westminster it is likely that there will shortly be another reduction in the number of MPs representing Scotland. It would be better to introduce proposals to reduce the number of Scottish MPs when proposed boundary changes are made in England, Wales and Scotland. There are now 129 MSPs, but we are reducing the number of MPs from Scotland. I believe that change should have been effected on a broader basis.

As politicians, we should look at the genuine opportunity presented by our debate. If we are to improve government structures we should do so not on the basis of whether there are 59 MPs or 129 MSPs, but on the basis of how best to deliver for the people whom we represent. The Scottish people were excited about the Scottish Parliament, and may have had huge expectations about what it could deliver. To some extent, they have been disappointed—even the First Minister has said so. However, the Scottish Parliament will grow and deliver for the people of Scotland. It will settle down and take the direction that it should have taken originally, and I am delighted that we set it up.

Participation and the involvement of the people are crucial. I do not believe the electorate are interested in the numbers, whether they are 59 or 129. They are interested in what we can deliver. When I was doing research for our debate I came across a press release:

"A Gallup survey . . . last week painted a very depressing picture of the way people in Britain today feel about their country and its institutions. It revealed a significant and worrying loss of confidence in Parliament, in our justice system, and in the way the country is governed. Only a tiny number of those questioned believed . . . that Britain is a country at ease with itself.

I have no hesitation in saying there is an undeniable and pressing need for constitutional reform in this country. Undeniable because—as I hope to demonstrate—our structures and institutions are clearly failing properly to represent the people they were set in place to serve. And pressing because of the mounting sense of disenchantment and cynicism amongst the people of this country about our political system, a deeply disturbing trend that must be checked if we are to secure the future health of our democracy."

That was part of a speech by John Smith in 1993. He believed that establishing a Scottish Parliament and a Welsh Parliament was the way forward.

I would question whether we have been successful. Do the same problems still exist even with the Scottish Parliament and the Welsh Assembly in place? It is important that we examine not only structures but what we are doing as politicians to create the impetus for people to be involved in the political process. At the last Scottish parliamentary election in my constituency, 46 per cent. of the electorate turned out. That must be of concern to every Member in this place and to every politician in Scotland.

Angus Robertson: I wish to understand the hon. Gentleman's train of thought a little better. He has talked about ways of galvanising the electorate to help deliver aspirations in the run-up to the Scottish Parliament elections. Does he share the view of the majority expressed in an opinion poll last week for *The Herald*, which indicated that an overwhelming number of people in Scotland want to see greater power exercised by the Scottish Parliament?

Mr. Tynan: Out of the consensus of the Scottish Constitutional Convention came the opportunity for consensus and the establishment of the Scottish Parliament. The SNP had no part in that consensus. It is regrettable that it did not take the opportunity to be involved. I understand that Sir David Steel is asking for another convention to be set up. I understand also that the leaders of the SNP are now saying, "Let's go for it." Obviously, their intention is to try to achieve more power for the Scottish Parliament. If we are talking about bedding down a Parliament and retaining 129 Members to see how it goes by allowing the parliament time, that should be our approach to the entire process. We should take our time and then decide what is necessary.

We should carefully consider where we are on these matters. I shall vote with the Government, but I hope that the opportunity will arise in Committee for us to be involved in discussions and amendments to improve the Bill. That will be essential. I recognise that we have some serious problems. I also recognise that we must deal with the issues that are before us. I believe that the Bill needs amendment, and I look forward to that process.

8.53 pm

Mr. Andrew Turner (Isle of Wight) (Con): I sympathise with the hon. Member for Hamilton, South (Mr. Tynan) in the effect of the different electoral systems on his political fortunes. I am sure that he would agree that he is better off as a Member of this place than as a list Member of the Scottish Parliament.

[Mr. Andrew Turner]

I do not feel strongly about all of the Bill, and neither do my constituents. However, there are aspects of it about which they feel particularly strongly, and I wish to represent them on those points.

First, I wish to address a remark that was made earlier, which was that the constitutional settlement in Scotland was a done deal. The hon. Member for Clydesdale (Mr. Hood) suggested that we were in danger of unpicking the devolution settlement. The Bill certainly attempts to unpick that settlement—let there be no doubt about that. As the hon. Member for Cunninghame, South (Mr. Donohoe) said, one of the aspects of the settlement was the number of Members of the Scottish Parliament, and that is being unpicked by the Bill.

The Secretary of State used the word "consensus" twice. I picked him up on that, but I never received an answer, so I repeat my point so that the Under-Secretary can reply later. The first time the right hon. Gentleman referred to a consensus, and the second time to a consensus in Scotland with regard to the future of the 129 MSPs. When I challenged him he said that a consensus is what is arrived at in this House. On that basis, we have a consensus on foundation hospitals and on tuition fees. I do not think that that is a very good description of a consensus. The description in the Scottish Constitutional Convention referred to by the hon. Member for Paisley, North (Mrs. Adams), albeit not a consensus to which I would have subscribed had I lived in Scotland at the time, was a much better description of a consensus than that furnished by the right hon. Gentleman.

There is a great concern—if one reads the Select Committee's report carefully it is even easier to feel such concern—that the Bill is a Trojan horse to retain the number of MSPs and, subsequently, use that as an excuse for retaining the number of Scottish Members of this House. I was glad to hear the Secretary of State come near to denying that that was his intention, but that was certainly the recommendation, as I read it. If one retains the number of MSPs and coterminosity, the only consequence can be to retain the number of Scottish Members of this House, and that, it appeared to me, is what the report was recommending.

Mrs. Irene Adams: The report recommended that the Westminster Members be reduced in number, but that the commission to be set up should find a way of making coterminous boundaries with the 129 at Edinburgh and the 59 at Westminster.

Mr. Turner: I thank the hon. Lady for that explanation. I shall have to think rather more carefully about how such a commission will be able to do that, but I am grateful for her guarantee on that.

The best argument in favour of the retention of coterminosity was that put forward by the hon. Member for Cunninghame, North (Mr. Wilson)—it is that of confusion. That was repeated by the hon. Member for Argyll and Bute (Mr. Reid). He made a long speech, much of which I agreed with. He announced at the end that he would vote for the Bill, which I found rather curious, but he repeated the point made by the hon. Member for Cunninghame, North. I checked, and 21 constituencies would have the same name but different boundaries were the Bill to be enacted, and one constituency would have the same boundaries but a different name.

Mr. Alan Reid: A lot will arise from the Bill with which I disagree, but I will support it tonight because it will result in a better situation than would be the case without it. The important thing is to keep the number of MSPs at 129, which a unicameral Parliament and a strong Committee system requires.

Mr. Turner: I understand the hon. Gentleman's motivation in voting for the Bill; it is to maintain the present number of MSPs. I do not agree with it, but I understand his motivation for it. Incidentally, it was 20 constituencies, not 21—I apologise to the House. But I see no magic in the 129 figure, and so far no one has been able to explain it to me. I accept that the Scottish Parliament is unicameral and that it has a strong Committee system, but it has less to do than the Westminster Parliament has to do for England. Yet it seems to be necessary for Scotland to have five times the representation in one Parliament or another that my constituents have, and I simply do not understand that. That is the point that is talked about in the pubs and clubs on the Isle of Wight. It is not coterminosity that is talked about; it is the position of Scottish electors compared with that of English electors, and, most particularly, English electors who happen to live in the Isle of Wight.

Mrs. Irene Adams: The hon. Gentleman is clearly talking once again about the West Lothian question, but what he seems to have failed to understand throughout the years of debate is that that question was never one for the people of Scotland. Rather, it was a question for the people of England and a question of how they addressed their home affairs. If they chose to address them in this Parliament, it would be as part of a UK Parliament. If they chose not to do so, they would need regional assemblies to address those problems.

Mr. Turner: There is more than one way of skinning a cat. The method that I think most of my constituents would prefer is one whereby English Members of this Parliament deal with English matters. I can see absolutely no objection to that argument. I do not understand—

Mr. Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op) *rose—*

Mr. Turner: Doubtless the hon. Gentleman will tell me why Labour Members find that proposition so offensive.

Mr. Lazarowicz: I am intrigued by the idea of pubs and clubs in the Isle of Wight tuning their TVs to the Parliament channel as we discuss the Scottish Parliament (Constituencies) Bill. I suggest to the hon. Gentleman that one answer to his dilemma is the establishment of a powerful regional assembly covering his part of the country. I understand that he is against that proposal, but whatever the degree of criticism that

has now crept in about the Scottish Parliament, the degree of public support for it shown in the opinion polls is higher than for the Westminster Parliament.

Mr. Turner: That might well be true, but it is the case because Scotland has an identity as a nation, whereas I doubt that the hon. Gentleman could even say in which region my constituency lies, and neither could most of my constituents. They do not identify with the so-called regions of England and they do not wish to have a regional parliament or assembly, whether it is in Guildford, Woking or Milton Keynes. That is not something that they want or that should be imposed on them. I am glad that there will be a referendum if there is any proposal that such an assembly should be established, as I am sure that we will vote against it.

The point is that, at the moment, hon. Members on both sides of the House who represent English constituencies are covering a range of activities. I am fortunate because I represent more than 100,000 people; indeed, I believe that I am unique in that respect in this Parliament. We cover a range of responsibilities, whether they relate to England or the UK, and we accept that it is for the Scots to have a Scottish Parliament if they choose and that it is for them to decide to have five Members of one Parliament or another for every one Member of one Parliament or another who represents the Isle of Wight. That is their decision, but we do not understand why Scottish MPs seem to object to English matters being dealt with by English Members of this House. I am not talking about banishing them from having any say in United Kingdom affairs—

Madam Deputy Speaker: Order. In debating the Bill, we are discussing the number of constituencies, rather than responsibilities.

Mr. Turner: I accept that entirely, Madam Deputy Speaker, and I want now to talk about one aspect of representation of those constituencies. The Secretary of State represents in the Cabinet not only Scotland, but transport. My constituents would like him to explain why, as Secretary of State for Scotland, he can decide with the support of Members of Parliament from England, Scotland, and Wales and Northern Ireland for that matter, that no subsidies should be given to the ferries that ply across the Solent to my constituency—

Madam Deputy Speaker: Order. Again, that is outside the scope of this debate.

Mr. Turner: I was about to say that that is happening while 129 Scottish Members can decide what subsidies are given to the ferries that ply their way to the Scottish islands.

Mr. Hood: I shall try to rescue the hon. Gentleman and bring him back to the subject of the debate. Does he understand that he will be going into the Lobby this evening to vote on a Bill that is applicable only to Scotland, and not to England or Wales? If he thinks that that is okay—and I think it is okay—why was he criticising Scottish MPs for doing the same thing a fortnight ago?

Mr. Turner: I will vote on the Bill because it is a United Kingdom measure. Nobody has tried to argue that the Bill is not a UK measure, whereas many people—particularly residents of the Isle of Wight—argue that ferry subsidies to the Isle of Wight is not a Scottish measure and that Scottish MPs should not be entitled to vote upon it. I see that you are keen that I should not go too much further down that road, Madam Deputy Speaker, so I will not.

There is one other point that I should like to make about the value or otherwise of MSPs. I understand that the average cost of an MSP is £317,317 per annum, while the average running cost per member of this Parliament is a mere £5,000 more, yet there are so many more MSPs per Scottish elector than there are Members of the UK Parliament per UK elector. I accept that we have peers as well, but most are very cheap; some of them come free. We get good value from the other place, we get good value from this place, but we get exceptionally poor value from MSPs.

Mr. Salmond: Is the hon. Gentleman's supreme constitutional point that if MSPs were prepared to accept no salary, he would have no objection to however many of them there were?

Mr. Turner: It is not, as it happens. It is just— *[Interruption.]*

Madam Deputy Speaker: Order. I have previously reminded the hon. Gentleman of the scope of the debate. I do so once more; perhaps he will now refer to the content of the Bill and the debate.

Mr. Turner: My point was that the number of Members of this Parliament per elector produced better value than the number of electors proposed by the Bill per MSP. It is not a supreme constitutional issue, but it is an issue with which I would be concerned were I a Scottish elector. I am not a Scottish elector, but I do not feel that that should influence the decision one way or the other.

When the Government introduce legislation, they should not turn it upside down within three or four years, which is what I object to most about the Bill. The Government do that all the time, of course. They have done it recently, as my right hon. and learned Friend the Leader of the Opposition remarked at Prime Minister's Question Time last week. It is embarrassing that they do so because it indicates that they have not thought through legislation. Indeed, the hon. Member for Cunninghame, South said that we had sleepwalked into this position and that we did not look at the details of the legislation.

As a result of the Bill, I would like us to decide not to change the current settlement. By making a change, the Government are accepting that it is open to us, and to anyone, to propose changes to the settlement. If we are entitled to propose changes to the settlement, we who represent English electors will seek to open the West Lothian question.

I do not believe that more politicians mean better services. I do not believe that my constituents believe that, and I would be surprised if Scottish constituents believed that. That is why I will vote against the Bill tonight.

9.8 pm

John Robertson (Glasgow, Anniesland) (Lab): I am aware of the time and will do my best to leave sufficient time for the hon. Member for Edinburgh, West (John Barrett).

In an attempt to stop Members intervening to ask who I have talked to lately, I say that I base my input tonight on the debate that I have had with members of my party and of my electorate and on my experience overall in campaigning, since 1978, for a Scottish Parliament.

The first question I asked myself when I was putting my speech together is, "Why open the Act?" I asked the same question when I made my submission to the previous Secretary of State for Scotland.

I have had great difficulty in coming to terms with that, so I have great sympathy with Opposition Members. I could mention private conversations that I had with the late Donald Dewar, but I will not do that—instead, I will quote from what he said at the time, which can be read in *Hansard* by any Member who wishes to do so. When the House of Lords tabled an amendment on whether 129 MSPs should remain for ever, he said:

"In the White Paper, we made it clear that the size of the Scottish Parliament would change to take account of changes at Westminster so as to maintain common boundaries.

I should reassure the House that the Government have thought long and hard about the implications for the Parliament of a reduction in its size. We do not believe that such a reduction will make the Parliament less able to carry out its key roles in scrutinising effectively the Scottish Administration's work and enacting legislation."—[*Official Report*, 11 November 1998; Vol. 319, c. 381.]

Suddenly, we find that the Government have changed their mind about that. Having said unreservedly that they could conduct business in the Scottish Parliament with fewer than 129 MSPs, we now find ourselves faced with a fait accompli, which, regretfully, I shall have to go along with. That does not mean that I am fully minded to walk through the Lobby with my party tonight—I have still to make that final decision. I will not vote with the Opposition, however: I could never walk through the Lobby with the Conservatives, and my father would turn in his grave if I did so.

Mr. Peter Duncan: I am sorry to point out something that might be too difficult for the hon. Gentleman to contemplate, but to assist him in his dilemma, I remind him that in the Select Committee on Scottish Affairs he voted with me in order to implement the Scotland Act 1998. I wonder whether he could consider doing so tonight.

John Robertson: I thank the hon. Gentleman for his contribution. I do not know how he conducts his business in Select Committee, but I take the view that I am there to represent the whole House, so I do not consider issues along party political lines, and vote as such. Obviously, other Members do not do the same.

If we are going to pass the Bill—as we obviously are, because the vote of one Member from Glasgow, Anniesland will not make a big difference—it is regrettable that it was not undertaken properly. As many Members said, there is a great deal in the 1998 Act that needs to be sorted. My right hon. Friend the Secretary of State talked about the commission. That is a very good idea, and it is an even better idea to bring it forward immediately. When my right hon. Friend was asked when it will be implemented, he did not answer. That is of paramount importance in getting rid of any anomalies that may be in the system before the next Scottish Parliament elections in 2007, which is my No. 1 priority in terms of supporting the Bill in future.

The hon. Member for Rutland and Melton (Mr. Duncan), who unfortunately is not in his place, did little to persuade me to support his party tonight—in fact, the Conservatives seem to be suffering from selective amnesia. In the debate in which the late Donald Dewar spoke, the hon. Member for Woodspring (Dr. Fox), who is now chairman of the Conservative party, said:

"The first thing that will be required to make the Scottish Parliament work properly is stability, but what is guaranteed by what he is defending is instability."—[*Official Report*, 11 November 1998; Vol. 319, c. 387.]

This is a role reversal, because my Government are talking about maintaining 129 MSPs, whereas Conservative Members, who supported that at the time of the 1998 Act, now oppose it.

One would put that down to political—

Mr. Hood: Chicanery.

John Robertson: Self-interest is one term, but chicanery is a good word and I thank my hon. Friend for it.

The hon. Member for Galloway and Upper Nithsdale (Mr. Duncan), in an intervention on my hon. Friend the Member for Paisley, North (Mrs. Adams), blamed her for the figure of 129. Again, I revert to what Conservative Members said when the Scotland Act 1998 went through Parliament. They supported that figure; they cannot simply change their minds. They appear to be indulging in very opportunistic politics nowadays. They cannot simply change with the weather: either they have principles or they do not. Someone once said that a Tory cannot eat principles.

My hon. Friends the Members for Clydesdale (Mr. Hood) and for Paisley, North stole my thunder and my speech. They have obviously been looking over my shoulder. There is no point in telling hon. Members about the number of voters in Glasgow because everybody now knows. My hon. Friend the Member for Clydesdale mentioned the number of list MSPs in his constituency; it was probably fair that he was the first to mention them.

Why do we need two ballot papers if we have a list system? Why can we not have one ballot paper? The hon. Member for Banff and Buchan (Mr. Salmond) described the second vote as natural. Having one ballot paper would change that and the Secretary of State should consider it. At least that would mean that 77,000 ballot papers would not be wasted in Glasgow and we might save one tree in the Amazon, if only for a year.

We should consider the matter seriously. If 77,000 people go through a ballot paper that is half a mile long and to the trouble of casting their vote only to find that it means nothing, that is not democracy. My hon. Friend the Member for Hamilton, South (Mr. Tynan) talked about 130,000 votes.

Hangers-on and opportunists stand outside my polling stations and tell people, "That's okay, vote Labour. It's your second vote we want. Don't worry about it; you're voting Labour on the first vote, so they won't worry about it." That completely misrepresents the system. I want members of such parties out of the political system because their politics matches their underhandedness.

My hon. Friend the Member for Strathkelvin and Bearsden (Mr. Lyons) made some excellent points. He mentioned people who come to our surgeries and talk about, in effect, coterminosity. They ask, "Who do I go to?" They might want to discuss health and say, "Mr. Robertson, can you help me with this?" I say, "Yes. Give me your case. I'll take it." I forward it to the MSP. Should I forward it to eight MSPs or give it to my hon. Friend the Member of the Scottish Parliament for Glasgow, Anniesland because I know that he will take it up and attend to it properly? The electorate do not understand the difference between a councillor, an MSP and an MP and they do not care. They care about delivery.

When I stood for Parliament, it was on a Labour party ticket. The ballot paper did not say, "John Robertson, sometimes a member of the Labour party" or "part-time Labour party member". It said "the Labour party", and I am under no illusions: those three words were the only reason that I got elected.

Mr. Tynan: That is why you will vote with the Government.

John Robertson: I may have to do that—my hon. Friend talks me into it.

Proportionality has been mentioned often and I am sure that the hon. Member for Edinburgh, West will refer to it. I am sorry but I did not go into politics to worry about proportionality. I entered politics to worry about delivering for the people of Glasgow, Anniesland and this country.

Mr. Lazarowicz: Will my hon. Friend give way?

John Robertson: Make it quick.

Mr. Lazarowicz: Can my hon. Friend tell the House why he was so keen on the Conservatives being able to run this country for 18 years on a minority vote, damaging Scotland in the process? *[Interruption.]*

John Robertson: I think that somebody said "Judas" from a sedentary position—*[Laughter.]* My hon. Friend makes a good point, but I do not agree with him, and he knows that.

I want to mention the hon. Member for Isle of Wight (Mr. Turner), who has done sterling work throughout the evening for the English national party and has told us many times about his 100,000 electors and how that was the equivalent of four seats in Scotland. It would be only four seats in Scotland, as I have just checked the figures, and those would include Orkney and Shetland, Western Isles—I will not say its real name, as I do not speak Gaelic—and Caithness, Sutherland and Easter Ross. That would take the number to well over 100,000. I do not think that any other Conservative Member has an electorate of that size, so his argument was somewhat disingenuous. I had a bit of sympathy with some of his points until he adopted the English nationalist pose—his party will have to watch that. If the Conservative party wants to be part of the United Kingdom, it must remember that this House represents all the people of this country. It does itself no favours by attacking Scottish Labour Members for voting on legislation that goes through the House.

Madam Deputy Speaker: Order. Perhaps the hon. Gentleman will return to the main debate.

John Robertson: I apologise, Madam Deputy Speaker. I got carried away with the moment. I shall move on quickly, as I have about three speeches to make. It is terrible because we always leave the best to last—in this case, I am not talking about the hon. Member for Edinburgh, West.

One of my hon. Friends mentioned a referendum. The legislation was put together on a referendum of the Scottish people. Let us be honest—they did not vote because of the system that would be introduced; they voted with their hearts because it was about getting a Scottish Parliament. We all worked hard and we worked together. The SNP, in my constituency in particular, was of great help during the campaign for a yes, yes vote. I have no doubt that that collaboration helped to make the vote bigger than was expected. At the end of day, however, it is important to me that we should not give away power to another party. My job is to represent the people of Glasgow, Anniesland and to do my best for the people of the United Kingdom, but it is also to represent my party and my party's policies. That is what I want to do, and I do not see why we should give that up to another party, so that, in effect, the tail wags the dog. As far as I am concerned, proportionality should not even be on the agenda.

9.23 pm

John Barrett (Edinburgh, West) (LD): I thank the hon. Member for Glasgow, Anniesland (John Robertson) for not using his last three minutes and allowing me to contribute to the debate at the end of the night.

There are real problems with the Scottish electoral system. The problem of list MSPs has been highlighted by a number of contributors to the debate. There is also the problem that the electorate are being turned off in droves. Each successive election results in fewer people going to the ballot box. As several Members have said already, however, people are not coming to constituency surgeries raising the issue of coterminosity. People want to see services delivered. When they phone the police by dialling 999, they have no interest in the division from which the police respond. They want a fast and efficient response. If we think that the talk in pubs and clubs around the country is about boundaries, we do so at our peril. What people want to see is a good, effective Scottish Parliament.

The Scottish Parliament has done a lot of good work in the past five years—I mention just tuition fees and free personal care for the elderly, although I see from some of the press about Mr. Galbraith today, that he does not share my enthusiasm for those policies. The

[John Barrett]

current numerical total in the Scottish Parliament, however, has given it the ability to deal with issues in a way in which this Parliament cannot deal with them. The number 129, which was mentioned earlier by the hon. Member for Paisley, North (Mrs. Adams), is not a magical figure. It was arrived at as a result of discussion and negotiation to make sure that the Scottish Parliament gave the people of Scotland some form of proportionality, so that they received a Parliament that reflected the way in which they voted, and they deserve that.

If 40 per cent. of people vote for the Government in this Parliament, that gives them a huge majority, although at the last general election the combined votes for the opposition parties exceeded the number of votes for the Labour party by 2 million. The people of Scotland deserve better.

David Taylor (North-West Leicestershire) (Lab/Co-op): Can the hon. Gentleman name the last Government who had an absolute majority of votes from the United Kingdom electorate?

John Barrett: No.

The Scottish Parliament is unicameral, so the Committee system is more important than it is here. The MSP in my constituency, Margaret Smith, was a convener of the Health Committee for four years, and during that time managed to take a huge amount of evidence, scrutinise legislation and involve the wider community in the workings of the Parliament. The Parliament already has two Justice Committees. Perhaps the biggest fear relating to a reduction in the number of MSPs is of the impact that such a cull would have on the overall effectiveness of the Committee system. For that reason, among others, the Bill should be welcomed.

Any break in the link between the Scottish Parliament and Westminster boundaries will present challenges, but those challenges will face parliamentary representatives rather than the general public. I do not think that different boundaries are sustainable in the long term, but I do not subscribe to the other view that chaos will reign supreme when the two Parliaments' boundaries no longer match.

The long-term solution is, of course, a re-examination of the whole way in which the Scottish Parliament is elected. I would also favour a similar review of the way in which we elect Members to this place. I must confess to being very disappointed with the Scottish Affairs Committee's report. When the Committee announced its inquiry into the break in the link between the two sets of boundaries, it had a real opportunity to produce an imaginative and constructive solution. It is unfortunate that it fell short on both counts. It is a shame that Committee members—apart from the hon. Member for Galloway and Upper Nithsdale (Mr. Duncan), whose party did not want any MSPs in the first place—appeared to pander to party political interests in a way that I thought had long since passed.

Having two MSPs per constituency with a tiny top-up, as the Committee proposed, could and in all likelihood would entirely destroy the proportional system on which the Scottish Parliament is based. Some Members, both here and in the Scottish Parliament, seem to see the wide range of parties and opinions that exists in the Scottish Parliament as its weakness. I prefer to see it as its strength. I may disagree profoundly with the politics of some of the parties in the Scottish Parliament, but that is democracy, and a fair representation of the way in which people in Scotland have voted.

The theory that the Scottish Parliament's standing will be enhanced by the creation of a chamber that, in party political terms, would be totally unrepresentative of the wider electorate is fanciful. Surely gerrymandering an electoral system so that one party—we all know which it would be: the Labour party—secured a whopping majority, perhaps 60 or 70 per cent. of the seats with less than 35 per cent. of electors' support, would be massively damaging to Scottish devolution. I urge the Secretary of State to oppose such narrow-minded proposals in every way that he knows.

If the impact on proportionality does not strike a chord with Labour members of the Committee, perhaps something else will: the fact that their proposals would tear up, at a stroke, the cross-party and cross-society consensus that was struck in the constitutional convention.

Alternatives to the Bill involve a reduction in the number of list MSPs, or their complete elimination. There is no doubt that list MSPs have caused some difficulty by cherry-picking. My predecessor, Donald Gorrie, produced an excellent document explaining how the single transferable vote could be used to elect MSPs, with the new Westminster boundaries forming coterminous constituencies. I commend that pamphlet to all Members.

Mr. Roy: Will the hon. Gentleman give way?

John Barrett: I am sorry, but I have only one minute left.

Mr. Gorrie's pamphlet does not answer all the questions, but it sets out clearly and fairly the foundation on which a PR system could be used to form a Scottish Parliament.

The Bill is a welcome first step, but we must move forward, so that we improve our relationship with the Scottish Parliament and so that a fair, PR-elected Scottish Parliament can get on with the job of representing the people of Scotland.

9.30 pm

Mr. Peter Duncan (Galloway and Upper Nithsdale) (Con): This has been a good debate on a small Bill. When the Secretary of State opened the debate, he may have talked more about issues that were outside the remit of the Bill than was wise, but the debate has yet again brought the banter on Scottish affairs to the Floor of the House and I am sure that the wider public are delighted. The Scottish Grand Committee is a regular highlight in my diary and I am sure the wider public appreciate the debate this evening.

The debate has highlighted the scale of the Government's U-turn on the issue. It is useful to reflect on how far the Secretary of State—who, sadly, has not yet rejoined us—has travelled from the position that was put to the electorate in 1997.

During consideration of Lords amendments, the late Donald Dewar, then Secretary of State for Scotland, said:

"It is generally accepted that we cannot justify the above-average representation that Scotland enjoys in the House of Commons. It is anticipated, and I accept, that such a review will lead to a reduction in the number of Scottish Members of Parliament, and correspondingly a reduction in the number of constituencies in Scotland. In the White Paper, we made it clear that the size of the Scottish Parliament would change to take account of changes at Westminster so as to maintain common boundaries."—[*Official Report*, 11 November 1998; Vol. 319, c. 380–81.]

That shows exactly how far we have travelled in only five years and to see the Secretary of State trying to justify that about-face was somewhat pitiful.

Mr. Salmond: The debate has already established that U-turns on this issue are not the sole preserve of the Government. However, I am more concerned about whether the hon. Gentleman is in the right place, as the monitors show that the business in the other place is the Mersey Tunnels Bill.

Mr. Duncan: The hon. Gentleman anticipates me. I had been warned of that likelihood, so I am keeping my pager switched on in case I am called away for an urgent Division in another place.

The Secretary of State has reversed, in totality, one part of the commitment made by Donald Dewar in 1998. We also heard the astonishing revelation that the Secretary of State for Scotland, in whose constituency Scotland's major civil engineering project is being constructed and where £40 million from the taxpayers' budget has been translated into expenditure of £400 million, has never yet visited the Scottish Parliament. That says it all about London Labour. They have turned their back on what has become an embarrassment in their devolution project. They have turned their back on the Scotland Act 1998 and now we find that they have turned their back on the building itself.

I shall reflect on some of the points that were raised in the debate. The hon. Member for Paisley, North (Mrs. Adams) demonstrated her obsession with the number 129. She said that the consensus on the constitutional convention was 129, yet she seemed unable to transfer that consensus to some of the other issues—she seems willing to break the consensus on them. For example, there was consensus on the list system, but the hon. Lady seems happy to contemplate alternatives, and rightly so. There was consensus on proportionality, but she seems happy to dispense with some of that. Her view of consensus seems somewhat selective.

Mrs. Irene Adams: The hon. Gentleman may recall that every witness to the Scottish Affairs Committee told us that the consensus was to maintain 129, but that the present system was not the ideal one to achieve it.

Mr. Duncan: The hon. Lady is right; there was consistency in terms of the evidence to the Committee in that respect.

The hon. Member for Clydesdale (Mr. Hood) made a powerful speech in an old-Labour way, if he does not mind me characterising it thus—back to the future, as they say.

He reflected on the over-governance of Scotland, and on the fact that the two constituencies in Lanarkshire—I should point out that there are three: in addition to Dumfries and Clydesdale, the constituency of Tweeddale, Ettrick and Lauderdale also falls within Lanarkshire—have 19 MSPs. I comprehend that particular difficulty. Last week, I attended a public meeting in the lovely village of Wanlockhead, which, for the benefit of viewers of the parliamentary channel, is the highest situated village in Scotland. Some 100 residents of Wanlockhead attended that meeting, along with one Member of Parliament—me. The constituency MSP was also there, along with two regional MSPs. There is some degree of public disquiet at the number of politicians in Scotland.

Mr. Hood: I hope that the hon. Gentleman was listening to my example of 19 MSPs in one constituency, but he is doubtless aware that the opposite problem is equally bad. In the south of Scotland, each list MSP claims eight constituencies. Is that not just as bad as 19 MSPs claiming one constituency?

Mr. Duncan: I am afraid that the hon. Gentleman is falling into the trap of asking me to justify a system that the Labour party created. If he has a problem with the relevant part of the 1998 Act, he should point it out to the Secretary of State for Scotland.

The right hon. Member for Cunninghame, North (Mr. Wilson)—*[Interruption.]* I apologise, I meant to say the hon. Member for Cunninghame, North; he has moved to my right, which is a very unusual situation for someone from Saltcoats to be in. He referred to a legislative follow-up to a political fix, and in that regard he got to the essence of today's debate. The Labour party in Scotland has got itself into a fix. It does not know how to dig itself out of an increasingly large hole, and the only way it can do so is to break some of the terms, to which I referred, of Donald Dewar's three-pronged commitment. The interrelationship between the reduction in MPs and MSPs was clear from the very start, and the U-turn in the Bill is also clear for all to see. The hon. Gentleman exposed the twists and turns that the Government have conducted to enforce that compromise, but to judge by the contributions from Government Back Benchers, that compromise still has some way to go before it receives universal acclaim.

The hon. Member for North Tayside (Pete Wishart) mentioned being out and about in Blairgowrie, which sounds a very attractive prospect. He said that when on such travels, he discovered that people do not care about coterminosity. Although it is not an issue that people come to my surgery to discuss, it will cause concern in due course. The evidence to the Scottish Affairs Committee was crystal clear, and as the hon. Gentleman's colleague, the hon. Member for Angus (Mr. Weir), will know, given that he is a member of the Committee, there is concern about this issue. In reflecting on the second election to the Scottish Parliament, for which less than half the population turned out to vote, we must consider each and every possibility in order to redress declining participation in

[Mr. Duncan]

elections north of the border. It is a mistake for the hon. Member for North Tayside to dismiss coterminosity because it does not suit his party political advantage.

Mr. Wilson: Does the hon. Gentleman agree that it is hardly surprising that nobody is concerned about coterminosity while it exists, and that the real test will be whether they are concerned about it when it does not?

Mr. Duncan: Absolutely. As it says in the song:

"You don't know what you've got till it's gone."

The hon. Member for Strathkelvin and Bearsden (Mr. Lyons) made clear his view that list MSPs do not engage people in the party political process, but I should point out that, of course, the Scotland Act 1998 was not our work. He rightly pointed out that 13 per cent. of the electorate said that they did not vote in the May elections because of confusion. I return to the point made by the hon. Member for Cunninghame, North—we must regard that as a very serious issue.

The hon. Member for Cumbernauld and Kilsyth (Rosemary McKenna) highlighted the consistent policies of the Scottish Conservative and Unionist party, which I am keen to have put on the parliamentary record. She was the only Government Back Bencher to back the Government, which will mark her out for universal acclaim in the Whips Office tomorrow. I am only sorry that the Secretary of State for Scotland was not in his place and that he missed that uniquely supportive contribution.

The hon. Member for Glasgow, Anniesland (John Robertson), as Donald Dewar's successor, deserves special mention. He supported me in Committee when I suggested that the simple way of dealing with the problem was to implement the Scotland Act. He saw the wisdom in that suggestion and I am delighted to have his support. He may have had three speeches in mind tonight, but he picked the right one to deliver.

We are left contemplating tonight the confirmation in today's debate that the Government have finally abandoned the Scotland Act. They have buckled under pressure to the vested interests that see big government and bigger parliaments as ends in themselves. Why else would they have retreated in such dramatic and pathetic fashion from their commitment to reduce the size of the Scottish Parliament before the first Member of the Scottish Parliament has even taken possession of his office in a scandalously expensive project? Why else would they have reversed the view of Ministers during the passage of the 1998 Act that the Parliament could work well with fewer Members?

I reiterate the words of Henry McLeish, who said that

"we also believe that the Parliament could operate effectively with fewer Members, and that there are good arguments for maintaining the linkage in constituencies."—[*Official Report*, 12 May 1998; Vol. 312, c. 224.]

For the record, that was the former First Minister, who made his views very clear. This is a self-serving consensus of every party, save the Scottish Conservatives, that is determined to inflict more politicians, more bureaucrats and more governance on the hard-pressed taxpayer in Scotland.

The political landscape in Scotland is entirely clear. All the other parties from which we have heard this evening—albeit that Labour Back Benchers are perhaps a party themselves so there are honourable exceptions—are unable to contemplate a devolved Scotland being governed by any fewer than 129 MSPs. Would it have been any different if the number of MSPs had been 200 or 250? The simple truth is that political parties have become consumed with their own importance and have forgotten the interests of the man on the street. He or she is tired of Scotland's over-governing, as demonstrated by the declining turnout at elections.

Who would have thought that fewer than one in two people would vote in the second elections to the Scottish Parliament—a Parliament for which, as the Government were so keen to point out, we had been waiting for 300 years. Four years on, fewer than half wanted to participate in the Parliament's re-election. Let there be no doubt that that was partly due to there being too many politicians in Scotland—and the public knowing it.

The Bill is necessary only because of the Government's commitment in the Scotland Act to reduce the number of Members representing Scottish constituencies. After devolution, there was no longer a need for such wide-ranging Bills applicable only in Scotland. Our distinct legal system meant that our historic over-representation was due to our need to consider large quantities of Scotland-only Bills. That no longer applies and I hope that the Under-Secretary will, in her reply, go further than she and others have done to date and confirm that she expects to have implemented the changes of the boundary commission for Scotland by the end of the Session. With local inquiries complete and no requirement to allocate the new constituencies to Scottish parliamentary regions, there is no further excuse for the Government's failure to commit on that issue.

Some hon. Members will have sought mischievously to suggest that this issue should not be voted on by hon. Members representing seats other than those in Scotland. I am happy to make it clear for those who are happy to obfuscate that issue, that this is a reserved matter for the UK Parliament, so all hon. Members are entitled to participate on that basis.

I ask my right hon. and hon. Friends to vote against this unnecessary legislation, which will serve only to keep the number of politicians in Scotland at an inordinately high level. I would be delighted if the hon. Member for Glasgow, Anniesland felt able to do the same. The Scotland Act was designed so that the number of MSPs would fall to 108 as the number of Holyrood constituencies fell in line with Westminster ones. That is precisely what should happen. It is becoming clear that the Conservatives are the only party with respect for the devolved settlement that is seeking neither to tinker with nor to undermine it.

Although we do not believe that the Scotland Act is set in tablets of stone, we feel that there is no need to open it up at this early stage. Scotland has too many politicians and Scotland's people suffer too much from political interference. The self-serving consensus of Labour, Liberal Democrat and Scottish nationalist politicians, who want to keep it that way, are not only costing taxpayers dear but are putting the electorate off participating in elections.

9.45 pm

The Parliamentary Under-Secretary of State for Scotland (Mrs. Anne McGuire): An old phrase came to mind when I listened to the hon. Member for Galloway and Upper Nithsdale (Mr. Duncan) summing up for the Opposition: "Everyone's out of step, except our Jake." It appears that if everyone else in Scotland agrees on something and the Conservative party and its spokesperson do not, it is we who are wrong, and never them.

I wish to deal with some of the issues that have been raised by quotation before summing up the debate. It is worth reminding the House that when the Scotland Bill was debated in 1998, the hon. Member for Woodspring (Dr. Fox), now co-chairman of Conservative party, said:

"It is not a good basis on which to start a Parliament—knowing that, very soon afterwards, possibly within its first term and certainly within its second, there will be a major redistribution. It is not a recipe for stability."—[*Official Report*, 11 November 1998; Vol. 319, c. 387.]

We can bandy quotations across the Floor of the House tonight, but to be frank I do not think that they add anything to the argument.

We have had a vibrant, robust and, for the most part, good-humoured debate. Clearly, Parliamentary constituency boundaries and problems about the overlap and respective responsibilities of MPs and MSPs are matters that generate considerable interest among hon. Members—certainly among many of my hon. Friends, and I will look round at them now and again just to make sure that they are still with me.

Quite a number of comments have been made about devolution itself and the operation of the Scottish Parliament. I will certainly try to pick up on some of the main points, but I want to make a general comment. As a Government, we are committed to modernising this country's political and constitutional agenda, and we are delivering on that modernisation agenda. The success of devolution is that it has undoubtedly brought government closer to the people of Scotland on a wide range of matters that affect their day-to-day lives. Indeed, devolution has made a difference.

As my right hon. Friend the Secretary of State indicated a few hours ago, this short Bill is focused on a relatively straightforward objective: to remove the statutory link in the Scotland Act 1998 between the number of constituencies at Westminster and the number at Holyrood. Before we embarked on this action, we conducted a consultation exercise to take into account the views of many groups and interests across Scotland, and more than 230 replies were received.

Mr. Salmond: There is now a Division in the Lords.

When I asked the Secretary of State at the start of the debate why the matter that we were considering could not be left to the Scottish Parliament, he said that I wanted that to happen because I was a nationalist. Can the hon. Lady tell me of any legislative assembly—devolved or otherwise—anywhere in the world that does not have control over its own electoral system, except that in Scotland?

Mrs. McGuire: With the greatest respect to the hon. Gentleman, this is a settlement in the United Kingdom, not in any other part of the world. *[Interruption.]* I am sorry, but he cannot just import what happens in other parts of the world into the United Kingdom. We all understand that the settlement was agreed by the Scottish people.

I want to reflect for a couple of moments on the extent of the replies that we received before embarking on the Bill. We had 237 responses in total, and 28 from a range of civic bodies, including the Scottish Trades Union Congress, the Scottish Council for Voluntary Organisations, Unison, the Educational Institute of Scotland, the Convention of Scottish Local Authorities, the Scottish Green party, the Scottish Labour party, the Scottish Liberal Democrats, the Scottish National party, the Scottish Socialist party and a variety of other constituency parties or groups.

All those organisations and individuals support the policy of retaining 129 MSPs in the Scottish Parliament. I hope that we will have no argument about the fact that what we are reflecting today is the views, after consultation, of people in Scotland and the organisations that they are affiliated to or trust.

Mr. Duncan: If the balance of the argument is so clear-cut, why was it not foreseen in 1998 when the hon. Lady's colleagues in government made it clear that the number had to remain at 129 before being reduced?

Mrs. McGuire: I suppose that if I were a generous woman—which I am—I would say that the hon. Member for Woodspring identified the problem. That is one reason why, in the debates in this House and in the other place, we gave ourselves the opportunity to come back and consider what we should do about the numbers in the Scottish Parliament once the legislation that created it had been enacted. We were building a new Parliament in Scotland—not a just physical building, but a whole new way of governance—and it was important to make the best possible attempt to do that in 1998. We did that in good faith. Now that the Parliament has been in place for four or five years, we have consulted, and the overwhelming majority of the responses from civic and political society in Scotland is that 129 MSPs are needed at the moment to organise a Scottish Parliament.

The hon. Member for North Tayside (Pete Wishart) seems to be obsessed by the boundary commission, but I reiterate once again the Secretary of State's commitment that the Bill will have no impact on our commitment to reducing the number of constituencies represented at Westminster. Action will be taken on that front once the boundary commission has reported with its recommendations to my right hon. Friend.

As my right hon. Friend also highlighted, we have been mindful of the views that have been expressed about the possibility of practical and other difficulties that might arise from the creation of a new set of constituency boundaries. The debate today has shown clearly that there is a range of views on the extent of the potential problems and even more so—dare I say it?—on their solutions.

It is also worth reflecting that when the consultation was undertaken, there was no absolutely no mention in any meaningful sense of the idea that a lack of coterminosity—or whatever word we use to describe

[Mrs. McGuire]

it—would be an issue. It is only latterly that we have incorporated some of the difficulties or perceived difficulties that might result from a lack of coterminous boundaries. However, I remind hon. Members, particularly my hon. Friends, that in Scottish politics we have operated for a long time, particularly in the local government sphere, with a lack of coterminous boundaries. We have managed to deal with the issues.

I hope that by bringing forward the timetable to establish an independent body to look in depth at those and related matters, we will allay many of the concerns that were expressed by Members on both sides. I am confident that most of the points made about the potential difficulties of operating within different constituency boundaries can be analysed and solutions found as necessary through the review.

I shall now cover some of the individual points that have been raised in the debate. I thank all those who have participated, because the debate has been good humoured and robust and much political experience has been brought to bear. I particularly thank my hon. Friends the Members for Paisley, North (Mrs. Adams), for Cunninghame, North (Mr. Wilson), for Clydesdale (Mr. Hood), for Cunninghame, South (Mr. Donohoe), for Strathkelvin and Bearsden (Mr. Lyons), for Cumbernauld and Kilsyth (Rosemary McKenna), for Hamilton, South (Mr. Tynan) and for Glasgow, Anniesland (John Robertson).

My hon. Friend the Member for Paisley, North is the Chairman of the Scottish Affairs Committee and I know that she played a key role in producing the report with her colleagues. I hope that she will accept that some of the Committee's recommendations will now legitimately be within the domain of the new commission. I trust that that will allay some of the fears that members of the Committee have expressed.

I welcome the fact that the hon. Member for Caithness, Sutherland and Easter Ross (John Thurso) has welcomed the establishment of the commission. I again reiterate the answer to the question about the proportionality of the electoral system.

We all recognise that the principles of the devolution settlement were laid down by a cross-party consensus in the constitutional convention. Any changes to the electoral system for the Scottish Parliament must reflect those principles and command cross-party and non-party support in Scotland.

I hope that I can comfort my hon. Friend the Member for Clydesdale because I know that he is concerned about whether the decision about electoral systems and coterminosity will be made by an amorphous, independent review. The decision will be made by this Parliament and not by the commission. This Parliament must ultimately decide what it wants to do about the electoral system and any other recommendations from the commission.

Mr. Hood: I thank my hon. Friend the Minister for seeking to comfort me. Is she saying that the recommendation will not appear before the House on a one-clause three-line Whip?

Mrs. McGuire: I must say to my hon. Friend that I am thankful that I am no longer a member of the Whips Office—I was a member for four years. He is experienced enough to know that Government business is Government business is Government business.

I would like to highlight the touching naivety of the hon. Member for North Tayside. He specifically asked whether we would fight an election on the existing boundaries if one were called for two months' time. Given that we have discussed trying to arrange a postal ballot seven months hence with the electoral returning officers in Scotland, I would be astonished if we could reorganise the boundaries within two months in time for any potential election that the hon. Gentleman may have in his imagination. When he discusses national Parliaments, he should remember that this is a national Parliament—it is the United Kingdom Parliament.

Pete Wishart: Will the Minister give way?

Mrs. McGuire: No, I must go on.

I congratulate my hon. Friend the Member for Cumbernauld and Kilsyth not only on her wholehearted support for the Bill this evening but on her long history of support, activity and campaigning both for the Scottish Parliament and for increased gender recognition in all elected bodies—she is also my Member of Parliament.

I congratulate the hon. Member for Argyll and Bute (Mr. Reid)—I do not know whether he is in the House at the moment—on working through the morass, as he put it, of local names and constituencies in Argyll and Bute. I must tell him that the naming of constituencies is a matter for the boundary commission and not for the Government.

I agree with my hon. Friend the Member for Hamilton, South that we want to continue winning. The debate is not for anoraks; it is about ensuring that we get the best possible government for Scotland. He also said that he was pleased that he was not elected for Central Scotland when he was put on top of the list.

I appreciate that a number of hon. Members, including some of my hon. Friends, are not yet entirely comfortable with our proposals. However, we are in a period of change and development for our constitution. The Bill marks a small but important step in consolidating progress, and I ask the House to support it.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 333, Noes 127.

Division No. 47] **[9:59 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Baird, Vera
Baker, Norman
Banks, Tony
Barrett, John
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Beggs, Roy *(E Antrim)*
Beith, rh A. J.
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz

Blears, Ms Hazel
Blizzard, Bob
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Breed, Colin
Brennan, Kevin
Brooke, Mrs Annette L.
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Calton, Mrs Patsy
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, rh Sir Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Carmichael, Alistair
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Connarty, Michael
Cooper, Yvette
Cotter, Brian
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Ewing, Annabelle
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gardiner, Barry
Gerrard, Neil
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hancock, Mike
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, rh John
Iddon, Dr. Brian
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Kirkwood, Sir Archy
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McCartney, rh Ian
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall-Andrews, Robert
Martlew, Eric
Michael, rh Alun
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Moonie, Dr. Lewis
Moore, Michael
Moran, Margaret
Morley, Elliot
Mountford, Kali
Mudie, George
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Neill, Martin
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Prentice, Ms Bridget *(Lewisham E)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, Alan *(Argyll & Bute)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Rendel, David
Robertson, Angus *(Moray)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Ryan, Joan *(Enfield N)*
Salmond, Alex
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soley, Clive
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, rh Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Teather, Sarah
Thomas, Gareth *(Clwyd W)*
Thomas, Simon *(Ceredigion)*
Thurso, John
Timms, Stephen
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul *(N Cornwall)*
Tynan, Bill *(Hamilton S)*
Watts, David
Webb, Steve *(Northavon)*

Weir, Michael
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wishart, Pete
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Fraser Kemp and Gillian Merron

NOES

Ainsworth, Peter *(E Surrey)*
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Barker, Gregory
Baron, John *(Billericay)*
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brazier, Julian
Browning, Mrs Angela
Burnside, David
Burt, Alistair
Butterfill, Sir John
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Curry, rh David
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dorrell, rh Stephen
Duncan, Alan *(Rutland)*
Duncan, Peter *(Galloway)*
Evans, Nigel
Fabricant, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Grieve, Dominic
Hague, rh William
Hammond, Philip
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heathcoat-Amory, rh David
Hendry, Charles
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Horam, John *(Orpington)*
Howard, rh Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Osborne, George *(Tatton)*
Page, Richard
Paice, James
Pickles, Eric
Portillo, rh Michael
Prisk, Mark *(Hertford)*
Randall, John
Redwood, rh John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Rosindell, Andrew
Sayeed, Jonathan
Selous, Andrew
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Soames, Nicholas
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Sir Teddy
Tredinnick, David
Turner, Andrew *(Isle of Wight)*
Tyrie, Andrew
Viggers, Peter
Waterson, Nigel
Watkinson, Angela
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Noes:
Hugh Robertson and Mr. Mark Francois

Question accordingly agreed to.

Bill read a Second time.

SCOTTISH PARLIAMENT (CONSTITUENCIES) BILL (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Orders [28 June 2001 and 6 November 2003],

That the following provisions shall apply to the Scottish Parliament (Constituencies) Bill:

Committal

1. The Bill shall be committed to a Committee of the whole House.

Proceedings

2. Proceedings in Committee of the whole House, any proceedings on consideration and proceedings on Third Reading shall be completed at one day's sitting.

3. Proceedings in Committee of the whole House and any proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

4. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

Programming Committee

5. Sessional Order B (programming committees) made on 28th June 2001 shall not apply to proceedings on Third Reading.

Programming of proceedings

6. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*[Margaret Moran.]*

The House divided: Ayes 327, Noes 129.

Division No. 48] **[10:15 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Baird, Vera
Baker, Norman
Banks, Tony
Barrett, John
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh A. J.
Benton, Joe *(Bootle)*
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Breed, Colin
Brennan, Kevin
Brooke, Mrs Annette L.
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Calton, Mrs Patsy
Campbell, Alan *(Tynemouth)*

Campbell, Mrs Anne *(C'bridge)*
Campbell, rh Sir Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Carmichael, Alistair
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Connarty, Michael
Cooper, Yvette
Cotter, Brian
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Ewing, Annabelle
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gardiner, Barry
Gerrard, Neil
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, rh John
Iddon, Dr. Brian
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Kirkwood, Sir Archy
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Love, Andrew
Lucas, Ian *(Wrexham)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McCartney, rh Ian
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall-Andrews, Robert
Martlew, Eric
Michael, rh Alun
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Moonie, Dr. Lewis
Moore, Michael
Moran, Margaret
Morley, Elliot
Mountford, Kali
Mudie, George
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Neill, Martin
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Prentice, Ms Bridget *(Lewisham E)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, Alan *(Argyll & Bute)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Rendel, David
Robertson, Angus *(Moray)*
Robertson, John *(Glasgow Anniesland)*
Roche, Mrs Barbara
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Ryan, Joan *(Enfield N)*
Salmond, Alex
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Short, rh Clare
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soley, Clive
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, rh Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Teather, Sarah
Thomas, Gareth *(Clwyd W)*
Thomas, Simon *(Ceredigion)*
Thurso, John
Timms, Stephen
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul *(N Cornwall)*
Tynan, Bill *(Hamilton S)*
Watts, David
Webb, Steve *(Northavon)*
Weir, Michael
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wishart, Pete
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Fraser Kemp and Gillian Merron

NOES

Ainsworth, Peter *(E Surrey)*
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Barker, Gregory
Baron, John *(Billericay)*
Beggs, Roy *(E Antrim)*
Bellingham, Henry
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brazier, Julian
Browning, Mrs Angela
Burnside, David
Burt, Alistair
Butterfill, Sir John
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Curry, rh David
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dorrell, rh Stephen
Duncan, Alan *(Rutland)*
Duncan, Peter *(Galloway)*
Evans, Nigel
Fabricant, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Grieve, Dominic
Hague, rh William
Hammond, Philip
Hancock, Mike
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Osborne, George *(Tatton)*
Page, Richard
Paice, James
Pickles, Eric
Portillo, rh Michael
Prisk, Mark *(Hertford)*
Randall, John
Redwood, rh John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Rosindell, Andrew
Sayeed, Jonathan
Selous, Andrew
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Soames, Nicholas
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Sir Teddy
Tredinnick, David
Turner, Andrew *(Isle of Wight)*
Tyrie, Andrew
Viggers, Peter
Waterson, Nigel
Watkinson, Angela
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Noes:
Mr. Mark Francois and Hugh Robertson

Question accordingly agreed to.
Committee tomorrow.

EMPLOYMENT RELATIONS BILL (PROGRAMME) (NO.2)

Motion made, and Question put forthwith, pursuant to Orders [28 June 2001 and 6 November 2003],

That the programme Order of 14th January 2004 in relation to the Employment Relations Bill be amended by the substitution in paragraph 2 (time for conclusion of proceedings in Standing Committee) for the words '26th February' of the words '2nd March'.—[*Margaret Moran.*]

The House divided: Ayes 317, Noes 125.

Division No. 49] **[10:28 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Baird, Vera
Baker, Norman
Banks, Tony
Barrett, John
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh A. J.
Benton, Joe *(Bootle)*
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Breed, Colin
Brennan, Kevin
Brooke, Mrs Annette L.
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Calton, Mrs Patsy
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, rh Sir Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Carmichael, Alistair
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Connarty, Michael
Cotter, Brian
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Ewing, Annabelle
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gardiner, Barry
Gerrard, Neil
Gibson, Dr. Ian
Gidley, Sandra

Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Howells, Dr. Kim
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, rh John
Iddon, Dr. Brian
Ingram, rh Adam
Irranca-Davies, Huw
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Khabra, Piara S.
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Kirkwood, Sir Archy
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Love, Andrew
Lucas, Ian *(Wrexham)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McCartney, rh Ian
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall-Andrews, Robert
Martlew, Eric
Michael, rh Alun
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Moonie, Dr. Lewis
Moore, Michael
Moran, Margaret
Morley, Elliot
Mountford, Kali
Mudie, George
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Neill, Martin
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Prentice, Ms Bridget *(Lewisham E)*
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, Alan *(Argyll & Bute)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Rendel, David
Robertson, Angus *(Moray)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Russell, Bob *(Colchester)*
Ryan, Joan *(Enfield N)*
Salmond, Alex
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheridan, Jim
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soley, Clive
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Taylor, rh Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Teather, Sarah
Thomas, Gareth *(Clwyd W)*
Thomas, Simon *(Ceredigion)*
Thurso, John
Timms, Stephen
Todd, Mark *(S Derbyshire)*
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul *(N Cornwall)*
Tynan, Bill *(Hamilton S)*
Watts, David
Webb, Steve *(Northavon)*
Weir, Michael
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wishart, Pete
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Fraser Kemp and Gillian Merron

NOES

Ainsworth, Peter *(E Surrey)*
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Barker, Gregory
Baron, John *(Billericay)*
Beggs, Roy *(E Antrim)*
Bellingham, Henry
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brazier, Julian
Browning, Mrs Angela
Burnside, David
Burt, Alistair
Butterfill, Sir John
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Curry, rh David
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dorrell, rh Stephen
Duncan, Alan *(Rutland)*
Duncan, Peter *(Galloway)*
Evans, Nigel
Fabricant, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Grieve, Dominic
Hague, rh William
Hammond, Philip
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heathcoat-Amory, rh David
Hendry, Charles
Hermon, Lady
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lilley, rh Peter
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne

Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Osborne, George *(Tatton)*
Page, Richard
Paice, James
Pickles, Eric
Portillo, rh Michael
Prisk, Mark *(Hertford)*
Randall, John
Redwood, rh John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Rosindell, Andrew
Sayeed, Jonathan
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Soames, Nicholas
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Sir Teddy
Tredinnick, David
Turner, Andrew *(Isle of Wight)*
Tyrie, Andrew
Viggers, Peter
Waterson, Nigel
Watkinson, Angela
Whittingdale, John
Wiggin, Bill
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Noes:
Hugh Robertson and Mr. Mark Francois

Question accordingly agreed to.

NORTHERN IRELAND GRAND COMMITTEE

Motion made, and Question put forthwith, pursuant to Standing Order No. 116(1) (Northern Ireland Grand Committee (sittings)),

That—

(1) the draft Budget (Northern Ireland) Order 2004 be referred to the Northern Ireland Grand Committee;

(2) the Committee shall meet at Westminster on Thursday 26th February at half-past Two o'clock; and

(3) at the sitting—

(a) the Committee shall take questions under Standing Order No. 110 (Northern Ireland Grand Committee (questions for oral answer)), and shall then consider the instrument referred to it under paragraph (1) above; and

(b) at the conclusion of these proceedings, a motion for the adjournment of the Committee may be made by a Minister of the Crown, pursuant to paragraph (5) of Standing Order No. 116 (Northern Ireland Grand Committee (sittings)).—*[Margaret Moran.]*

Question agreed to.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, I shall put the Questions on the two motions together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committee on Delegated Legislation),

PREVENTION AND SUPPRESSION OF TERRORISM

That the draft Terrorism Act 2000 (Continuance of Part VII) Order 2004, which was laid before this House on 15th January, be approved.

LEGAL SERVICES COMMISSION

That the draft Criminal Defence Service (Choice in Very High Cost Cases) (Amendment) Regulations 2004, which were laid before this House on 15th January, be approved.—*[Margaret Moran.]*

Question agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

PROCEDURES FOR GRANTING AND WITHDRAWING REFUGEE STATUS

That this House takes note of European Union Document No. 14686/03, amended draft Council Directive on minimum standards on procedures in Member States for granting and withdrawing refugee status; notes that this forms part of the package of measures creating a Common European Asylum System, and supports the Government's position that the Directive should properly take into account the needs of Member States to adapt policies in response to changing situations.—*[Margaret Moran.]*

Question agreed to.

DELEGATED LEGISLATION

Ordered,

That the Greenhouse Gas Emissions Trading Scheme Regulations 2003 (S.I., 2003, No. 3311) be referred to a Standing Committee on Delegated Legislation.—*[Margaret Moran.]*

PETITION

Horse Riding (Castle Point)

10.42 pm

Bob Spink (Castle Point) (Con): The horse riding community in Castle Point is up in arms. On Canvey Island alone, there are more than 200 horses, but only one bridleway. Areas of Canvey Island, including the fields of Waterside leisure centre, fields adjacent to Cornelius Vermuyden school and the sea wall near the golf course have been used by horse riders since 1968, but are now increasingly denied to them. That is intolerable. Horse riders are decent people, many of whom are young people doing what they should be doing—getting off the streets to pursue their hobbies—and the council should be supporting them, not hurting them. Therefore, 60 horse riders have compiled a petition in the following terms:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled

The Humble Petition of Miss Wendy Eydman, Councillor Dorothy Best and others of like disposition

Sheweth

That traditional amenities and recreation areas used by horse riders in Castle Point are increasingly being denied to them and that the safety of the riders and horses is put at risk, by barriers and fences often erected to stop motorcyclists or, indeed, the horse riders themselves.

Wherefore your Petitioners pray that your honourable House shall urge the Government to bring pressure on Castle Point Borough Council to take into account the needs of local horse riders and to promote rather than constrain accessibility to their

traditional recreational riding areas and to ensure that, for safety, any new road from Roscommon Way to Haven Road on Canvey Island will include a bridleway.

And your Petitioners, as in duty bound, will ever pray.

To lie upon the Table.

Rother District Council

Motion made, and Question proposed, That this House do now adjourn.—*[Margaret Moran.]*

10.44 pm

Gregory Barker (Bexhill and Battle) (Con): I am grateful for the opportunity to address hon. Members and highlight yet another blatant example of Labour's covert agenda to underfund local authorities in the south-east to divert taxpayers' money to their heartlands. Sadly, that has become a familiar story throughout our front-line public services in East Sussex. If we examine the funding for the county council, the fire authority, the police authority or even our local hospitals, all tell the same story of fiddled formulae and chronic underfunding.

My constituents have seen their taxes rise and rise again under the Government, with precious little in return. Tonight, I want to focus especially on the plight of Rother district council. Rother is a responsible and prudent authority, where performance has improved in leaps in bounds since the Conservatives regained majority control five years ago. However, that prudent and fiscally astute authority, which managed to keep its council tax at the lowest rate of any district council in the county and operates efficiently with the lowest employee-to-resident ratio in Sussex, faces the prospect of savage cuts in jobs and front-line services because of the Government's policy systematically to underfund areas such as ours.

The Minister for Local Government, Regional Governance and Fire has described the average 6.5 per cent. increase that local authorities will receive in grant next year as a good settlement. Indeed, that would be true if it were a 6.5 per cent. rise on a like-for-like basis compared with last year and distributed fairly throughout the country. However, it is not. The Minister also said that the current trend in council tax rises was unsustainable. At least we can agree about that.

Bexhill and Battle has one of the highest levels of pensioner households in the country. The overwhelming majority depend on fixed incomes and savings, the returns on which have gone down and down in real terms in recent years. For all its relative prosperity, it has pockets of genuine deprivation. Year after year, Government-induced tax rises cripple my constituents, young families and old folks alike. Many people who come to my surgery tell me that, overall, the council tax bill is the largest single item in their household budget, which directly cuts into the amount that they can afford to spend on food and heating. The relentless rise in council tax cannot go on; something has got to give.

The Minister for Local Government, Regional Governance and Fire has told Rother that he will not hesitate to use the Government's capping powers if the council tax is increased by more than 5 per cent. I shall outline the way in which the abysmal support that the Government have given Rother will mean a dramatic cut in front-line services—that would be the only option if the council were capped. Perhaps when the Under-Secretary replies, he will map out in detail where he believes that the knife should fall. Which services would he like to be axed? How many essential public employees would he like to be thrown on the dole?

[Gregory Barker]

The treasurer of Rother district council has assessed that the increased grant settlement will not go anywhere near repairing the damage that last year's reassessment caused. Last year, Rother lost a massive £1.2 million in Government aid—a huge 10 per cent. of its budget. We could quibble about percentage points here and there, but the figures speak for themselves.

If we consider the funding for 1994 to 2001, we see that the grant as a percentage of the local budget ranged from 67 per cent. to 63 per cent. Since 2001, that figure has dropped to only 50 per cent.—a massive fall and a massive increase in the amount of council tax as a percentage of the budget. Rother district council has been left in the position of having to recover from the decrease while trying to maintain its essential services for its residents and cope with new demands from Government to take on even more financial responsibilities. Talk of the above-inflation settlement may be borne out by national statistics and UK averages, but specific councils such as Rother have been left much worse off.

Since 1997–98, the Government grant compared with their assessment of Rother's need to spend through the standard spending assessment formula spending share has fallen from 66 per cent. to below 50 per cent. During that time, the council restricted its increase in spending to less than 4.5 per cent. on average, despite taking on numerous new responsibilities such as a progressive recycling regime, which is expected to cost the taxpayer an additional 10 per cent. per annum.

Rother is a frugal, well run council that charges the lowest council tax of all the East Sussex boroughs and districts. Only 10 per cent. of the local tax that it collects goes directly to pay for Rother services because 81 per cent. goes straight to the county council and 9 per cent. to Sussex police.

The recent comprehensive performance assessment inspection highlighted the strong financial control exercised by the council in managing its finances, and awarded the council the maximum score of four. Therefore, it would be wrong to cite poor financial management as a reason for any council tax rise.

It was estimated last month that without a fairer settlement from central Government, Rother council tax will have to rise by approximately 13 per cent. to maintain current services, and to rise by about 21 per cent. to allow for additional new financial burdens being placed directly on the council by the Government. This year alone, further cash must be found to fund the new Government requirements for liquor licensing, which transfer responsibility for local licensing from magistrates courts to Rother. There are also dramatic increases in the cost of Government inspections, new statutory obligations in respect of local homelessness, and the hefty cost of mandatory participation in the e-government programme, which alone accounts for a 4 per cent. rise in the council tax. I shall deal with each of those items in more detail later.

The Government's main defence on this issue to date has been to fall back on generalisations and to quote the national increases in Government support, as the Minister for Local Government, Regional Governance and Fire has done in all his correspondence with Rother authorities. It is meaningless, however, in relation to the individual authority level. I hope that when the Minister responds he will present the House with more accurate figures than those deployed by his right hon. Friend, as Rother is one of the district councils that has received the absolute minimum increase in Government support, and not the 5.5 per cent. as his colleague wrongly claimed in his letter to the leader of Rother district council, Councillor Graham Gubby.

On 10 December last year, the Chancellor announced in his pre-Budget report that a further £340 million would be contributed towards local government support for 2004–05. Even taking into account the Chancellor's much-vaunted increase, for the people of Rother the overall increase amounted to less than £1 per head. Just before Christmas, Rother's director of resources, Dr. Pav Ramewal, was told that Rother would receive just an extra £34,000—an increase of less than 0.5 per cent., taking the overall increase in Government support to a paltry £77,000. Yet in November, when the Government announced their 2004–05 grant figures, they had guaranteed a floor of an increase of 2.2 per cent—£143,000 in Rother's case. With the extra £340 million announced by the Chancellor on 10 December, the Office of the Deputy Prime Minister released a further revised grant settlement and an even higher floor of 3 per cent. Based on this new floor, Rother district council should be entitled to an extra £194,000. Even with the revised increase, however, the actual additional settlement for Rother is just £77,000. That means a shortfall even in the Government's floor of £117,000. On a like for like basis, that represents an increase of 2.9 per cent to be shouldered by the Rother council tax payer.

As a result of Rother district council's overall unfair treatment in the settlement, Rother residents are staring at an increase of more than 20 per cent. in their council tax bill this year, unless cuts are made in services. Rother's budget has been prepared in line with the council's medium-term strategy of modestly increasing its resource base annually, through moderate phased council tax increases to secure and maintain a prudent and sound financial future. This year's figures, however, have been prepared on a standstill basis. The 2.9 per cent increase on a like for like basis that Rother is receiving takes into account the transfer of benefit funding to the Department for Work and Pensions. The original £34,000 increase, as already mentioned, represents 0.5 per cent. in cash for the council compared with the increase of £143,000 that the council would have rightly expected to see under the floors mechanism. The injustice to Rother in the settlement is plain to see, and the council rightly made representations to the Office of the Deputy Prime Minister. It would appear that a number of district councils across the country have feared a similar outcome.

Nationally, the Treasury has assumed an average increase in council tax levels for 2004–05 of 7 per cent. but if Rother district council were to spend at the Government's assumed level, it would need to raise nearly £5.5 million locally. That would have a shocking effect on band D council tax charges, pushing them up by 30 per cent. The Government appear to be on a totally different planet. The assumptions do not take into account the impact of the latest raft of obligations, which will force up the council tax.

The Government are continuing to pile additional costs on to local government, while taking no account of the real costs when it comes to handing out funds for the next year.

It is clear that the Government's mean and divisive grant settlement has been disappointing to the council and residents of Rother. Until two weeks ago the full implications of the transfer of the housing and council tax benefit subsidy had not been announced, owing to the apparent wrong-footing of the Department for Work and Pensions by the Office of the Deputy Prime Minister. Concrete advice and information have been noticeably absent.

As I have said, Rother is a prudent, financially efficient and cautious council, as is clear from the recent comprehensive performance assessment review and confirmed in this year's district audit letter. Initial budget estimates predicted that the council would lose approximately £150,000 through the transfer of grant to the DWP. Owing to the transitional arrangements announced in the DWP circular, that is now expected to be largely repaid, thereby reducing the council tax by about £4, or 3.4 per cent. However, even that cannot be confirmed until the final 2004–04 subsidy claim is approved by external auditors in 2006. Even if the reduction does eventually occur, the effect of the meagre settlement on the district council's ability to continue to deliver high-quality, affordable service is still potentially very damaging to residents of the district. At the very least, the Government should ensure that they honour the spirit of the floor mechanism agreement, and guarantee a minimum cash increase of £143,000 for the next year.

On top of that quite dreadful support from the Government there came news in December that East Sussex county council would receive an extraordinary £4,000 from the emergency Government fund to help keep council tax bills down. When that figure was first announced, there was widely thought to have been a mistake with the decimal point in the press release. Sadly, however—rubbing salt into the wounds—it proved to be accurate; but the situation was not replicated across the south-east as a whole. Other counties in the region fared quite well. Kent received an extra £8 million, Essex £7.7 million and Hampshire £7 million. Yet again, East Sussex—inexplicably, for it is the poorest county in the south-east—received next to nothing. Ministers in London seem continually to ignore the plight of cash-strapped young families and many hard-up pensioners in my constituency. To make matters worse, the Government refused to meet a cross-party delegation from East Sussex county council to discuss the minuscule amount it had received to limit council tax rises.

In his correspondence with our district council, the Minister for Local Government, Regional Governance and Fire also failed to acknowledge the effect of gearing on council taxpayers. If the council's spending next year rises by only about 5 per cent., Rother's council tax will still increase by 9.8 per cent. That is without the imposition of the additional new burdens.

When the transfer of grant to the DWP is added back, Rother's net budget requirement for 2004–05 has increased by 5.4 per cent., excluding essential growth items. As a matter of necessity the council has frozen all non-salary and contractual budgets for the last three years. That will have an impact on a number of key contracts.

So why is it necessary for Rother to increase its council tax even further? Once again we return to the new, extra, unfunded demands that the Government are continually making on district councils. First, there is the new licensing regime for liquor. Although the Government intended responsibility for it to be self-financing, finance officers at Rother have done the real sums, and prudently estimate that, at least in the first year, the district council's costs will rise by more than £50,000, or 1.4 per cent. on the council tax bill.

What else have the Government saddled Rother with? Well, there are inspection costs. No one loves to audit the auditors and inspect the inspectors like new Labour. Over the past few years the council has seen a significant increase in Government inspection costs, particularly those of the Audit Commission, which now amount to more than £150,000 per annum. Until now the council was able to avoid passing all those costs on to the council taxpayer. Unfortunately it now has no alternative but to pass them on, which means increasing the inspection budget by £40,000, or 1 per cent. on the council tax.

The next point is homelessness. The council has noticed a significant increase in the number of people presenting themselves as homeless over the past two years. Undoubtedly, the change in legislation has accounted for some of the increase, but the real-terms increase is over and above the results of any change in the law and actually reflects the increased cost of housing in what remains a low-wage area. Housing difficulties are on the increase, often exacerbated by people new to the area, and are a real problem, as I regularly see at my surgeries—as, I am sure, does the hon. Member for Hastings and Rye (Mr. Foster) who is in the Chamber—yet the council receives no additional help despite the fact that the cost of bed and breakfast has risen by £58,000 in the last year, an increase of 1.6 per cent. in council tax.

The Government's drive to modernise and to transfer to e-government is another substantial factor in increased spending. Although the council acknowledges the financial support given by the Government to meet the one-off capital costs of the e-agenda, it comes with a substantial revenue implication for the council. Like many local authorities, Rother is undertaking an extensive programme to replace its legacy of mainframe systems with modern systems capable of delivering services through electronic means.

I welcome e-government; it gives the public an alternative way to access services but it does not generally replace traditional methods of service delivery. For the time being at least, those extra ongoing costs represent another unfunded burden on local authorities. In 2004–05, an additional £150,000 has been identified to meet the ongoing revenue costs of replacing the council's revenues and benefits system to conform with Government guidelines; that equates to an increase of 4 per cent. in council tax. All other revenue implications of e-government have been funded for efficiency savings. Again, Rother is trying to do its best, in difficult circumstances, to meet Government targets,

[Gregory Barker]

but as with everything else, that comes at a cost. It must be recognised that Rother is a low-spending efficient council, which is being forced into tax increases primarily due to Government willingness to impose new burdens while refusing to supply the cash to pay for them.

Inadequate and unfair distribution of Government funding and the imposition of additional unfunded Government requirements is not a defence dreamt up simply by Conservative-controlled councils. As the Minister knows, it was one of the key concerns raised by the Audit Commission in its recent publication, "Council Tax Increases 2003/4—Why were they so high?". Councillors in Rother have called on officers to try to suggest £300,000 of budget savings in a bid to cut the threatened 20 per cent. council tax rise, and are engaged in a highly charged round of public consultation.

The stark fact is that in the last four years council tax in Rother has risen by 81 per cent. The argument is always made that Rother starts from a low base, and continues to make the lowest charge in East Sussex, but that must be seen in the context that I mapped out earlier. Demographically, we have one of the oldest districts in Britain. It has the highest percentage of residents in the country aged over 85 and the second highest percentage of over-65s, the vast majority of whom are on fixed incomes. Eighty per cent. of the district is an area of outstanding natural beauty and the rural premium means that services cost 30 per cent. more to deliver than in urban areas.

Any quick analysis of East Sussex authorities demonstrates that the proportionality of funding between council tax and Government support favours the borough—urban—councils. For Rother district council, the grant as a percentage of formula spending share was just under 50 per cent., whereas for the boroughs of Eastbourne and Labour-controlled Hastings, it is more than 60 per cent.

Both borough councils in East Sussex spend above the Government's assumed need to spend. The Government grant allocation system thus appears to favour the more urban councils and fails to recognise rural issues and the additional cost of delivering services to remote areas. On every count, it appears that the people of Rother are short-changed by the Government, and the council is left with the dilemma of either cutting services or increasing council tax.

My constituents are angry; many of them are desperate. The problem will not go away and no amount of political gloss or statistical spin will change the hard reality that council tax payers in my constituency face this year: yet another huge hike in their bill or devastating service cuts. I appeal to the Minister in good faith to recognise that we have a real problem. Rother's dilemma may not be unique, but that is of little comfort to those affected, so I ask him to take a short time out from his busy schedule to meet the leader and treasurer of Rother district council at the earliest opportunity, to sit down with them and work through the reality of the pressures that they face, which are not of their own making, and to look again at the chronic lack of Government funding for my area.

11.04 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): I congratulate the hon. Member for Bexhill and Battle (Gregory Barker) on securing this debate on local government funding for Rother district council. It gives us a useful opportunity to discuss issues relating to this year's local government finance settlement, and to look at the particular circumstances of Rother.

Let me start by commenting on our decisions relating to the funding of local government revenue expenditure for next year, which were made following full consultation on our proposals. The hon. Gentleman asked whether I would be prepared to meet a delegation from his authority. The Government have not met representatives from any individual councils or local authorities during this year's consultation process, because we are in the second year of a three-year spending round. Last year was the first year in which we changed the formulae throughout, and we took a number of representations from individual councils. However, this year we did meet representatives of the main types of authorities, including those such as Rother district council, through their representation on the Local Government Association.

Consultation on the draft settlement ended in January, and up to that point many councils had made written representations. However, the hon. Gentleman should know that Rother district council did not make a representation at any stage in the consultation process. As he knows, Parliament approved the local government finance settlement last week, so the consultation and decision-making processes are now complete.

The 2002 spending review provided very good news for local authorities, with continued increases in grant over the three-year period of the review. Our priority is, of course, education and personal social services. Shire districts such as Rother depend principally on the environmental, protective and cultural services funding. The settlement for 2004–05 provides a cash increase of 3.8 per cent., in terms of spending on those services. Through the settlements made since we took office in 1997, we have been able to increase the amount of government grant given in total to local authorities by £19.1 billion—a 30 per cent. real-terms increase. I should point out to the hon. Gentleman that that compares with the 7 per cent. cut that occurred in the previous four years, under a Conservative Administration.

So there can be little argument that we have provided greater levels of investment since 1997–98, and there is general agreement that this settlement provides welcome improvements in the money going to local authorities. We have decided to allow local authorities to reduce council tax discount on second homes and long-term empty homes if they wish, which will provide them with additional revenue-raising powers. They will be able to use the money raised through reducing the second homes discount for the benefit of local communities by providing, for example, affordable housing or transport.

Gregory Barker: Surely the Minister does not dispute the fact that the grant, as a percentage of the budget, has fallen dramatically—from 63 per cent. in 2001, to 50.23 per cent. in 2004–05.

Phil Hope: As the hon. Gentleman knows, Rother will receive £5.524 million in general grant in 2004–05—an increase of £202,000, or 3.8 per cent., on a like-for-like basis, compared with 2003–04. That is comparable to the average increase for shire districts of 4 per cent. The new grant distribution system was introduced in 2003–04 following a full-scale review and consultation. The floors and ceilings arrangements that feature in the new system help to provide stability for local government. In 2004–05, Rother will benefit from the protection offered by the floor: it will receive £1.2 million more in grant than it would receive without the support of the floor. In the past seven years, we have been able to provide Rother with an average—I repeat, an average—annual increase in general grant of 4 per cent. There can be no doubt that Rother has benefited from the additional money that we have invested in local government in the past seven years.

The hon. Gentleman also mentioned the case of East Sussex county council. I have to say that East Sussex is set to receive an increase in formula grants of 4.5 per cent. next year. That is after having received a 5.5 per cent. increase in 2002–03; and a 3.8 per cent. increase in 2003–04.

I can understand the concerns of the people of Rother, particularly those of pensioners on fixed incomes and others on low incomes, that the settlement will lead the council to impose another large increase in the level of council tax for 2004–05. I have to say to the hon. Gentleman that there is no need for the council to do so. Given the grant increases that Rother district council has received since 1997, which I have just spelled out, residents are right to express dismay at the persistently high levels of council tax increase imposed on them and at the proposed level for the forthcoming year.

In 2002–03 there was a 20.7 per cent. increase for band D tax in Rother; in 2003–04, a 10.1 per cent. increase; and next year, there will be a reported 9.8 per cent. increase. That is simply unacceptable. Given the Government's significant extra investment in public services and the scope for efficiency improvements, it is unacceptable for local authorities to set large increases in council tax. Local authorities, including Rother, can and should deliver council tax increases in low single figures in 2004–05. We have made it clear that we are prepared to use our powers to cap any excessive council tax increases proposed by local authorities for 2004–05. Let there be no doubt that we will use those powers if we have to.

I have to tell the hon. Gentleman that we are also keen to ensure that all pensioners entitled to help with their council tax bills are claiming council tax benefit. I hope that we can agree on that. If we have to disagree on the funding issues, surely we can agree about the importance of ensuring that pensioners, particularly those on low incomes and fixed incomes, gain from the council tax benefit facilities that are available. We want to ensure that the 1.9 million pensioners who will gain, or gain more, council tax benefit on the introduction of pension credit get the extra help to which they are entitled. The Department for Work and Pensions is therefore actively pursuing ways of supporting local authorities in their statutory duty to promote council tax benefit take-up.

The hon. Gentleman has not left me much time to tackle some of the detailed points that he made. He voiced concern about the transfer of responsibility for housing benefit and council tax benefit to the Department for Work and Pensions. However, it was local authorities that pressed the Government to make that change. As a result, the Department for Work and Pensions will implement fairer and simpler benefit subsidy rules from next April, which have been devised in full consultation with the local authority associations. Local authorities have been advised how potential impacts should be assessed and there will be a transitional protection scheme for the first three years. We have listened to local government concerns about the initial proposals and have now decided to limit any losses during the first year of the scheme to 0.5 per cent. I hope that that demonstrates to the hon. Gentleman and the people of Rother that we have listened to some of the concerns and responded actively to them.

The hon. Gentleman mentioned the Licensing Act 2003, fee levels and the potential burdens that may be created. After a long period of consultation, we have enabled the Local Government Association to build its case and we are grateful for its assistance. When the final fee levels are published shortly, we expect to revise our estimates of the overall income generated.

The timetable for reform is dictated by the date on which Parliament approves the guidance on the fees, which will be announced by the Secretary of State for Culture, Media and Sport, who expects to table the draft guidance for the House's consideration very shortly. The period of transition will commence six months after Parliament approves the guidance and then last for about nine months.

The hon. Gentleman mentioned inspection costs. We understand his concerns, but I have to say that the comprehensive performance assessment has driven many improvements in local government performance and there is widespread support across local government for the benefits that it brings.

We know that e-government is bringing about new ways of delivering services. It is bringing cost-efficiency savings into local government and we expect to see that happen. I might add—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at fourteen minutes past Eleven o'clock.

House of Commons

Tuesday 10 February 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Whisky Industry

1. **Mr. Brian H. Donohoe** (Cunninghame, South) (Lab): What progress is being made on introducing strip stamps in the Scotch whisky industry. [152887]

The Secretary of State for Scotland (Mr. Alistair Darling): I met representatives of the Scotch Whisky Association last week to discuss this issue, and general consultation with the spirits industry is, of course, continuing. My hon. Friend the Economic Secretary to the Treasury is due to meet the association on 23 February to discuss the issue further.

Mr. Donohoe: I thank my right hon. Friend for that answer, and I am pleased that he is taking such a close interest in this important subject. The Scotch whisky industry has been looking for some time at alternatives to the stamp duty and strip stamps. If it comes up with a successful solution, will he make representations to the Chancellor, so that we can ditch that proposal once and for all and allow the Scotch whisky industry to get on with its main business, which is, of course, to sell whisky both here at home and abroad?

Mr. Darling: My hon. Friend is right: the industry is of huge importance to Scotland—and, of course, to the whole of the United Kingdom. As my right hon. Friend the Chancellor made clear at the time of the pre-Budget report, his concern is about the growing amount of fraud. Customs and Excise and the Scotch Whisky Association put different monetary values on that fraud, but both agree that there is a problem, and it needs to be sorted out. The Chancellor has said that unless something else is done, he intends to go ahead with the strip stamps. However, he has made it clear that it is up to the industry to talk to Customs and Excise with a view to finding some other way to deal with what is undoubtedly a growing problem. I am sure that the whole House would agree that, faced with a growing amount of fraud, it is necessary to take action, but of course, that action must be consistent with ensuring that we do everything we can to help the industry, which is why we have frozen whisky duty for the past six Budgets.

Angus Robertson (Moray) (SNP): Why should the Scotch whisky industry have to foot the bill to crack down on crooks? Surely Customs and Excise should be doing that more effectively. Why is a proposal being made for new systems, new overheads, new costs and new regulations, all to be borne by the Scotch whisky industry, when every bottle of whisky is already clearly marked with a lot number, which would help in the fight, which everyone supports, against fraud?

Mr. Darling: Bottles may be marked, but there is still a problem with fraud, as representatives of the industry admitted when I met them last week. Whisky is going missing when it is shipped out of warehouses. We have made it clear—I have just done so again—that the industry and the Government need to talk together to consider alternatives. As for the hon. Gentleman's first point, it has always been the case in the Scotch whisky industry—and, indeed, in many other industries—that responsibility for security rests jointly with the industry and Customs and Excise. The Scotch whisky industry already has considerable security measures in force to ensure that whisky is kept safe and accounted for, and the vast bulk of it is—but there is a problem with fraud, and the industry and Customs and Excise need to work together to find out how we can sort it out.

Mr. John McFall (Dumbarton) (Lab/Co-op): The Economic Secretary will visit Scotland on 23 February at my invitation, in my capacity as the chairman of the all-party Scotch whisky group, and he will start at Allied Distillers in my constituency. I recognise that fraud is a problem, and I am trying to persuade the industry and the Government to take a consensual approach to achieve a satisfactory outcome, but will the Secretary of State ensure that he makes his colleagues aware that this is a £2 billion manufacturing industry, and any solution that is reached should not damage its competitiveness and productivity?

Mr. Darling: My hon. Friend can rest assured that the Government, and the Chancellor in particular, are well aware of the importance of that industry. Indeed, it is not possible to live in Scotland without being aware of its importance. Of course my hon. Friend is right to suggest that it is in the interests of the industry as well as the general taxpayer—who, after all, will have to foot the loss unless something is done about it—that both the Government and the industry work together to ensure that the problem is dealt with. What is encouraging so far is that the industry is showing a willingness to talk to the Government and discuss with Customs and Excise measures that might help, but as my right hon. Friend the Chancellor has said, the Government cannot ignore a situation in which a very large amount of money is being lost in fraud, and we have to do everything we possibly can to stop that happening.

Mr. Peter Duncan (Galloway and Upper Nithsdale) (Con): The Secretary of State asks the industry to engage with Customs and Excise. Is he aware that one major distiller in Scotland has offered to audit-trail

random purchases from the high street to trace fraud? Why has it not received a single phone call from Customs and Excise about that? How can he condone such complacency, when one in 50 jobs in Scotland are at risk?

Mr. Darling: When I met the industry and the people from the Scotch Whisky Association last week—the association represents the whole industry in Scotland—they said that they had been working on several measures, including audit measures, which they had been discussing with Customs and Excise. It is not true to say that Customs and Excise has not been engaging with the association—the association readily agrees that that is happening. If the hon. Gentleman thinks that something specific could be done that he would care to let me know about, I shall make sure that Customs and Excise sees it. However, it is important for all of us in the House to recognise that there is a significant revenue loss at the moment—the exact monetary value might be a matter of dispute—that is rising and needs to be dealt with. The question is: what is the best way of dealing with that revenue loss?

Pension Credit

2. **John Barrett** (Edinburgh, West) (LD): How many pensioner households in Scotland are in receipt of pension credit. [152888]

The Parliamentary Under-Secretary of State for Scotland (Mrs. Anne McGuire): As at 31 January, there were 229,000 pensioner households in Scotland, comprising approximately 271,000 individuals, receiving pension credit. The latest monthly pension credit progress report, including numbers of recipient households in each parliamentary constituency in Great Britain, was published yesterday.

John Barrett: I thank the Under-Secretary for that answer. Does she agree, however, that the increase in the uptake of pension credit over the past month was only 1.4 per cent., and that at that rate of increase it would take another 30 years before everyone who was entitled to pension credit received it? What are the Government prepared to do to remedy that situation? Does she agree that the answer is to reduce the number of means-tested benefits and raise the basic state pension?

Mrs. McGuire: The answer to all those questions is no. The actual fact about the current situation is that more than 4.1 million pensioner households have been written to about pension credit. I am sure that the hon. Gentleman welcomes the fact that, in his constituency, 2,065 households, comprising 2,424 individuals, now receive an additional £40.43 a week. I ask him to have a conversation with his colleagues the hon. Members for West Aberdeenshire and Kincardine (Sir Robert Smith) and for Gordon (Malcolm Bruce), because in the *Mearns Leader,* which I am sure is well read in Edinburgh, the hon. Member for Gordon said:

"I am delighted to see Aberdeenshire pensioners gaining significantly by the introduction of the new Pension Credit."

The hon. Member for Edinburgh, West (John Barrett) should have that conversation as soon as possible, before he makes any other misguided comments.

Anne Picking (East Lothian) (Lab): I am sure that my hon. Friend is aware that, although the good news story of pension credit is just that, another good news story is that only one third of pensioners in the UK actually pay tax. Is that equation reflected in Scotland?

Mrs. McGuire: I think that I missed the last part of my hon. Friend's question, but I assume that she was talking about the numbers in Scotland. The number of pensioners in Scotland not paying tax will be pro rata to the number in the rest of the United Kingdom. What I do not want to lose sight of is the core of my hon. Friend's comments: we have reduced the tax burden on pensioners so that only about one third of pensioners in the United Kingdom now pay tax.

Mr. Peter Duncan (Galloway and Upper Nithsdale) (Con): Is the Under-Secretary aware that less than 0.25 per cent. of pension credit is currently paid into Post Office card accounts? Does she think that that is too much or not enough?

Mrs. McGuire: I thought that the Conservative party had spent its whole history building on the idea that people ought to have choice. We cannot—I am sure that the hon. Gentleman is not suggesting this—force pensioners to collect their pensions in whatever way suits us. We have offered pensioners a plethora of initiatives, including support for the Post Office cards, to give them the choice of how they want to collect their pensions every week, and I would have thought that he would see fit to support that.

Mr. Duncan: The Under-Secretary is right to say that I am very much in favour of choice, but it must be free and fair choice. I am sure that she is aware of constituents of hers who have tried to get their pension credit paid into a Post Office card account, and she will know how difficult that process is. According to the Government's own figures, 140,000 eligible pensioner households in Scotland will not claim the credit. Does she accept my view that they are likely to be the most disadvantaged and the most in need? Is she proud of that statistic?

Mrs. McGuire: I suggest that the hon. Gentleman leave me to look after my constituents, rather than try to tell me what is best for them. We have widened the choice of ways in which pensions can be collected. One reason for moving from the approach of having books stamped weekly at the post office is that it was open to fraud and theft. Up to 100 pension books per week were stolen. The hon. Gentleman has no credibility on pension credit, because his party is against it.

Mr. Michael Connarty (Falkirk, East) (Lab): I applaud the Government's initiative on pension credit, from which 2,700 families in my constituency—more than 3,300 individuals—are gaining. However, I have found out over the past few weeks that some pensioners do not know that they can claim pension credit. They claim other benefits, and in the middle of it all, forget about claiming pension credit. Will my hon. Friend urge all pensioners and their families to telephone 0800 991234, to get immediate access to pension credit?

Mrs. McGuire: I am sure that the Pension Service will be grateful to my hon. Friend for highlighting the helpline number. We must make sure that all pensioners have the information they require, and we applaud the Pension Service for making a commitment to contact every pensioner. Sometimes that work is not helped by the denigrating and negative comments that are made by Opposition Members for their own political motives, and certainly not to benefit pensioners.

Transport Plan

3. **Gregory Barker** (Bexhill and Battle) (Con): When he last discussed the 10-year transport plan with the First Minister. [152889]

The Secretary of State for Scotland (Mr. Alistair Darling): I have regular meetings and discussions with the First Minister about a range of matters, including transport.

Gregory Barker: We are almost one third of the way through the 10-year transport plan. Is it on track? Are trains now one third more reliable? Are road journeys one third better? Can we take any comfort that the plan is going where it should go?

Mr. Darling: I will help the hon. Gentleman by giving examples that may assist him in relation to his own constituency—

Hon. Members: This is about Scotland.

Mr. Speaker: Order. Hon. Members should not tell the Secretary of State for Scotland how to answer a question. I think that he knows how to conduct himself. *[Interruption.]* Order. I will decide whether or not the right hon. Gentleman is out of order.

Mr. Darling: Yes, the 10-year plan is on track. For example, we are spending more than £1 billion on upgrading the power supply to trains running south of the River Thames, and we have increased the amount of money going to local authorities. The hon. Gentleman's own local authority has seen a dramatic increase in money. As he is now interested in Scotland, which is a good thing, I can tell him that the Scottish Executive will be spending about £1 billion a year on transport—something they have never done before. The big difference between now and the past is that the Government are committed to sustained investment in the transport system. The problem has been that for decades, not enough money was put into transport. The hon. Gentleman may like to tell his constituents—and his party will no doubt tell this to people in Scotland—that Conservatives oppose every penny spent on transport. They have voted against such expenditure whenever they have had the opportunity.

Mr. Frank Roy (Motherwell and Wishaw) (Lab): My right hon. Friend will agree that shipping is vital to the transport sector in Scotland. Will he join me in congratulating the management and workers of the Wishaw firm that next week will charter a ship to transport 2,500 tonnes of steel that will be used in building the grandstand for a racing track in Dubai? Will he do all that he can to encourage exports by companies such as Bone Steel?

Mr. Darling: I agree with my hon. Friend that shipping is of great importance in exporting products such as the construction materials from Bone Steel that will be used in building the Formula 1 track in Dubai. I take this excellent opportunity to congratulate a Scottish firm on winning that contract and showing that Scottish engineering is respected throughout the world—and it is good, too, that our shipping is being used to transport it.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): Does the Secretary of State agree, particularly in respect of rail, that the 10-year plan has been superseded by his statement of 19 January, when he said that the Government would consider devolving more responsibility to the Scottish Executive? Does he agree that effective devolution of responsibility is possible only if the money to implement the decision is also devolved? Can he assure the House that responsibility will not be devolved without the required financial means being devolved too?

Mr. Darling: The 10-year plan is an investment plan, and sets out sums of money, from both the public and the private sector, to be invested in the railways and other forms of transport, year by year in the whole of the United Kingdom. On 19 January, I said that we were looking at the organisation of the railways, and that one thing we wanted to consider was the devolution of decisions on rail spending. Obviously, we cannot have a railway if we do not spend the money, but at this stage I am not in a position to tell the House when our final decisions will be made. However, I fully understand the point that the hon. Gentleman is making.

Mr. Malcolm Savidge (Aberdeen, North) (Lab): Has my right hon. Friend had discussions on the economic and environmental importance of fast long-distance trains, particularly on the Aberdeen-London route, for both freight and passenger transport? In the latter case, would he impress on the First Minister the fact that improving the track through Fife deserves higher priority?

Mr. Darling: I agree that it is important that we have a fast and reliable train service from Aberdeen and Edinburgh down to London. I think that everyone in the House knows that the track through Fife has been a matter of concern ever since it was built. It is a difficult line, and it is something that the Scottish Executive and Network Rail, which owns the line, will want to consider. The priority for Virgin, GNER and ScotRail is to drive up reliability. If we get reliable train services, more people will use them.

Mr. Alex Salmond (Banff and Buchan) (SNP): While the Secretary of State for Transport is seeking to devolve more responsibility to the Scottish Executive, is Network Rail not transferring control of route planning from Glasgow to Leeds? Is there not an inherent

contradiction between those two developments, and will the Secretary of State for Scotland use his good offices with the Secretary of State for Transport to resolve it?

Mr. Darling: Only a nationalist could get steamed up about the fact that the four people involved in that planning are working out of a Leeds office instead of a Glasgow office. I know that the hon. Gentleman is a betting man, and I am willing to bet him that most people in Scotland did not know that four people in Glasgow were involved in route utilisation studies. For goodness' sake, the important thing is that we have a coherent network so that train services are reliable. That requires money and management, both of which the Government have continued to provide, instead of the petty squabbling that typifies much nationalist thinking.

Crown Office

4. **Mr. Tam Dalyell** (Linlithgow) (Lab): On how many issues he has consulted the Crown Office since 1 January. [152890]

The Secretary of State for Scotland (Mr. Alistair Darling): I met the Lord Advocate just before Christmas and discussed a number of issues with him.

Mr. Dalyell: Since the Crown Office is the lead Department on Lockerbie, would my right hon. Friend ask it what it is doing to follow up the $10 million paid on the 23 and 24 December 1988 to the Popular Front for the Liberation of Palestine general command?

Mr. Darling: My hon. Friend has raised that matter on a number of occasions, both in questions and in an Adjournment debate. He raised it with the previous Government in 1995. As he knows, the prosecution and investigation of crimes in Scotland are entirely a matter for the Lord Advocate, but I undertake to pass his concerns on to the Lord Advocate, the Crown Office and the Foreign Office.

Salmon Farming

5. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): When he last met Scottish Executive Ministers to discuss the Scottish salmon farming industry. [152891]

The Parliamentary Under-Secretary of State for Scotland (Mrs. Anne McGuire): My right hon. Friend and I regularly meet Scottish Executive ministers to discuss matters of common interest. He and I keep in close touch with developments affecting the Scottish salmon farming industry.

Mr. Carmichael: May I remind the Minister that salmon farming was worth £110 million to the Shetland economy last year? It was estimated by the Shetland Salmon Farmers Association yesterday that, if the anticipated 50 per cent. drop takes place next year, some 410 jobs in Shetland will be under direct threat as a result. I remind the Minister that the Secretary of State for Scotland retains an executive power under the Crown Estate Act 1961 to direct the Crown Estate Commissioners. I urge her to consider exercising that power to allow a rent holiday for salmon farmers in Shetland and other affected communities. The rents paid to the Crown Estate Commissioners are not crucial in themselves, but could help with cash-flow difficulties.

Mrs. McGuire: I know that the hon. Gentleman has a great interest in developments because of his constituency interests—Shetland has the highest concentration of salmon farms anywhere in Scotland. Last year, the Crown Estate introduced a rate cut of some 10 per cent. for salmon farming. However, I will relay the hon. Gentleman's comments to the Crown Estate through my right hon. Friend the Secretary of State. I ask the hon. Gentleman to welcome the fact that the Government have submitted an application to the European Commission for temporary measures to safeguard the salmon farming industry against the importing of salmon from non-EU countries. I hope that that will prove to be one of the ways in which we can build up protection around a high-quality salmon farming industry.

Mr. Calum MacDonald (Western Isles) (Lab): Will my hon. Friend confirm that this is, I think, the first time the Government have ever asked for safeguard measures for any product or industry? Is that not a very positive sign of the importance that the Government attach to the salmon farming industry in Scotland?

Mrs. McGuire: My hon. Friend clearly identifies the fact that this is an unusual measure for any Government to take. The Department of Trade and Industry, working closely with the Scottish Executive, was keen to take it, to ensure that we protect our salmon farming industry. I know that there is concern in my hon. Friend's constituency about dumping from non-EU countries undermining the quality of the product in Scotland.

ADVOCATE-GENERAL

The Advocate-General was asked—

International Law

16. **Mr. Tam Dalyell** (Linlithgow) (Lab): What issues of international law have been raised with her since 13 January. [152902]

The Advocate-General for Scotland (Dr. Lynda Clark): No devolution issues of that nature have been raised. In relation to non-devolution issues, I am sure that my hon. Friend will be well aware of the long-standing convention in relation to Law Officers' advice that has been adhered to by successive Governments. I remind him that the purpose of that convention is to enable the Government to get the legal advice that they need to perform their functions without having to explain or to justify it, or to reveal that they may have concerns about a particular legal position.

Mr. Dalyell: Will my hon. and learned Friend show her QC curiosity in relation to the inquiries that the Scottish Secretary is to make into the payment to the Popular Front for the Liberation of Palestine general command on 23 December 1988?

The Advocate-General: I do not think that my hon. Friend fully understands my ministerial remit, but I shall certainly pass his comments on.

Devolution

17. **Miss Anne McIntosh** (Vale of York) (Con): What devolution issues she has considered since 13 January. [152903]

18. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What devolution issues have been raised with her since 13 January. [152904]

19. **Annabelle Ewing** (Perth) (SNP): What devolution issues have been raised with her since 13 January. [152905]

20. **Mr. Alan Reid** (Argyll and Bute) (LD): What devolution issues she has considered since 13 January. [152906]

21. **Ann McKechin** (Glasgow, Maryhill) (Lab): What devolution issues she has considered since 13 January. [152907]

The Advocate-General: Since 13 January, 51 devolution issues have been intimated to me, all of which were in the criminal arena and concerned matters such as pre-trial delay, failure to communicate information required by sea fishing measures, and the use of sexual history evidence in trials. I am happy to elaborate on those matters if hon. Members wish.

Miss McIntosh: I am most grateful to the hon. and learned Lady, particularly following our illuminating half-hour Adjournment debate last week, which was most positive. Will she comment on the situation that will arise after the enactment of the Traffic Management Bill, which will apply in England but not in Scotland? In particular, has she or her office given any thought to the difficulty of prosecuting for road traffic accidents in which cannabis use has been a causal factor?

The Advocate-General: Prosecutions and prosecution policy are entirely matters for the Lord Advocate. I am sure that he has considered that issue, and it is not for me to advise him.

Mr. Carmichael: Today's report by the Constitutional Affairs Committee states at paragraph 39:

"The jurisdiction of the Supreme Court over Scottish appeals and any changes will require legislation or a resolution of the Scottish Parliament."

Does the Advocate-General agree with that assessment? Can she tell the House that she will ensure that it is implemented, and explain why that has not already been done?

The Advocate-General: The short answer is that we do not have a Bill yet. My functions in relation to Scottish Parliament legislation do not kick in under section 33 of the Scotland Act 1998 until Bills are available. We are awaiting a United Kingdom Bill, and there is no Scottish Parliament legislation for me to examine.

Annabelle Ewing: During last week's Adjournment debate, which some would describe as less than enlightening, and in which I was fortunate to participate, I asked the Advocate-General a question to which I did not get an answer. I should therefore like to ask it again today. Is the hon. and learned Lady constitutionally required to put the interests of the United Kingdom Government before those of the Scottish Parliament?

The Advocate-General: One of the reasons why I could not finish all the points that I wished to make in the interesting Adjournment debate that the hon. Member for Vale of York (Miss McIntosh) instigated was that I took too many interventions, including those from the hon. Member for Perth (Annabelle Ewing). I did reply to her question during the debate, but I do not think that she liked the answer. I must make it plain that I am a UK Law Officer and I obviously get instructions, which I consider, from UK Departments. However, my job is to give the best advice that I can about the law. It therefore does not matter whether I am advising the UK Government or anybody else: I always try to give the best advice I can.

Mr. Reid: Customs and Excise is a UK department, whereas the Scottish courts are devolved. Customs and Excise claims that 200,000 bottles of spirits are sold illegally every day, yet in two years there were only five prosecutions for spirit duty fraud in the Scottish courts. As the Government's legal adviser in Scotland, can the Advocate-General shed any light on the reason why there are so few prosecutions when so much fraud is alleged?

The Advocate-General: In the devolution settlement, all prosecutions—whether involving UK Departments or devolved matters—are devolved to the Lord Advocate. Prosecution policy is entirely a matter for him, and it is not for me to interfere with that.

Ann McKechin: Does my hon. and learned Friend agree that, notwithstanding the concerns that the Select Committee on Constitutional Affairs raised today, the proposal for a supreme court is not a threat to the traditions and values of Scots law, and that it should be viewed as part of the process of evolution?

The Advocate-General: My hon. Friend sums up the matter well. Scots law has survived for many centuries through developing. The institutions, too, develop, and the proposal is one example of that.

CONSTITUTIONAL AFFAIRS

The Parliamentary Under-Secretary was asked—

Lord Chancellor

22. **Ann Winterton** (Congleton) (Con): If he will make a statement on the future role of the Lord Chancellor. [153651]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): To reform the justice system and enhance judicial independence, the Government have concluded that it is no longer tenable for a Cabinet Minister to head the

judiciary and chair the second Chamber. The Government will therefore introduce legislation to abolish the office of Lord Chancellor in this Session of Parliament.

Ann Winterton: Why are the Government hellbent on meddling with our unwritten constitution and abolishing the office of Lord Chancellor, which has maintained judicial independence and in which our constituents have confidence? After all, if it ain't broke, don't fix it.

Mr. Leslie: That is the right thing to do, and I shall explain why. It is right not only because we need more clarity and transparency than the current blurred arrangement between the different branches of our constitution provides, but, more importantly, because we need a more effective Parliament, judiciary and Executive to ensure that each branch can focus on its core functions. We now have a ridiculous position whereby the head of the judiciary is a politician who also chairs the second Chamber, and the Prime Minister chooses who should chair the House of Lords. The changes are overdue, and I am glad that we can make them.

Keith Vaz (Leicester, East) (Lab): The Under-Secretary is aware that the Select Committee on Constitutional Affairs has today published our report on the reforms. Although there is support for modernisation of the judicial system, there is also concern that the pace is too fast and that mistakes will be made. Will he assure hon. Members that the post of Lord Chancellor will not be abolished until all the other elements of the modernisation process have been put in place and seen to work?

Mr. Leslie: I welcome the report of the Select Committee, which looked in great detail at some of our proposals. The constitutional reform Bill will make it plain that all those different aspects are interrelated and that the reform programme has been well thought through. Of course I understand the need for widespread consultation, and the consultation documents were issued last July, so we have had a considerable period in which to consider them. However, I do not see any particular outstanding reason why we should have a further, prolonged period of debate before introducing the legislation so that the House can consider it line by line and in detail, in the proper scrutiny process that is needed.

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): Bearing it in mind that the Lord Chancellor will have to remain in office until certain of these processes are complete, can the Minister give us an approximate date—or even a year—by which he expects the supreme court to be sitting in its own building and the judicial appointments commission to be appointing judges?

Mr. Leslie: That is a simple question but, obviously, the answer depends not only on the date of Royal Assent for the legislation but on when we identify the future building for the supreme court. Both matters depend on various factors, some of which are commercial—in regard to whether we refurbish a building or build a new one—while others are connected to the passage of legislation through Parliament. However, I anticipate that we should be able to make progress in the next couple of years and see such matters settled in good time.

David Winnick (Walsall, North) (Lab): Is my hon. Friend aware that, far from criticising the plans that have been announced, we need to take further radical steps, here and in the other place? We must bring ourselves up to date. Parliament ensures the civil liberties of all our citizens, but that is no reason to worship what has occurred over centuries. Modernisation is essential.

Mr. Leslie: My hon. Friend is right, and implicitly highlights the obvious conservatism of the Opposition, who have opposed themselves to any change, no matter how obvious and rudimentary it appears to the rest of the country. They think that Westminster is happy with the current arrangement, that the establishment is content with it, and therefore that no change is necessary. However, we believe that we must make sure that our constitution has clarity and transparency, so that it can be understood by the wider public. We must also ensure that we have a justice system that serves the public's needs.

Mr. Nick Hawkins (Surrey Heath) (Con): Does the Minister recognise that the Government are indulging in dangerous constitutional tinkering, and that they have caused great anger through such proposals as the idea of calling the presiding officer of the other place the Lord Speaker? That move would be dangerous and confusing. Have not the Government in recent days accepted not one or two, but 12 Opposition amendments in another place to replace the title of Secretary of State for Constitutional Affairs with the original title of Lord Chancellor in the Domestic Violence, Crime and Victims Bill? The Government are really in a terrible mess. Would it not be better to keep the historical role of the Lord Chancellor, which works?

Mr. Leslie: I take that as a commitment that the Conservatives will put it in their manifesto that they will repeal any changes and reinstitute the office of Lord Chancellor. Is that what the hon. Gentleman is saying? I can hear no response whatever from him—

Mr. Speaker: Order. I say to the Minister that no response is necessary. The Minister is there to answer a question.

Mr. Leslie: It is important that we do answer that question. There are several important issues involved, including whether the second Chamber chooses a different title for the person who presides over its business, but that is a matter for the second Chamber itself to debate. We will be careful to make opportunities to listen to what it says on that. The fact that there have been a number of amendments to a Bill in the other place is almost irrelevant, given that we will have the constitutional reform Bill, which will make all the necessary changes to previous legislation when it is passed. The principles are clear, which is what the hon. Gentleman refuses to address.

David Taylor (North-West Leicestershire) (Lab/Co-op): I congratulate my hon. Friend on a rare ministerial victory over Jeremy Paxman last night on this issue. He performed superbly. Does my hon. Friend agree with the Lord Chief Justice that there could be a threat to judicial independence because future judges whose decisions offend Governments might be disciplined, moved to other work or denied promotion? Should there not be legislation to protect their independence?

Mr. Leslie: Following extensive discussions with the Lord Chief Justice about the constitutional reform Bill, I am pleased to say that he has mentioned in a speech to the other place that he agrees with the process of changes now in train. For that reason, we shall put into the Bill provisions to ensure that the Secretary of State has a duty to uphold and maintain judicial independence, and that the Government as a whole have to respect that independence. Those are positive steps forward, and I know that my hon. Friend will welcome them.

Mr. John Burnett (Torridge and West Devon) (LD): If the office of Lord Chancellor is abolished, does the Minister believe that there should be an objective voice in Cabinet at all times to safeguard the interests of justice? Does he also believe that that role should be undertaken by the Attorney-General, who would then have to attend not selected Cabinet meetings but all of them? Does the Minister then believe that the Attorney-General should be a voting or non-voting member of the Cabinet?

Mr. Leslie: Thankfully, the composition of the Cabinet is a matter not for me but for the Prime Minister. The hon. Gentleman asks who should have the role of defending judicial independence. I believe that it should be the Secretary of State for Constitutional Affairs. That is our proposal, and we shall put it into the Bill. I hope that that will go some way towards satisfying the hon. Gentleman.

Citizens Advice Bureaux

23. **Huw Irranca-Davies** (Ogmore) (Lab): What assessment he has made of the work of citizens advice bureaux in relation to legal advice provided to members of the public. [153652]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. David Lammy): The citizens advice bureaux and other not-for-profit agencies have an important role to play in the community legal service and in increasing access to legal and advice services for people experiencing social welfare problems. During 2003–04, the Legal Services Commission contracted with 239 CABs. The contracts were valued at more than £25 million.

Huw Irranca-Davies: The Minister will join me in applauding the work of the citizens advice bureaux throughout the UK, not least the offices in Maesteg and Bridgend, which reach out to all parts of Ogmore. However, may I draw his attention, with some concern, to a report published last week that suggested that parts of Wales were an advice desert, with people having to travel up to 50 miles to reach advice from a lawyer? Does he agree that the long arm of the lawyers should stretch a little further?

Mr. Lammy: I commend the work of the CABs in Bridgend. At this very moment, the LSC is involved in a contract bidding round with solicitors and CABs that want to provide legal aid services in Wales, and it believes that, as of April, some of the gaps that have been identified will be closed. I visited Wales a few months ago and looked at the telephone advice service that Shelter was providing on social welfare and housing issues. We have to look increasingly at other ways of providing advice, particularly in rural areas, and telephone advice will be one of those methods.

Mrs. Jacqui Lait (Beckenham) (Con): Many CABs provide excellent services throughout the country, but is the hon. Gentleman aware that the inept local government settlement is making local authorities look closely at the donations that they make to charities, which will also affect the CABs? Is he concerned that some of those services might have to be withdrawn?

Mr. Lammy: The citizens advice bureaux receive more than £116 million of public funding every year. That is more than they have ever received before, and on this side of the House, where we support the Attlee Government's establishment of legal aid, we shall of course continue to support citizens advice bureaux.

Judicial Appointments Commission

24. **Vera Baird** (Redcar) (Lab): What the system for monitoring and appraisal of judges will be after the introduction of the judicial appointments commission. [153653]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): The judiciary is responsible for its own system of monitoring and appraisal, in line with the principles of judicial independence. However, in cases in which conduct or discipline may be an issue because of incapacity or misbehaviour, the Secretary of State and the Lord Chief Justice will work together, supported by a complaints secretariat.

Vera Baird: I thank my hon. Friend for that answer. He must be aware that there is no effective system for monitoring and appraisal of judges. For example, he may know of recent publicity about 25 or so criminal judges who are appealed four or five times as often as their colleagues and frequently criticised by the Court of Appeal, but nothing is done to improve their performance. Does he agree that it is essential to ensure that judges are not only independent, but competent and that a proper system must be introduced to guarantee that by, I suggest, the judicial appointments commission?

Mr. Leslie: I do not think that the judicial appointments commission would be the right body to be involved in post-appointment issues related to complaints and discipline, as there could be a conflict of interest. It is important that the judiciary has a

monitoring and appraisal system, and my hon. and learned Friend raises a fair point. It would not be right for the political process to be involved in the day-to-day reporting of appeals and so forth because that would effectively represent a level of political interference. The judiciary and judges are, of course, not only accountable through the appeal process: they make their decisions in public, they give their reasons and their decisions can be open to appeal so that mistakes can be corrected. I know that the judges will listen to her point about the judiciary having a good monitoring and appraisal system.

Mr. Alan Duncan (Rutland and Melton) (Con): May I invite the Minister to study page 53 of this week's *Gay Times*? Perhaps he cannot normally reach the top shelf to see it. It says:

"The second gay judge is appointed",

and gives all the details. Under our existing system, that happened perfectly sensibly, it has been reported and that is fine. I consider it good news. Were the Government's proposals to be enacted, choosing such people would be seen as fulfilling the requirement that appointments must be, to quote from the Minister's consultation document, "reflective of society". If someone appointed under his proposed system were gay, female, disabled or black, the inevitable next step would be a public assessment of whether their judgments in court were consistently reflective of the appointment criteria. That is nothing to do with justice and would amount to the politicisation of judicial decisions. Does the Minister now understand that the requirement for any judicial appointment to be reflective of society will lead inevitably to demands for judgments also to be reflective? Will he now undertake to drop any such references from the forthcoming Bill?

Mr. Leslie: It is a great pity that the hon. Gentleman seems to think that if we want merit as the sole criterion for appointment, it is somehow incompatible with achieving diversity. I see no incompatibility whatever in making sure that the judiciary is better reflective of our wider society and seeing that merit is the sole criterion. If he thinks that people who are not currently represented among the judiciary cannot be meritorious candidates, he needs to reconsider his perspective.

Courts (East Anglia)

25. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to meet representatives of the local magistracy to discuss the modernisation of courts in East Anglia. [153654]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. David Lammy): There are no plans to meet representatives of the local magistracy in East Anglia to discuss the modernisation of courts in East Anglia. That could be arranged, however, if it would prove useful.

Mr. Bellingham: I am grateful to the Minister for that helpful reply, as it may well be useful. Does he agree that justice needs to be kept as local as possible to have maximum impact? Does he also agree that young offenders in East Anglia are much more likely to be deterred if they are tried in their local town by local people? Will he therefore concentrate on modernising existing courts and not close any more magistrates courts anywhere in East Anglia?

Mr. Lammy: The hon. Gentleman asked the very same question in September and on three occasions previously. On that occasion, I replied:

"It is right and proper that magistrates live locally, but it is clear that we cannot have courts in every town."—[*Official Report*, 9 September 2003; Vol. 410, c. 163.]

In the last two years of the previous Conservative Administration, 42 courts were closed. I am pleased that we closed only 11 last year.

House of Lords

26. **Bob Spink** (Castle Point) (Con): What estimate he has made of the level of support for a wholly elected House of Lords. [153655]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): When Parliament voted on the composition of the second Chamber last year, both Houses rejected the "wholly elected" option, in the Commons by 289 votes to 272 and in the Lords by 329 to 106. Because no consensus was reached, the Government are drawing up proposals enabling us to make progress where we can, including a proposal for the removal of the remaining hereditary peers.

Bob Spink: Last week the Prime Minister wanted no democratically elected element at all. What is his view this week?

Mr. Leslie: If the hon. Gentleman catches your eye, Mr. Speaker, he will be able to ask the Prime Minister at Question Time, but this is the Government's view: we want a further debate after consideration of the Bill, because we do not want the door to be closed to composition considerations. It is important for us to look to the future and at other options, such as indirect elections. The key issue is the need to reconcile Commons primacy with the need for more legitimacy in our second, revising Chamber. If we can achieve consensus on that, perhaps further reform will be possible.

Andy Burnham (Leigh) (Lab): I do not know whether the Minister, like me, is a Billy Bragg fan, but is he among the growing number of people who feel that his secondary mandate proposal, whereby the House of Lords would be comprised proportionally and indirectly according to the share of the vote at general elections, is the answer to the question of Lords reform? Would not that system combine election and appointment with the advantages of both, reassert the primacy of this House and, crucially, give people more of an incentive to vote?

Mr. Leslie: I know that my hon. Friend is a vocal advocate of the secondary mandate, which is indeed worthy of consideration. We need to ensure that this House is seen clearly as the democratic chamber—that it

is plain that we are accountable, and this is where the buck stops when it comes to decisions and responsibility in our constitution. But if we can find a way of improving the legitimacy of our revising chamber by other means, suggestions to that effect will merit further consideration.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Does the Minister agree that we have far too many elected politicians in this country already? They are elected at European level, to this place, at regional level and at metropolitan, county, district and parish level. If he or any of his hon. Friends are really saying that we need more elected politicians—if that is the answer to the question—many of our constituents will want to have a very good look at what the question is.

Mr. Leslie: That is a strange argument. Presumably in that case the hon. Gentleman would prefer hereditary peers to be retained in the revising chamber. But if he does not want that, he will obviously support our Bill when it is presented to Parliament.

I believe that we have a duty to consider seriously what the composition of the second Chamber should be, but given that there was no consensus last February we must make progress where we can, and remove the hereditaries from the second Chamber.

LEADER OF THE HOUSE

The Leader of the House was asked—

Parliamentary Business

34. **Mr. Michael Jack** (Fylde) (Con): What analysis of the way in which time is used in conducting House business is to be carried out by his office. [153632]

The Leader of the House of Commons (Mr. Peter Hain): My office keeps a watching brief on the way in which the House conducts its business, and I am always open to suggestions from Members on how it could be better arranged.

Mr. Jack: I note the work undertaken by the right hon. Gentleman to review our sitting hours. May I have a reassurance that, before reaching a firm and final conclusion, he will think carefully about how the House uses its time? On occasion, debates are kept going simply because a Division has been predetermined, although if discussions could have taken place earlier, better use could have been made of Parliament's precious debating time, and perhaps two items of business could have been dealt with rather than one. Will he consider that and the procedures of the House to ensure that we make the best possible use of our time and facilities in determining when the House sits?

Mr. Hain: I understand the right hon. Gentleman's point, which he made with force. The difficulty lies in balancing Members' desire for predictable timing of votes so that we can all arrange our work accordingly with avoiding the spinning out of debates which, as the right hon. Gentleman implied, sometimes occurs. I am certainly willing to consider all good suggestions from him or anyone else.

Mr. Stephen McCabe (Birmingham, Hall Green) (Lab): I am delighted to hear that my right hon. Friend is always open to suggestions. Is he aware of the growing body of opinion that the change in the Tuesday hours has not been wholly satisfactory? Were the recent arrangements to be modified, would he consider whether those for Tuesday could revert to something similar to the previous system, without in any way damaging the other modernisation initiatives?

Mr. Hain: I am happy to assure my hon. Friend that I will look closely at that and other suggestions; indeed, I have my ear bent regularly about such matters. It is a listening ear—I know that the next question addresses the same issue—and I want to achieve a position whereby everyone is not dissatisfied with the outcome, even if everyone is not wholly satisfied.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Does not the analysis that my right hon. Friend the Member for Fylde (Mr. Jack) mentioned show that the Leader of the House is simply not providing adequate time to debate the really important issues? I shall give three examples. When I asked the Leader of the House for extra time to debate the Higher Education Bill, he refused. As a result, many Members missed out, yet during the same week we had a debate on truancy that nobody attended.

Mr. Kelvin Hopkins (Luton, North) (Lab): I did.

Mr. Heald: Well, seven Members attended, all of whom were photographed on the front page of *The Times*. I asked him for extra time to debate the Hutton report, but he refused. Only half the Members who wanted to speak got in that day, yet in the same week we finished early on Thursday and Monday. I asked for more time for the local authority finance debate, but he refused, and not a single Conservative Back Bencher had an opportunity to speak. Is it not time that he ensured that business management has priority over the news management in which the Government are engaging?

Mr. Hain: As the hon. Gentleman knows, under the existing sitting hours we have in fact spent more time scrutinising Commons business than in the previous year. On the specific points that he raised, he pressed for two days' debate on the Hutton report, but when it was published and he and others realised what its contents were, at the previous day's business questions he did not press the matter again, even though I reminded him about it. When he looks at what really happened, he will see that all these measures had plenty of time for scrutiny, as such measures have always had in the past, under Governments of all colours.

35. **Joan Ruddock** (Lewisham, Deptford) (Lab): What plans he has to take private Members' Bills after 7 pm on Tuesdays. [153633]

38. **Mrs. Janet Dean** (Burton) (Lab): What plans he has to take private Members' Bills after 7 pm on Tuesdays. [153636]

The Leader of the House of Commons (Mr. Peter Hain): I am aware that many Members favour this option, which the Modernisation Committee will consider as part of its review of sitting hours.

Joan Ruddock: Does my right hon. Friend accept that even London Members such as me have to make constituency appointments for Fridays many months in advance to accommodate all the demands? The result is that Members, and indeed Ministers, often find a conflict between local loyalties and having to attend this House for a private Member's Bill. Does he agree that, if such Bills were taken on a Tuesday evening, more Members could participate in those vital debates, and constituents could be certain that their Member of Parliament was available on a Friday?

Mr. Hain: My hon. Friend makes her case persuasively, and hers is one of the many arguments being put to me about how we could adjust the existing sitting hours that meet with widespread consent. Many Members, including her, have said to me that moving private Members' Bills to Tuesday evening would have the advantage of freeing up Fridays for constituency business, and would perhaps allow such Bills to be debated by more Members than are currently able to turn up on Fridays. There are counterbalancing arguments, and it is precisely this issue that I want to look at more closely.

Mrs. Dean: Does my right hon. Friend also agree that, besides freeing up Fridays, moving private Members' Bills to Tuesday evenings would also allow more time for consideration on Tuesdays of Select Committee reports and other non-voting business?

Mr. Hain: Again, that suggestion has been made to me in recent weeks, and I am looking at it very seriously. It struck me during my extensive consultations in recent weeks with Members of all political persuasions, and Ministers, that very few people are now arguing for going back to the old hours on Wednesdays. *[Interruption.]* Well, some may be, but there is not a large body of Members doing so. I am simply reporting to the House my findings in the light of such consultations. However, there is a focus on Tuesdays, and if we could reach agreement on how to handle Tuesdays, and if there were widespread consensus—I am not saying that we need unanimity—there would be a case for having an early vote on the matter. However, if there is not a consensus, I do not want to rush into a vote, leaving behind a bitter division on the hours, so we need to continue our discussions. In doing so, we can take into account the views of my hon. Friends the Members for Burton (Mrs. Dean) and for Lewisham, Deptford (Joan Ruddock).

Sir Nicholas Winterton (Macclesfield) (Con): Does the Leader of the House accept that the findings of the questionnaire issued by the Procedure Committee, which I chair, will give good guidance to him and the House on future sitting hours? Does he agree that the Procedure Committee's report on "Procedures for Debates, private Members' Bills and the Powers of the Speaker" is an important report? Will he tell the House when hon. Members will have an opportunity to debate that report, which was published towards the end of last year, on the Floor of the House?

Mr. Hain: I am always up for good guidance from the hon. Gentleman and I usually get it and am grateful for it. We are examining the Procedure Committee report and I want to reflect on it further. I also believe that the survey will be valuable in informing the investigations of the Modernisation Committee and, in the meantime, it will help inform me about how the feeling in the House is spread. I am already getting a pretty good idea from the regular verbal representations made to me, not to mention the discussions that I have in my office, including one that the hon. Gentleman attended, if I recall correctly.

Mr. Paul Tyler (North Cornwall) (LD): Reverting to Tuesday evenings, does the Leader of the House recognise that there is a demand from both sides of the House to ensure that we have enough time for proper scrutiny of private Members' Bills? If we allocate consideration of such Bills to Tuesdays, can he assure me that the aggregate total time available will not be a reduction on the current position? If anything, we need more time to be able to do the job properly, particularly given the raised expectations among the public about the importance of private Members' Bills, which are not being met by the current method of delivery.

Mr. Hain: When the proposition was first put to me, the 13 Fridays allocated for private Members' Bills equated to 22 Tuesday evenings for an exactly similar time. Of course, there are about 36 Tuesdays in a calendar year, so there is an issue to be dealt with there. However, I do not disagree for one moment that private Members' Bills deserve a fair wind and proper scrutiny. It is one of the arguments being put to me, but, as I have already said, some counterbalancing arguments are also being put to me by business managers, Ministers and others who argue that the hon. Gentleman's preferred method is not a satisfactory way of proceeding. It is one of the issues that I shall have to bottom out.

BILL PRESENTED

Sleep Apnoea

Alice Mahon, supported by Mr. Tam Dalyell, Mrs. Betty Williams, Mr. Michael Clapham and Mrs. Ann Cryer, presented a Bill to make provision about sleep apnoea and related medical conditions: And the same was read the First time; and ordered to be read a Second time on Tuesday 27 April, and to be printed. [Bill 50].

Health and Safety at Work (Offences)

12.32 pm

Mr. Andrew Love (Edmonton) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to make provision about the prosecution and punishment of offences which are, or are treated as being, offences under the Health and Safety at Work etc. Act 1974 or the Employers' Liability (Compulsory Insurance) Act 1969.

Thirty years ago, throughout 1973 and most of 1974, I worked as a labourer on the M1 extension in London, and my abiding memory of that time is of the very shoddy, to say the least, working practices on the site. That brought home to me personally the importance of health and safety at work, and the very strong reasons why the scandal of health and safety failures led directly to the Health and Safety at Work, etc. Act 1974. This year marks the 30th anniversary of the original Act—a piece of legislation that has served not only working people but the wider community with great success.

Working as a labourer on a building site, or on the shop floor, can be hazardous, and the work environment has historically been plagued with injuries and work-related ill health. Although the 1974 legislation was a considerable achievement, we now need to re-engage on a number of important work issues to revitalise and renew the legislation, which has, perhaps not surprisingly, become out of date after 30 years.

In the 21st century, most employees naturally expect working life to be, if not exactly comfortable, at least safe. Employees have a right to expect not to be maimed or laid off for life, and they are certainly entitled to expect that their place of work will not lead them to an early grave. A recent Health and Safety Executive national statistics study for 2002–03 revealed that the number of work-related fatalities fell to 226 in that year, from 251 in the previous year. The same study shows that, while the rate of work-related fatal injury is roughly what it was three years ago, it is around one third of the rate recorded in 1981. Most of that success can be put down to the impact of the 1974 Act, but those involved in health and safety recognise that the legislation must reflect the realities of today's workplace. That can be done by strengthening the penalties for those responsible for taking unnecessary risks with safety on sites and in workplaces across Britain.

Occupational health and safety is an integral part of workplace well-being. We live in a world of greater uncertainty and risk than was the case in 1974. My Bill would meet public concern by amending the 1974 Act to increase the penalties for offences. It would do that in two ways. First, it would raise the maximum fine from the present level of £5,000, which is now out of date, to £20,000. Secondly, it would introduce the possibility of a custodial sentence for the most serious breaches of health and safety regulations.

I believe that these measures, which were first identified in the Health and Safety Commission report entitled "Revitalising Health and Safety", launched by my right hon. Friend the Deputy Prime Minister in June 2000, will address health and safety concerns in workplaces across Britain. We all know of many good

[Mr. Andrew Love]

companies and safe workplaces that operate good health and safety policies. Sadly, we also know of bad companies, or at least have heard of poor companies with bad health and safety track records.

In 2001, 295 workers lost their lives as a consequence of work-related activity. That is unacceptable, and the cost in human terms is immeasurable. In 2002, more than 1 million people were injured at work, while approximately 2 million suffered from ill health caused by work. That level of death and injury is caused because health and safety concerns are being ignored, and because the law is being broken in many cases.

One example concerns a company and one of its directors, prosecuted following an HSE investigation into allegations that the company had not tested its crawler cranes, and that test certificates had been fabricated and offered to other companies' clients as proof that the tests had taken place. In his summing up, the judge in the case remarked:

"Were prison an option that was open to me, today you would be going to prison, because there is no offence to my mind which is more grave than a managing director of a company of this kind signing"

certificates

"one after another, purporting to have examined a crane and not having done so . . . I sincerely hope that Parliament will look again at this legislation and amend it to allow the sentencing judge the option of a custodial sentence."

We need to act to ensure that the hard-won improvements in health and safety continue to reduce the rates of work-related injury and death. We have been reminded, in the most tragic terms, of the need for an effective health and safety regime. At Morecambe bay last Thursday, 17 men and two women died at the hands of unscrupulous gangmasters operating outside the law.

My Bill is simple and straightforward, as it follows basic common sense. It is supported by the TUC, many trade unions—including my own, the Transport and General Workers Union—and the CBI. Any employer in breach of the 1974 Act should pay a fine commensurate for that breach. We need to get tough on breaking safety laws, and the Bill's principal provisions would raise the maximum level of fines for most health and safety offences. For the more serious offences, the Bill makes it possible, for the first time, to impose custodial sentences on the most recalcitrant employers.

It is important to note, however, that the Bill would not change the requirements on business; companies complying with the law will not be affected by changes in the criminal penalties available to the courts. The Bill also recognises the need to improve the situation as regards employers' liability insurance, especially the implications of increases in that insurance if some firms thought they would be better off not taking out insurance at all. My Bill would ensure that good employers continue to be supported and helped, and that they are not undermined, but that bad employers face stiffer penalties. It recognises the need to reflect the realities of today's workplace; it will encourage good practices and punish bad ones.

I cannot close my remarks without pointing out the contribution made by other Members to the health and safety at work agenda. My hon. Friends the Members for Scarborough and Whitby (Lawrie Quinn), for Barnsley, West and Penistone (Mr. Clapham), and for Aberdeen, North (Mr. Savidge) have worked assiduously in the all-party group on occupational safety and health to raise those issues in the House.

I commend the Bill to the House. It will make a significant contribution to improving standards in the workplace and to getting rid of cowboy practices. It will create conditions for good health and safety and provide a modern legal framework to encourage best practice.

Question put and agreed to.

Bill ordered to be brought in by Mr. Andrew Love, Jon Cruddas, John Cryer, Lawrie Quinn, Mr. Colin Breed, Ian Stewart, Mr. Richard Allan, Mr. Malcolm Savidge, Mr. Michael Clapham and Tony Lloyd.

Health and Safety at Work (Offences)

Mr. Andrew Love accordingly presented a Bill to make provision about the prosecution and punishment of offences which are, or are treated as being, offences under the Health and Safety at Work etc. Act 1974 or the Employers' Liability (Compulsory Insurance) Act 196: And the same was read the First time; and ordered to be read a Second time on Friday 12 March, and to be printed [Bill 51].

Opposition Day

[4TH ALLOTTED DAY]

The Environment

Mr. Speaker: I inform the House that I have selected the amendment in the name of the Prime Minister.

12.43 pm

Norman Baker (Lewes) (LD): I beg to move,

That this House believes there should be an annual debate in Parliament on the state of the environment; notes that sustainable development and the issue of climate change is fundamental to the long-term security and stability of the world; is very concerned that climate change could, according to leading international scientists, cause the extinction of one million species by 2050, could, according to the World Health Organisation, mean an additional 150,000 people dying each year, and is, according to Sir David King, the Government's Chief Scientific Adviser, "the most severe problem that we are facing today, more serious even than the threat of terrorism"; welcomes the Government's ratification of the Kyoto Protocol and their pledges to help meet its targets, particularly the Energy White Paper commitments to renewable energy and energy efficiency; notes however the worrying trends in key domestic environmental indicators with, since 1997, total municipal waste up by 17 per cent, road traffic up by 8 per cent, domestic energy consumption up nearly 7 per cent, high level radioactive waste up 6 per cent. and energy consumption from aviation up 21 per cent; acknowledges that investment in environmental protection and innovation benefits the whole economy and creates jobs, and calls on the Government to make better use of economic instruments to this end; and believes the Government needs genuinely to put the environment at the heart of government and to take a greater role in promoting sustainable development, and that this requires a clear lead from the Prime Minister.

This year, there have been two startling stories which should cause us all to reflect. The first was a statement by Sir David King, the Government's chief scientific adviser. Writing in the journal *Science*, he said that climate change was

"the most severe problem that we are facing today, more serious even than the threat of terrorism".

It will not have escaped the House's attention that, while a great deal of our time is spent on terrorism, not very much of it is spent on climate change. The second was a report by a group of leading international scientists, warning that between 15 and 37 per cent. of all species could be extinct by 2050—a frightening statistic.

I shall return to the substance of those matters shortly, but first may I express my regret that the House has not held a full debate on the environment for a long time? The last such debate was on 15 May 2002 and, as on this occasion, it was on a Liberal Democrat motion. The debate was held during the run-up to the world summit on sustainable development. Since then, there has been no debate on the environment in Government time. It is true that there was a debate on the report of the Environment, Food and Rural Affairs Committee on the work of the Department, but that debate was held in December 2002 and was mainly agriculture-focused.

In Parliament, we need to give the environment the focus that it deserves, and the present ad hoc arrangements are not delivering that. That is why our motion suggests that the House should hold an annual debate on the environment. If the Government do not give the lead and facilitate that, then Liberal Democrat Members will.

Sir Sydney Chapman (Chipping Barnet) (Con): I share many of the sentiments expressed in the hon. Gentleman's motion. The problem is that if we have an all-suited environment debate for one full day a year, it will cut out opportunities to debate important environmental issues that arise from time to time. For example, as chairman of the Council of Europe Sub-Committee on Sustainable Development, I am anxious to debate sustainable development, but if his proposal were adopted, such a discussion might have to form part of a wider environmental debate. Has he thought about that point?

Norman Baker: I understand the point, which the hon. Gentleman is right to raise. We have an annual debate on defence, but it does not stop us debating defence throughout the rest of the year. I hope that an annual debate would raise understanding among Members and encourage further discussion of the environment throughout the year—the opposite effect to that which he fears.

Mr. John Randall (Uxbridge) (Con): The hon. Gentleman mentioned defence debates, of which there are normally three a year. Perhaps his motion is unambitious and there should be different debates on different aspects of the environment.

Norman Baker: I would welcome three debates on different aspects of the environment, but I would settle for one if the Government were to concede the point. The Government have not called such a debate for a long time.

I am disappointed that the Secretary of State for Environment, Food and Rural Affairs is not with us today. The sad fact is that she has not participated in any debate even partly related to the environment since 2002, and March 2002 was the last time that the Government volunteered even an oral statement on an environmental issue. I happen to think that the Secretary of State is sound on environmental issues, but I cannot say for certain and we must read the signals—it is like watching the Soviet Politburo. We do not know definitely, but in so far as we can tell she is sound. Why is she not in the House more regularly attending debates called in the Government's name to champion the cause of the environment? We would welcome that, but it does not happen. Perhaps the truth is that her views, which may be sound, are out of line with those of the Government in general, who rank the environment low down their list of priorities.

Gregory Barker (Bexhill and Battle) (Con): The hon. Gentleman says that he has time for the Secretary of State, but can he think of a single area in which she has sounded her ambition to leave an imprint on the Government's environmental record by doing anything that is in any way out of kilter with what has happened before? Has she shown personal commitment to this important issue, as opposed to just being a safe pair of hands?

Norman Baker: Tricky questions first. If we believe what we read in the press and consider the smoke

[Norman Baker]

signals, the right hon. Lady was responsible for ensuring that the Government's Kyoto target was not downgraded by 15 per cent., which the Secretary of State for Trade and Industry apparently wanted. The Minister for the Environment is nodding, so that suggestion is correct.

The Minister for the Environment (Mr. Elliot Morley) *indicated dissent.*

Norman Baker: The Secretary of State for Environment, Food and Rural Affairs seems to be quite good at defending her budget, although I would not want to overplay that point. She is a friend of the environment—in so far as we have one in this Government—so let us not be too unpleasant about her because we need her on board to help us.

I listened in vain to the Queen's Speech introducing this Session for a mention of the word, "environment", and it appeared once:

"the new strategic environment in which the Armed Forces operate."—[*Official Report*, 26 November 2003; Vol. 415, c. 7.]

It appeared, but not in the context that many of us would have wished.

Mr. Colin Challen (Morley and Rothwell) (Lab): The hon. Gentleman is making great play of the word "environment", as though someone who does not mention it cannot be doing the right thing by the environment. What about the Energy Bill, which is surely a major step forward? It proposes difficult targets on, for example, renewable energy sources.

Norman Baker: The Energy Bill has a number of good elements—I was about to be nice about it—and I shall go on to discuss domestic policies. It is important to paint a fair picture so that one can criticise after having praised other matters.

Mr. Michael Weir (Angus) (SNP): Before the hon. Gentleman is too kind about the Energy Bill, does he share the views put forward by the Scottish renewable industry, which has expressed grave concern about the costs associated with tapping into the national grid? Many developments by the Scottish renewable industry are located in the far north of Scotland on the islands, and it will be expensive to connect them to the national grid, which has led the industry to raise concerns about the future of renewables.

Norman Baker: The renewable target in the White Paper is welcome. Access to the grid is a serious issue. In many cases, power supplies are offshore, a long way from centres of population, and that is a matter that my hon. Friend the Member for Gordon (Malcolm Bruce) has raised on several occasions. The Government say that they will address it, and we will see in time whether they do so.

When the Prime Minister was questioned last week by the Liaison Committee, he gave his usual impressive performance, except when he was asked about the environment. Then his eyes glazed over and we saw a rather different Prime Minister. He was asked whether he agreed with the Government's chief scientist on climate change, and he replied:

"Looking very long term, if I look at when my children are my age, yes, I think that is the key issue that faces us."

He was not entirely convincing, and he even forgot the name of the Department represented by the Ministers here today. He gave the impression that the environment was a humdrum issue, as did Mrs. Thatcher before him.

At least the Prime Minister said that he recognises climate change as an issue for 30 or 40 years' time, but he seems not to realise that it is with us now, and is accelerating. Species are already disappearing, the polar icecaps are melting and we are seeing wild swings in our weather patterns.

Paddy Tipping (Sherwood) (Lab): Does the hon. Gentleman accept that our Kyoto targets exceed those of any other country? Does he accept that the UK is the only European country to put forward an emissions trading scheme? Most particularly, does he agree that climate change will be long term? Even if we take steps now, it will be a long time before we change the pattern of the curve.

Norman Baker: I certainly recognise the Government's commitment to Kyoto and I shall say so later. Climate change may be long term, but it requires action now, and that is what we are not seeing to a sufficient degree. The oil tanker will take a long time to turn round, and we need to start now. We cannot wait for the time when the Prime Minister's children are his age now to realise the catastrophe that awaits us. It is a difficult political issue for all of us. We have to convince the electorate and the wider world about an issue that is not immediately on our doorsteps but which requires immediate action. It will be too late in 30 or 40 years' time.

The most recent models of climate change from the United Nations Environment Programme suggest that global temperature will rise between 1.4 and 5.8 per cent. by 2100. That is grotesquely in excess of anything that has happened in the past 10,000 years, and there is no guarantee that flora and fauna—let alone human beings—will be able to adapt to such change.

Mr. Henry Bellingham (North-West Norfolk) (Con): I share the hon. Gentleman's concern about flora and fauna. Does he agree with some scientific opinion that suggests that, if the polar icecaps continue to melt at a faster rate, the warm airs from the gulf stream will be greatly weakened and we will have a climate more similar to the deep continental one? In other words, winters in this country could become much colder.

Norman Baker: That is indeed one scenario, and that is why we now try to talk of climate change, not global warming. What is clear is that we will see significant changes in our weather and climate, and we should not gamble with that—although it appears that we propose to do so.

There are statistics that support both sides of the debate, but I was struck by the report that more than half of the world's wetlands have disappeared since

1900, and that figure will reach 85 per cent. in the next 30 to 40 years. That is an appalling figure. I say that not from soft sentimentality about wetlands, but because managing wetlands sustainably will aid significantly in meeting the targets set at the world summit on sustainable development to halve the number of people without adequate water and sanitation services by 2015. It is a people-centred statistic, as well as a nature-centred one.

Sustainable use of the planet is inextricably linked to a stable and prosperous future. Many hon. Members will have seen the excellent WWF report "Living Planet Report 2002", which demonstrates all too graphically how we are using up the capital resources of the world faster than they can naturally be replenished. That will lead to an increase in poverty and human misery and, potentially at some time in the future, to resource wars over basic substances, including water. We must try to avoid that.

It is worth remembering that the poorest countries are likely to be the most vulnerable and most affected by climate change. Some 60 per cent. of the additional 80 million people likely to be at risk from flooding are in southern Asia, and 20 per cent. in south-east Asia. Africa is expected to experience significant reductions in cereal yields, as are the middle east and India. An extra 290 million people could be exposed to malaria by the 2080s, with China and central Asia experiencing the biggest risk. Those are frightening projections. I hope that they are wrong, but if they are anywhere near right, we have a big problem on our hands.

It is also predicted that 3 billion people, predominantly in Africa, will suffer through increased stress on water supplies. There is an old saying that forests precede man and deserts follow him, and that is becoming all too true. Deforestation is having a devastating impact on the global climate. That is true not only for Brazil and Indonesia, which are the focus of popular concern, but for countries that should know better, such as Australia and what is happening in Tasmania. It is also happening in Africa to a degree that people have not so far appreciated. A parliamentary answer I received from the Secretary of State for International Development suggested that 5.2 million hectares of forest disappeared from Africa each year. That is an area the size of France, and we cannot go on like that. Some 80 per cent. of ancient forests have been destroyed, degraded or fragmented by human activity, and that has a massive impact on biodiversity and threatens to destroy the livelihoods and way of life of millions of forest-dependent people. That is the bleak reality that we face.

Much of the logging is illegal and many of the products are exported to the UK and other European markets. The Indonesian Government lose an estimated $6,700 a minute in revenue because of illegal logging, but Indonesian companies that rely on illegal logs to feed their sawmills still export plywood to the UK, where it is used once or twice and then thrown away. I welcome the fact that the Government support the European Parliament's resolution on forest law enforcement, governance and trade, which is a good first step. However, it will not stop the illegal timber trade with the European Union. As Greenpeace points out, the plan contains no commitment to legislate against the import of illegally logged timber, but relies instead on voluntary partnership agreements, such as those already in place between the UK and Indonesia. That is clearly not enough.

We need a sensible approach to public procurement. My hon. Friend the Member for Guildford (Sue Doughty) raised with the Prime Minister the issue of the timber being used for the new Home Office building. Unfortunately, the Prime Minister laughed at the matter, instead of treating it seriously. That is not good enough. I also gently suggest to the Minister that while Government statistics show that we import large quantities of timber from places such as Vatican City, there is some way to go in regulating the timber trade. Surely there are not that many old church pews in Vatican City.

Climate change will affect us in the UK directly, as DEFRA's own website shows. The most recent climate change scenarios show an average annual temperature increase across the UK of between 2 and 3.5 per cent. by the 2080s, with all the possible consequences that we have heard about, including high summer temperatures and increasingly rare cold winters. However, the changes to the gulf stream may mean colder winters, giving us the temperatures found in Labrador. The US National Academy of Sciences has even described such changes as "likely". That may be the worst-case scenario, but even alternating between colder and warmer temperatures for several decades would play absolute havoc with agriculture and civilisation generally.

Whatever the shape of the changes, it would be better not to take the gamble that we are taking. This is not an issue for the long term, as the Prime Minister said last week: it is an issue for now. However, I want to give credit where it is due, and the Government did sign up to Kyoto early and willingly. They have set ambitious targets and they are on course to meet the EU target, if not the 20 per cent. target. It is true that some of that resulted from the switch from coal to gas; nevertheless, our Government are on target, and we should be pleased that they have approached the matter responsibly.

That attitude is in marked contrast to the attitude of our best friends, the United States, which has 7 per cent. of the world's population but accounts for 25 per cent. of all energy use and 36 per cent. of all greenhouse gas emissions each year: they are going up—and going up fast—in the United States.

I feel sorry for the Prime Minister. He took a big political risk in supporting President Bush in his Iraqi strategy, and he is not being well repaid by the American President over Kyoto or indeed very much else. Either the Prime Minister has not pushed Kyoto very hard with the United States President, in which case he is failing in his duty to do so, or he is being completely ignored by the United States President—in which case, so much for the special relationship. I am not sure which explanation is right, but neither is very flattering to either man.

The protocol could still become binding if Russia ratifies it. I hope and believe that the Government are doing all they can to persuade Russia to sign up. We have received assurances from Ministers to that effect, and we have no reason to doubt them. That is the right policy to pursue, and I welcome what the Government are doing in that regard. I very much hope that they will be successful.

[Norman Baker]

I hope that the Government have also made plain their disagreement with the recent noises from Madrid suggesting that Spain may wish to reopen discussions over Kyoto in the European Union. That needs to be firmly squashed; we cannot afford to allow the EU to unravel over Kyoto.

I referred earlier to the report by leading scientists suggesting that up to 37 per cent. of species could become extinct by 2050. I am told that that is about one every 45 minutes. I admit that I cannot prove it, but the prediction is probably more reliable than other recent 45-minute claims. Even if the figure were just 5 per cent., that could have a devastating impact on our world. Everything is connected to everything else, and the disruption of natural chains will have unpredictable and unwelcome consequences. Species will face disruption to habitat and may find it impossible to adjust. Even if they can adapt in climate terms, they may find that there is no food to rely on.

The human race needs to wake up and address the issue. We cannot sit back while a third of all life forms, which have been here for millions of years, vanish in our lifetime, practically overnight in evolutionary terms. That means addressing quickly, not in the very long term, the root causes of this mass extinction, one of which is climate change, which I have mentioned. Another is the inequality in our world and the poverty that drives millions to destroy the land on which they depend as the only way of finding the next meal.

Global problems require global solutions. They can be found; they can work. We have an example in the Montreal protocol, which has worked quite well in stopping the destruction of the ozone layer. That shows that the world can pull together when it needs to.

We need Kyoto to work. It may not be perfect—the Americans say that it is not, and they are right to say that—but it is the only show in town and we need it to work. We also need to make international agreements such as the convention on biological diversity much more effective. That runs in parallel with the World Trade Organisation, but while the WTO has teeth the CBD merely has gums. That imbalance needs to be addressed. As the Minister's predecessor suggested, we also need a world environmental court to deal with these issues on a global basis, so that we have environmental and sustainability justice across the world.

What we do in our own country is important too. In theory, it should be rather easier to achieve. The Government started well in 1997 by creating the right structure—a major Department, the Department of the Environment, Transport and the Regions, bringing together the environment and transport. Many of us in the environment field had argued for that for many years, particularly to try to stop the destructive transport policies that had been implemented until then. The Government also introduced a cross-cutting Environmental Audit Committee. That was absolutely the right policy; the Committee has done sterling work. In addition, the Government introduced a cross-cutting team of green Ministers. I am not sure how effective it has been, but the decision was right.

I recognise that the Government look for innovative ways to deal with issues across traditional departmental boundaries, as they should. I give them credit for doing it, even if the price is sometimes more control from No. 10.

Mr. James Gray (North Wiltshire) (Con): The hon. Gentleman is right to praise the Government for their commitment, but does he not realise that green Ministers were established by my right hon. and learned Friend the Leader of the Opposition when he was Secretary of State for the Environment, in 1992? My right hon. and learned Friend also led this country to Rio de Janeiro for the world summit. Does not the hon. Gentleman also realise that the Transport Department and the Environment Department were intentionally co-located in Marsham Towers, and that there was a good deal of discussion between the two?

Norman Baker: I did not realise that green Ministers were present in the Conservative Government, which may suggest that they were less effective than that Government might have wished them to be. It is true that there was Rio, and I pay tribute to the right hon. Member for Suffolk, Coastal (Mr. Gummer), who is not here today, who did some sterling work on the environment. However, I am sorry to say that, according to a number of indicators, the previous Conservative Government did not do very well. For example, they had the most appalling recycling record. They had a road-building programme that was the biggest since the Romans, and they had a joke figure for renewable energy. So I would not concentrate too much on the previous Conservative Government.

I believe that it was a mistake to break up the DETR. I note that the "Greening Government" report stated:

"Part of the Government's approach to this institutional difficulty"—

the division between transport and the environment—

"has been to eliminate one such divide with the creation of the Department of the Environment, Transport and the Regions (DETR). The Deputy Prime Minister described this as 'in itself ... a very important step towards achieving the environmental objectives'."

If it was a very important step towards achieving environmental objectives, why was it split up and abolished? That seems not to make much sense.

With due respect to the Minister and his colleagues, for whom I have a great deal of time, as he knows, DEFRA is a bit of a throwaway Department. The Minister knows very well that key decisions affecting the environment are nearly always taken elsewhere—at the Department of Trade and Industry, whether on energy policy or trade matters, which are key to environment; the Department of Transport, with regard to aviation or road transport; the Office of the Deputy Prime Minister, for planning issues and key issues about the use of greenfield sites and so on; or No.10 or the Treasury, which is very happy to take decisions on behalf of any Department that it can muscle in on.

Perhaps that helps to explain why, despite the commitment of DEFRA Ministers—I include the hon. Gentleman's immediate predecessor, of course—the Government's domestic record on the environment is a bit patchy. Many of us had high hopes with regard to

transport, for example. The Government came to power accepting at last that we could not build our way out of congestion. We had tried for 100 years and it had not worked. The Deputy Prime Minister even famously pledged himself to road traffic reduction targets and asked us to hold him to them. I happen to think that the Deputy Prime Minister understands transport, with his history in the National Union of Seamen, and that he was sincere when he made that pledge. But he could not have anticipated that he would have the rug pulled so swiftly from under him by No. 10, which is what happened.

What do we have now? Last week I received a parliamentary answer from the Under-Secretary of State for Transport, the hon. Member for Plymouth, Devonport (Mr. Jamieson), who told me that road traffic—already up by nearly 8 per cent. since 1997, by the way—

"is forecast to grow by between 20 per cent. and 25 per cent. in England between 2000 and 2010."—[*Official Report*, 3 February 2004; Vol. 417, c. 824W.]

The news that road transport will go up by 20 per cent. to 25 per cent. in this decade comes from a Government who quite recently were committed to road traffic reduction. That is a failure of some magnitude, and it will not help the Government to meet their Kyoto targets. It is not a reduction, as the Deputy Prime Minister promised us. It is not even a reduction in the rate of growth, which is a formula the Conservatives used to use when trying to deal with the issue when they were in government. It is a massive growth and a catastrophic failure of transport and environment policy.

While industry is busy cutting carbon emissions, emissions in the transport sector are going through the roof. It is not simply road transport, of course. There is also aviation, where I was told in answer to another parliamentary question that carbon emissions, which were 20,000 tonnes in 1990, would double to 40,000 tonnes by 2010.

Mr. Bellingham: Does the hon. Gentleman agree that there is a dilemma here, because if traffic grinds to a halt there is obviously much more pollution? The Government have got another 1 million passengers on to the railways. Is he advocating the use of other modes of transport, such as aviation, which will create yet more pollution? It is obviously a very complex issue, and he should not try to simplify it in the way that he is.

Norman Baker: I hope that I am not trying to simplify things. I recognise that this is a complex issue to which there are no overnight solutions, which is why the Government were right to produce a 10-year transport plan. That is the sort of period over which improvements can be delivered, but an election intervened and the Government did not see the policy through—they bottled out in an attempt to get through the 2001 election. Transport is now in free fall, or automatic pilot—whatever metaphor is used—and no one is pushing things forward. It seems that the Secretary of State for Transport dare not do anything that would upset anyone, so we have to make the best of things and, in the meantime, market forces take over. Market forces involve lots of people flying on cheap airlines, a massive increase in road transport and an atomised, ineffective rail system. We have not moved on, which is a bitter disappointment for many of us who thought that the Government would do rather better on transport.

Mr. Mark Francois (Rayleigh) (Con): There is great concern in Essex about the environmental damage that could result from the proposed extension of Stansted airport. Does the hon. Gentleman agree that it is possible to achieve 40 million passenger movements a year using the existing runway at Stansted? Does he support the action being taken by Conservative-controlled Essex county council to consider submitting the proposal to judicial review in view of the fact that we believe that the Government are wrong and that the people of Essex are right?

Norman Baker: The people of Essex must make up their own minds about how they wish to take that matter forward. Clearly, there is a strong body of opinion, to which the hon. Gentleman refers. The aviation White Paper relied far too much on predict and provide—a concept that I hoped we had got rid of in transport planning, but it seems not. The Prime Minister did not have very good answers when the Chairman of the Environmental Audit Committee, the hon. Member for East Surrey (Mr. Ainsworth), pressed him on the issue last week. The Government still have to bite the bullet. They cannot please everyone all the time: they must decide on a sustainable strategy and stick to it. They did the first bit; they did not do second bit.

The recent energy White Paper genuinely embraces the concept of a big switch to renewables and the Government rightly view offshore wind as the first easily attainable tranche of that, but there is a mountain to climb: only 2.5 per cent. of our energy currently comes from renewable sources and most of that is hydro-electricity. That is pitifully lower than other developed countries. It is also important that the Government do all that they can to smooth the way for a transition to a renewable future. That involves sympathetic planning guidance and seeing off the nuclear industry's attempts to discredit wind power, in which it is busily engaged at the moment.

I must confess that I find it breathtaking to hear those in the pro-nuclear lobby complain about the effect of wind generators on the countryside, when they are busy generating tons of highly radioactive material with a half-life measured in hundreds if not thousands of years. Having just managed to keep the door open to nuclear power in the energy review, the strategy is to try to demonstrate that renewables cannot deliver and to force Ministers back to "safe, reliable" nuclear power—those adjectives are in ironic quote marks.

Mr. Francois: I thank the hon. Gentleman for his courtesy in giving way to me a second time. He mentions the Environmental Audit Committee, on which I have the honour to serve. The Committee considered this issue in great detail under the previous chairmanship of my hon. Friend the Member for Orpington (Mr. Horam), who is in his place this afternoon, and we found that one of the greatest impediments to renewable power was planning opposition to the development of wind farms in certain localities. Will the hon. Gentleman assist the House with the great dilemma that

[Mr. Francois]

we found: Liberal Democrat Members are always in favour of wind farms in general, but they always oppose them specifically whenever they are proposed in their own constituencies?

Norman Baker: That is rather a red herring, an old chestnut and an incorrect challenge. Our policy is to recommend that wind power in general is a good concept. We ought to promote it—most Liberal Democrat councils are doing so—but no one in any party is suggesting that every application for a wind farm should be approved. That is the purpose of the planning process. There is a willingness and a desire to support that concept, which is manifest in Lib Dem councils throughout the country.

Sue Doughty (Guildford) (LD): The House will be interested to hear that the problem affects all parties. Indeed, a Conservative MSP has opposed wind farms at Huntly. The issue is specific not to parties, but to planning problems.

Norman Baker: We must not demolish the planning system in considering these important matters.

Mr. Weir: I thank the hon. Gentleman for giving way to me again. I agree with the hon. Member for Guildford (Sue Doughty). There are difficulties all over the country with specific wind farms, but does he agree that one thing that has not been properly explored so far is offshore wind farms, which would solve many of the problems about siting?

Norman Baker: I agree, but, having looked at the guidance, I know that it is not that easy for an offshore wind farm proposal to be successful. The Government need to sort out that problem very quickly; otherwise those in the nuclear industry will respond by saying that renewables cannot deliver, and I want to avoid that.

Let me make it clear that a sustainable future has no place for nuclear fission generation. No one who looks back at the past 50 years of nuclear power can do other than conclude that we would have been better off if we had never started down that road. The power that would be "too cheap to meter"—a phrase from the 1950s—has turned out to be fantastically expensive.

Curiously enough, a Conservative privatisation proposal lifted the lid and showed just how uneconomic the industry was, but the DTI is now handing out multi-million pound lifelines to British Energy to stop it imploding financially—and still it continues. I was a little unfair to say that the Queen's Speech included no reference to the environment because it included the nuclear industry bail-out Bill, which is currently in the House of Lords and is designed to hand responsibility for gigantic amounts of nuclear waste firmly to the taxpayer in a desperate attempt to make the nuclear industry's books look better.

Then there are the usual tricks, the latest of which is the racily entitled "Consultation paper on proposals for intermediate level radioactive waste substitution", which was quietly released on the Friday of Hutton week. If that was not an attempt to bury bad news, it was clearly an attempt at least to store it above ground. The thrust of that supposedly independent paper is that we should not necessarily return to the countries whence it came all the waste generated from reprocessing. Why? Presumably it is because that suggestion would enable prices to be cut and business in that doubtful area to be propped up.

The fact is that we have more than 75,000 cu m of intermediate-level waste lying around in this country, with no clear idea or strategy on how to deal with it. Nirex has no solution. Its last suggestion was pulled and it has not come back with another proposal since, but it now seems to want more of the stuff. The projections already suggest that we will have 107,000 cu m of intermediate-level waste by 2010, and 143,000 cu m by 2030. It seems that we want more waste from other countries to add to that stockpile. However, the author of that report—NAC International—makes some of its money by carrying out work for BNFL. A parliamentary answer that I received yesterday confirmed both that that financial arrangement exists and that the DTI was aware of it before it commissioned NAC to write the report. That is simply not acceptable. That paper is discredited and the DTI should now withdraw it.

I am pleased that the Government are making progress with energy efficiency: given that domestic energy consumption is up 7 per cent. since 1997, they need to do so. One useful thing that they could do is to support the private Member's Bill introduced by my hon. Friend the Member for Hazel Grove (Mr. Stunell), who came top of the ballot, as the Minister will know.

Gregory Barker: I wish to ask the hon. Gentleman a question before he leaves the section of his speech that deals with nuclear energy. I share much of his scepticism about the nuclear lobby and agree wholeheartedly that the way in which the Government bungled the latest massive handout to the nuclear industry is very regrettable, but does he want to slam the door on all types of possible research, particularly if in years ahead the prospect of cold fusion could unwrap the potential for new forms of energy, which may be produced without all the hazardous waste that typifies the nuclear industry today?

Norman Baker: I am bound to say that a great deal of money has gone into nuclear fusion already without very much to show for it. If that money had gone into renewables, we might be rather better off than we are. I would not entirely slam the door on nuclear fusion, but I certainly wish to slam it on nuclear fission for the reasons that I have given.

Waste concerns me greatly, and no one could think that the Government have performed very well on the matter. The waste hierarchy, which everyone supports, is applied upside down. There is a perverse incentive to landfill and, if not to landfill, to incinerate and only then to recycle—and reuse and waste minimisation get not even a look in.

Mr. John Horam (Orpington) (Con): Is it not evident that the danger now is that the Government's failure to produce a proper, coherent waste strategy is placing an

intolerable burden on local authorities, which simply have no guidance whatsoever to deal with the very difficult planning decisions that they often face?

Norman Baker: The hon. Gentleman is right: local councils are being driven quickly by the Government to meet the targets required by the landfill directive, but they do not have the policy options or necessarily the resources to do other than probably opt for incineration. That is not the solution that they or the people in their areas want, but that is where we are going. We will end up with a chain of incinerators throughout the country if the Government do not do something quickly.

We have had one disaster after another from the Government in the waste field. We had the famous fridge mountain about which my hon. Friend the Member for Gordon warned the Minister and his colleagues months before it appeared, although nothing was done. We now have a nationwide breaker's yard of abandoned cars throughout the country, with 238,000 dumped in England and Wales last year. That happened because the Government caved in to the motor lobby and instead of making the industry responsible for vehicles at the end of their lives, as happens in most of Europe, they put responsibility on to the last owners, who have vehicles at their lowest value. What a nonsensical policy that is. Apart from letting the motor industry off the hook, what kind of value does that give to the taxpayer? We paid £14 million last year to clear up abandoned vehicles because the Government took the wrong decision.

Next, there will be lorries looking for an official site to dispose of hazardous waste. The Government admit that only 37 of the 218 present sites will be available for use for hazardous waste after a EU directive banning co-disposal takes effect in July. However, when my hon. Friend the Member for Guildford raised that matter, the Minister told her that her concerns were premature. There are fewer than six months until the directive kicks in, so I do not call that premature.

Mr. Challen: That is all well and good, but the hon. Gentleman's speech has lasted three times as long as the Queen's Speech and we are yet to hear a single Lib Dem policy. Are there any?

Norman Baker: There are buckets of Lib Dem policies, which I shall be happy to speak about for the rest of the afternoon if hon. Members wish to hear them. They are implicit in the comments that I have made. We propose a waste hierarchy that is actually based on the waste hierarchy and that gives incentives to waste minimisation—we desire a zero waste policy. We have a sound energy policy that has no place for nuclear power, is based on energy conservation and efficiency and would give a much better leg-up to renewables than any policy that we have seen from the Government. We have a transport policy based on an increase in cycling, walking and public transport, a reorganisation of the railways and a proper investment strategy to deliver what people want. I assure the hon. Gentleman that we have strategies coming out of our ears.

Paddy Tipping: While we are pursuing solutions rather than problems, will the hon. Gentleman say a little about the phrase "economic instruments" in the motion? Does he believe in the use of economic instruments, will he give us some examples of them, and does he believe in the principle that the polluter should pay through fiscal measures?

Norman Baker: Yes, I do believe that and I shall come on to it shortly, although I should probably take no more interventions given the time. The polluter does not pay, as a matter of fact, because figures from the Environment Agency show that only 0.5 per cent. of landfill pollution incidents last year resulted in a fine, despite the fact that there were 285 major incidents. The 100 or 200 operators who did pay paid an average fine of only £6,000, which is a pittance to a landfill operator. The message from the Government is that the polluter does not pay, but gets away with it scot-free.

Before I address the matter raised by the hon. Member for Sherwood (Paddy Tipping), let me say a few quick words about ghost ships. I would be grateful if the Minister would set out his position on the four ghost ships at Hartlepool. The ships are strange because they were apparently so decrepit that the US authorities demanded that they were dealt with right away. They then miraculously recovered to undertake a sea voyage across the Atlantic to this country, but they have now suddenly become decrepit again and unable to sail back—they are very curious ships. I understand that the official line was that the ships were due to return to the US when spring arrived and weather conditions permitted, yet a letter sent late last year by the Department for Environment, Food and Rural Affairs to British MEPs stated:

> "The UK is satisfied that the ships will be dismantled under environmentally sound conditions, in accordance with planning permission and the waste management licence for the site."

Has DEFRA now decided that the ships will be dismantled in Hartlepool? How is it possible to pass judgment on the acceptability of the manner of disposal when there are outstanding issues regarding planning permission, the necessary licence and, indeed, the environmental impact? Are the Government pursuing a policy in private that is contrary to the one that they espouse in public?

Will the Minister deal with the issue of genetic modification when he replies? He will have noticed that our colleagues in Wales and Scotland have taken a rather more robust line on GM matters than the Government here in Westminster. They do not wish to co-operate with GM maize Chardon LL, or T25, which is patented by Bayer. In the light of those decisions in Wales and Scotland, what is the Government's strategy to deal with that matter?

I now turn to economic instruments, which the hon. Member for Sherwood rightly raised. If we are to have an environmental policy that is delivered effectively, we must have incentives and disincentives in place so that we generate the right behaviour patterns. I received a parliamentary answer showing that in this country, unfortunately, only 2.5 per cent. of taxes, as classified by the Treasury, are raised on environmental matters, which is lower than the percentage in most countries. We have some way to go. It strikes me as mad that if people build on greenfield sites they pay no value added tax, but if they renovate an inner-city building they pay 17.5 per cent.

[Norman Baker]

We must create a structure that changes those perverse incentives without increasing the overall tax take—the policy is not about increasing taxes, but using different taxes. Energy saving equipment should incur lower VAT, and compensatory changes should be made elsewhere. We should especially consider how to deal with aviation, because as aviation fuel is not taxed there is a perverse incentive to take the plane, although the environmental solution would be to take the train—especially for internal journeys, and also for cross-channel journeys. On 17 April 2002, the Chancellor said:

"There is also no necessary conflict between growing the economy and protecting the environment. There is a huge potential for British firms, small and large, to capture new world markets by investing in environmentally friendly technologies and creating new businesses and jobs as a result."—[*Official Report*, 17 April 2002; Vol. 383, c. 583.]

That takes things on a stage, and it is important because we must demonstrate to businesses, which are sometimes sceptical about the environment, that investing in the environment can help them to cut their costs, improve their technologies and get them one step ahead of the opposition.

David Taylor (North-West Leicestershire) (Lab/Co-op): I know that the hon. Gentleman takes a keen interest in the aviation industry. Will he comment on the fact that best estimates suggest that through not having to pay fuel tax and other taxes, the tax that the industry avoids paying aggregates to about £9 billion a year, which would pay for the whole of the United Kingdom's higher education budget? Is that not astonishing?

Norman Baker: Yes, a gigantic amount of tax is not paid by the airline industry. Why should the rest of us be deprived of what we wish to do—on health, education or anything else—because that sector is excluded? That is entirely unfair and the Government must address it. I accept that the situation is difficult because of the international agreements and so on, but we must go further and faster than we have.

People in this country want to help the environment—they have a hunger to do so in many ways. We know how people clamour for recycling facilities in their own patches. The most recent survey on public attitudes on the DEFRA website reveals that 91 per cent. of the population are either fairly or very concerned about environmental issues. Research by WWF says that 8 million people or more are likely to make decisions at the ballot box based on such issues, so they are politically, as well as morally, important, as I have tried to argue.

I do not want to say that the Government have achieved nothing because they have several achievements. They ratified Kyoto, produced a reasonably good energy White Paper and made welcome structural changes. However, they have not gone far enough. Jonathan Porritt, the Prime Minister's adviser, said:

"Anybody looking at it dispassionately is going to have a hard job proving that Labour has put the environment at the heart of Government, which is what they claimed they would do."

Friends of the Earth said:

"Although the creation of DEFRA has brought environmental concerns to food and farming policy for perhaps the first time, it has also effectively sidelined the environment as a factor in many other crucial political areas, for example transport, trade, business and planning".

The Environmental Audit Committee said that the Government are

"making unsatisfactory progress on environment. The Government has made progress on only two of seven environmental indicators, with progress on the rest being unsatisfactory".

We need to go further and faster. We have suggested an annual debate on the environment in Parliament to keep a focus on the topic. We welcome some of the Government's steps, but they need leadership from the top. We do not think that leadership is coming from the Prime Minister because he does not act as though he is interested in the topic at all. Perhaps that is why the best efforts of certain Ministers—the Minister for the Environment and his predecessor especially—do not always bear fruit as they should. The Government must ensure that the environment is at the heart of things, not out on a limb.

1.29 pm

The Minister for the Environment (Mr. Elliot Morley): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"applauds the leadership and commitment on the environment shown by the Government domestically and globally; welcomes the UK's climate change programme which has already put the UK on track to overshoot its Kyoto target of a 12.5 per cent. cut in 1990 levels of greenhouse gas emissions by 2012; commends the introduction in the UK of the world's first economy-wide emissions trading scheme; further welcomes the long-term improvement in air quality and steps to improve local environmental quality generally; notes that river and bathing water quality is the highest on record; congratulates the Government on achieving a household recycling rate of 15 per cent. in 2002–03 and being on track for 17 per cent. for 2003–04; further congratulates the Government for playing a key role in the Convention on International Trade in Endangered Species (CITES), increasing protection for a number of endangered flora and fauna; recognises that there is still much to do to promote sustainability at all levels; and calls upon the Government to continue to put environmental protection, locally, nationally and globally at the heart of its policies."

That was an interesting run through a range of environmental issues and the hon. Member for Lewes (Norman Baker) took a fair approach, to the extent that he acknowledged that the Government have made a lot of progress with a range of environmental issues. We can be proud of measures that command widespread support. This is not a partisan issue because there is a great deal of commitment and interest from all parts of the House and all sections of public opinion. It is easy to be glib about some of the challenges, and I am the first to acknowledge that while the Government can point to real progress and achievements, there is much still to do.

In principle, I am not against an annual debate on the environment. Why just one debate? The Government, DEFRA and I have all been strong on integrating environmental priorities right across Government strategies and policies. I would not want the environment to be the subject of an annual debate, then for it to be thought that we had "done" the

environment, and I am sure that that is not the hon. Gentleman's intention. Given the increased, scrutiny, Select Committees and improved facilities for Adjournment debates that the Government have put in place, there are many opportunities for the House to discuss, debate and scrutinise environmental issues—which also touch on the Treasury, trade and health, and the whole range of government functions.

I must defend my right hon. Friend the Secretary of State because no one doubts her commitment to environmental issues or questions her international achievements in negotiations on the mid-term review of the common agricultural policy and with the Doha agreement, which for the first time put environmental and non-trade issues on the agenda. I do not pretend that that solved the problem because reaching agreement in a body such as the World Trade Organisation is difficult, but at least those issues are now on the agenda, when they were not in the past. There is not much evidence either of any attempt to get them on the agenda in the past. My right hon. Friend can take credit for that development.

I do not doubt either the commitment to the environment of my right hon. Friend the Prime Minister, which he has demonstrated on many occasions. In his speech to the American Congress, he raised the issue of climate change right to the heart of American government. We have repeatedly said that, as America is the greatest contributor to greenhouse gases, it must take climate control seriously. Even though the Americans have not signed up to Kyoto, many American states, institutions and academics do take climate control seriously and have tried to address it unilaterally within the US system.

The US Government are keen to take forward environmental technologies, which have a contribution to make. We do not believe that such technologies are the complete answer to climate change, but we are prepared to work with the Americans. We welcome the large sums of money that the US has committed to environmental technology research and to research and development generally. We have agreed to co-operate with the Americans in the G8 in taking forward environmental technology. The House should not be misled into thinking that there is no US engagement or involvement on climate change. However, we believe that the US ought to ratify Kyoto and ultimately should be part of a global agreement on controlling greenhouse gases.

Sue Doughty: We welcome the fact that the Government are working with the US to secure improvements, but I still have great difficulty identifying the strategic leadership. This is not an anti-American debate. We accept that a lot of good work is being done in the US, but there is a huge gap. Something is needed to tip the Americans into ratifying Kyoto. The US must be made to understand the potential for jobs and other opportunities if it provides leadership.

Mr. Morley: That is also an internal debate within the US. I heard a lecture by a prominent scientist who advises the Bush Administration in which he made it clear that there was no doubt about the impact of climate change and the need to address it. Many voices have been raised in the debate in the US and I am sure that that will continue—as is the case with Russian ratification.

Carbon trading and setting caps are not all negatives in respect of their impact on industry. They encourage energy efficiency, improve competitiveness and offer financial advantages—not least to Russia. We are trying to make the case to Russia that there are economic advantages to ratifying the Kyoto agreement.

Mr. Weir: I was in Russia at the end of last year and one view expressed was that climate change might benefit that country as it might increase agricultural production. That opinion is prevalent in high Government circles in Russia, which is most worrying.

Mr. Morley: That is worrying. I have heard the argument that where a country has a frozen hinterland, increased temperatures might be no bad thing. However, when road vehicles and pipelines start sinking into the melting tundra, climate change might not be thought such a good thing. There are also all the associated problems, not least the impact on biodiversity.

The Hadley centre and the Tindale centre are both world-class institutions and the former has developed a regional model of its climate change programme, Précis. I had the opportunity to meet academics from various institutions in India who are applying the Précis model to the Indian subcontinent in a first-class project that is supported by my Department as part of its commitment to global sustainability and national sustainable development.

Key to our approach is putting sustainable development at the heart of our policies, as we want them to impact positively beyond political time scales. Our key objectives include the sustainable use of natural resources and protecting the rural, urban, marine and global environments. To make changes sustainable, they must be set alongside economic opportunity and social well-being. One cannot separate the three strands.

Structures are also involved. The hon. Member for Lewes referred to the change from the Department of the Environment, Transport and the Regions to DEFRA. I acknowledge the arguments for a DETR-type structure because keeping environment, transport and planning together offers certain advantages. But keeping together the environment, all land use policy, all water policy, biodiversity policy, global and national biodiversity, and sustainability in one Department also has advantages. What is key is ensuring that Departments engage with each other. Ministers from my Department have made joint appearances before Select Committees with Ministers from other Departments. The launch of the better building regulations task force involved Secretaries of State from the Office of the Deputy Prime Minister, the Department of Trade and Industry and DEFRA. We are developing joint strategies and there is a collective approach to decision making. All those initiatives are bringing together Government functions on sustainability.

I accept the point that the hon. Member for Lewes made about the importance of transport, but our society is becoming more affluent and people have the freedom to buy cars if they so choose. That does not mean,

[Mr. Morley]

however, that we cannot address problems through, for example, the transport plan, which was widely welcomed. The hon. Member for North-West Norfolk (Mr. Bellingham) acknowledged that an additional 1 million people are using rail. We have applied fiscal measures to transport. For example, we have changed company car taxation, which is linked to car emissions rather than engines, as was the case in the past, and have made changes to road tax, which was also linked to engine size. We have introduced a range of measures to address the impact on society of transport, including air travel. We accept that more needs to be done, and that measures on air transport need to be introduced to tackle the issue of pollution and climate change. Air transport is by its very nature a global activity, so we need international agreements and approaches, but that does not mean that we cannot make progress on an EU level, and we are looking at that.

Gregory Barker: When the Secretary of State for Transport appeared before the Environmental Audit Committee to discuss the Government's policy on air travel, we were extremely underwhelmed by the complete lack of a clear environmental policy on airport and airline expansion. Perhaps the Minister could enlighten us, and tell us what direct influence he has had on his colleague's transport policy and the future of the airline industry?

Mr. Morley: We are, of course, consulted on issues such as the Government White Paper, strategy on air travel and related developments. It is easy to wrestle with such problems in opposition, but the hon. Gentleman should accept that more people want to travel by air. Plane use and passenger numbers are going up. We cannot ignore that. We must recognise trends in society such as the demand for travel, but we must try to tackle their environmental impact.

Gregory Barker: I am extremely grateful to the Minister for being so generous in giving way. However, he cannot ignore the fact that the real cost of airline travel is falling dramatically. In recent years, the cash cost of air tickets has fallen dramatically, and is set to continue to fall in real terms. The Government, however, are quite unwilling to engage in the argument and simply talk about the generality of people wanting to travel.

Mr. Morley: That argument is under way. However, if I interpret the hon. Gentleman's comments correctly, he seems to be arguing that air travel is getting cheaper, so it should be taxed to make it more expensive. That would not necessarily deal with the issue of emissions and pollution—it may simply mean that people pay more, so there will not be an effect on the environment. We must therefore think carefully about which measures we want to apply. For example, the application of carbon trading to air travel within the EU is being considered as part of the EU debate. The proposal has a great deal of merit and would have genuine results. We need collective agreement on such issues, in this case in the EU, but in other cases on a global basis.

Mrs. Patsy Calton (Cheadle) (LD): May I return to the Minister's comments about people being more affluent and using their cars more? The implication was that the Government simply recognise trends and follow them, rather than trying to set them. In a recent consultation about post office closures, my constituents said that they do not have more cars or more opportunities to use them. They want to be able to walk to the local post office. Government policy on post office closures does not help the environment or reduce the amount of car traffic. Where is the Government's leadership?

Mr. Morley: With respect, post offices and small shops are closing because the hon. Lady's constituents are driving to out-of-town department stores. Of course, we must try to influence such trends and change them, but we must not make glib statements. Many shops close down because local people, who all want to keep them, do not use them themselves. Changes in patterns of behaviour and individual responsibility are not easy to bring about, and the Government cannot dictate exactly what people should do. The hon. Lady seems to think that Liberal Democrat policy is about whether people can or cannot buy a car, where they can take it and how they can use it. I did not know that there was a Stalinist element in Liberal Democrat policy on the environment. Sadly, however, life is a bit more complicated.

We must introduce a range of measures to convince people to follow a course of action that is beneficial for their communities and society. That may, for example, involve restrictions on access to city centres, such as parking policies and parking charges. A range of measures can be applied, but a balance must be struck. It is not, however, always easy to do.

Mrs. Calton: I thank the Minister for being generous with his time. However, he has changed the terms of the argument. No matter how much he wags his finger at me, in my constituency, which is considered affluent, there are people who do not have access to cars, buses or other forms of public transport. Forty per cent. of the people who replied to our consultation have mobility problems, and in some areas 20 per cent. have no car. What is the position of those excluded members of society who do not have the opportunities that the Minister is talking about?

Mr. Morley: Of course there is a social exclusion problem, which the Government take seriously. Perhaps the hon. Lady would like to have a small wager with me as to whether or not car ownership in her constituency has gone up or down since 1997. I think I know exactly what the trend has been.

Mr. Challen: I should like to return to aviation, as it is an important area. As the last international treaty governing aviation was signed in the 1940s, does my hon. Friend agree that the European Union offers us the best way of trying to make the environmental improvements in aviation that we need? That is one reason—Opposition Members obviously will not accept it—why we should remain fully engaged with the EU.

Does my hon. Friend agree that environmental measures should be built into new EU rules governing our relationship with other countries such as the United States? There is a moratorium on genetically modified food, and we could build in environmental considerations that would have a moratorium effect on air travel if we did not conclude a treaty in the near future.

Mr. Morley: I certainly agree that there is a case for negotiation and discussion to reach an international agreement, both within the EU and globally. My hon. Friend is right—insufficient attention has been paid to the growth of air travel over the past few decades. Times have changed, and we need to address the problem.

I do not think that there is any disagreement in the House about the need to tackle climate change. Our record is strong, given that we have exceeded our Kyoto targets and are pursuing an ambitious goal, as we are committed to reducing CO_2 by 60 per cent. by 2050. I am not complacent, but nevertheless we are making progress and have considerable support for our approach. I hope that by leading by example—we are the first EU country to implement the EU carbon-trading scheme and set targets—we can encourage other countries to follow.

Norman Baker: Before the Minister leaves the subject of aviation, what steps are the Government taking to try to ensure that aviation emissions are included in Kyoto targets, as currently they are absent? What will be the impact on aviation sector emissions following the Government's recent announcements on aviation? I think that there will be a big increase.

Mr. Morley: There will be an increase in emissions, and the hon. Gentleman is free to look at our figures. As for Kyoto, ideally, aircraft emissions should have been included from the beginning, but we must be realistic and accept how far and how fast we can go. The hon. Gentleman and his colleagues are well aware of the problems with the Kyoto agreement, including the difficulty of getting Russia to ratify and the fact that the US has walked away. The inclusion of aircraft emissions would not have made that any easier. The best way to deal with the issue, as my hon. Friend the Member for Morley and Rothwell (Mr. Challen) suggested, is to approach it internationally rather than within the Kyoto process. Perhaps we will be able to do that post-Kyoto, but in the meantime, the main thing is to get Kyoto ratified and up and running.

I strongly believe that environmental sustainability issues should be addressed locally, nationally and globally. The local aspect includes buying from individuals, which involves raising awareness by making these arguments. We recognise that we have a role to play as a Government, as do the local authorities and non-governmental organisations with which we co-operate closely in trying to get the message across. We also need to play our role globally, as we have done on climate change. We are fortunate in this country to have a first-class scientific base with a wide range of institutions and people. We have been active and successful in international bodies such as the convention on international trade in endangered species—CITES—and the convention on biological diversity, which I will attend later this year, and where we will press for further changes, including the extension of protected areas to the marine environment. We have worked with our colleagues in the EU and internationally. We have increased the budget of the Darwin scheme—which was originally set up by the Conservative Government; I give credit where it is due, because it has been extremely successful—from £2 million to £7 million a year.

We are making progress on forestry. I am proud of the fact that we were the first G8 Government to make a commitment to procuring timber on our Government estates from legal and sustainable sources. We have set up a point of expertise to advise people about that, and we are working with the forest law enforcement and governance process in Asia, Africa and the EU. We want to agree powers in the EU that will strengthen our power to seize illegal timber. We can, and do, seize timber that is in contravention of CITES regulations, but I want to be able to go further. That must be achieved on an EU-wide basis—we cannot do it unilaterally, because we could not stop timber coming from, say, Rotterdam into this country by rail or through the tunnel. We are actively encouraging that EU-wide approach.

I turn to GM in Wales and Scotland. If the hon. Member for Lewes has a fault, it is that he tends to believe what he reads in the newspapers without any criticism or question. He should be wary about that, because in this case it was inaccurate. We are still discussing GM with the devolved Administrations, with whom we have a friendly and constructive relationship, and we will in due course announce our response to the recommendations of ACRE—the Advisory Committee on Releases to the Environment.

Waste is one of the areas where we have lagged behind other countries, although we have a good record on climate, water quality, air quality, and involvement in sustainability and environmental issues. I am pleased, however, that we are making a great deal of progress on waste. We are hitting our targets on recycling, and many more doorstep collections are being introduced by local authorities. Our strategy—the waste implementation programme—is having a big effect. WRAP—the Waste and Resources Action Programme—has been successful in finding markets for recyclates. I am not complacent, because we need to do more, but I am encouraged by the fact that we have made very good progress, which seems to be accelerating.

The hon. Member for Lewes asked about the ghost ships. The bottom line is that people should have the facts about that situation, and I hope that he will join me in condemning the extreme, alarmist and inaccurate descriptions of "toxic time bombs". The fact is that those ships are no better or worse than any other scrap ships of their age. They remain under an injunction and are stored safely in Hartlepool in the facility run by Able UK. In terms of their future, if there are proper green recycling facilities in this country that are legal and have all the required permits, the best option would be to do the job in this country, not tow them all the way back across the Atlantic. That is self-evident, and most green groups regard it as the best option environmentally.

The situation gives rise to wider issues such as our strategy for ship recycling. As many ships, particularly single-hull tankers, will come on to the market in the

[Mr. Morley]

next few years, we need good facilities in this country to avoid exporting our problems to other countries. We are in the process of developing those facilities.

Mrs. Caroline Spelman (Meriden) (Con): The Secretary of State for Environment, Food and Rural Affairs is on record as saying that the ships will be sent back. Is the best environmental solution therefore effectively a U-turn?

Mr. Morley: No. The hon. Lady did not listen to what my right hon. Friend said. She made it clear, in the same words as I have used, that we are seeking the best environmental option. If the option of proper green recycling facilities is not available in this country, the US recognises that the ships will have to be returned. There is no change in the present situation. The hon. Lady joined the bandwagon on these ships, but it ran into a ditch when the green groups recognised that the incident had been exaggerated disgracefully. Is she saying that she does not want Able to be developed as a world-class recycling facility?

Mrs. Spelman: Of course I would love to see a world-class facility at Able, but the dry dock has not yet been built and the ships are moored up next to Seal sands in Hartlepool. While I entirely share the Minister's desire for the best environmental solution, we both need to be clear about exactly what was said.

Mr. Morley: Indeed. That is why I have made it clear to interested parties that there are no shortcuts in this process and that there will be no compromise on the environmental assessments that will have to be made in relation to the adjacent special protection area. We do not know whether the dry dock facilities can be put in place, the payments approved and planning permission granted; those are issues to be resolved by the company and the appropriate authorities. At the moment, it is a hypothetical situation, and we shall have to see how it develops.

Norman Baker: The Minister seems to be keeping his options open as regards the best environmental option—as indeed he must, given that there is no planning permission, no dry dock and no licence. How does he square that pragmatic position with the extract that I quoted from the letter that his officials sent to MEPs late last year, which suggests that the decision has already been taken to dispose of the ships in Hartlepool—in other words, that it is a fait accompli?

Mr. Morley: I saw that letter, and I do not give it that interpretation. It is entirely consistent with the position that I spelled out to the House, which is the position at the present time.

Paddy Tipping: Surely it is wrong to focus on these alleged ghost ships, because the bigger issue is that increasing numbers of ships will require decommissioning. Instead of arguing about the specifics, should we not leave that to the courts and work on developing a strategy, in the UK, Europe and internationally, to tackle the problem?

Mr. Morley: My hon. Friend is right. That work is in progress. A review of UK facilities and an assessment of future demand are under way. For example, we calculate that approximately 2,000 single-hull tankers are EU-flagged and they will need to be tackled in proper facilities. Apart from not wishing ships to be exported to countries that do not have proper facilities, health and safety measures or hazardous waste handling equipment, we are considering an environmental business. I see nothing wrong with developing environmental businesses in this country, provided that they fulfil the proper standards. There is a considerable opportunity for businesses in this country in a range of environmental business, not only ship recycling.

I welcome the debate. It is useful to tackle important and serious issues. The whole Government take environmental matters seriously. We try to lead by example in procurement and energy policies. For example, we have exceeded the targets that we set for the share of power from renewables and combined heat and power in Government estates and for the standards that we apply. We have reduced water use and increased recycling, but we want to do a great deal more. We want sustainability to be at the heart of every Government policy, whether on transport, housing or development. We hope that new developments such as Thames gateway, which will be Europe's biggest brownfield development, will set the pace for reducing energy and water use and building in sustainable transport.

I saw an interesting development by BedZed for sustainable zero emission housing that had workshop units underneath homes so that people could work where they live. Such developments are not appropriate in all parts of the country, but they have a role to play. I am pleased by the proposal for up to 2,000 of those units in the Thames gateway. I therefore believe that Thames gateway gives us a chance to demonstrate some cutting-edge technology in sustainable design and planning.

Mr. Francois: I thank the Minister for his courtesy in allowing me to intervene before he concludes. He mentions Thames gateway, where he well knows that there are issues about building on a flood plain. He also knows from discussions that he and I have held about the concerns in Essex about the reorganisation of flood defence committees. In a non-partisan manner, I remind him of that and stress to him that it is important to the people of Essex to be allowed to retain a flood defence committee, not least to provide reassurance about the sort of things that he has just mentioned.

Mr. Morley: I congratulate the hon. Gentleman on getting Essex flood defence committees into a debate on the environment and Thames gateway. He knows that I acknowledge the case for local involvement. We have not taken the final decision about the structure of the new single-tier flood defence committees, but he knows that I am sympathetic to the case that Essex has made and that I invited that committee to present some proposals. I shall consider them in due course.

Flood plain development is important and we have changed the planning policy guidance to reflect that. Indeed, we are reviewing PPG10 on development, energy and a range of sustainable issues. Thames gateway is currently defended to the level of one in 1,000, which is very high. We have long had big urban

centres, such as Hull, on flood plains. They can be defended; of course, that entails a cost. That brings me back to where I started: climatic change.

When we present arguments to convince people, we admit that there are costs, through caps, to industry in carbon trading. We understand that that has an impact, but if we do not tackle global warming, there will be huge costs to society. I pay tribute to Professor King, the Government chief scientist, and Professor Dalton, DEFRA chief scientist, who have been active and outspoken. We cannot ignore the matter. If we do not tackle climate change internationally, the results for our country and the world will be catastrophic.

2.4 pm

Mrs. Caroline Spelman (Meriden) (Con): I tend to agree that an annual debate on the state of the environment is the very least that the Government should provide. I pressed for at least an annual debate on trade justice when I was working on international development.

There are few tests more exacting than the legacy that we leave future generations and the quality of life that we bequeath our children. When I was a child, the major threat to world security was the prospect of a third world war—a nuclear one at that. Today's children grow up facing not only the threat of international terrorism but the genuine prospect of environmental catastrophe. Although international terrorism is unpredictable, we can predict what will happen if we continue to ignore environmental problems. Furthermore, as part of a league of rich nations, if we have the will, we have the power to do something about it.

The Minister referred to the importance of the Doha round and getting the environment on to the agenda. However, an agenda is useless unless there is a meeting at which to discuss it. As we all know, the round collapsed fatally at the talks in Cancun and it has been difficult to get any agenda back on the table. There is therefore no room for complacency among nations that are as well developed as ours.

We need to be clear about what we mean by the environment. The term literally covers a multitude of sins. The fact that the debate is on the state of the environment underlines the breadth of the subject. For some, "environment" evokes concerns about global warming, ozone depletion or renewable energy. For others, it suggests anxieties about the amount of litter locally, river pollution or fly-tipping. It is important to appreciate the divergence in people's understanding of the environment and to make strenuous efforts to tackle each concern. Whether people's environmental concerns are focused locally or globally, there is general recognition that our lifestyle has an effect on the quality of our environment.

There is a vast difference between the outward concerns that people may express publicly and the action—or lack of it—that they take personally. My children are a case in point. They are always quick to point out to me when in the supermarket that we should not buy aerosol cans, but they are the worst offenders for leaving the lights on once we get home. However, the fact that more and more people want to be seen to be green is encouraging. Environmental concerns often resemble those about car safety in the way in which they have infiltrated the public consciousness.

Fifteen years ago, accident safety was not such a high priority for car buyers, as shown by the fact that so few car manufacturers focused on safety as a means of marketing. However, today, vehicle safety is a strong influence on consumer choice. The same pattern is emerging with the environment. The material satisfaction that many have experienced since the 1980s has brought in its wake a new set of anxieties and priorities. Parents who are in the fortunate position of being able to provide fully for their children's immediate needs start to consider the longer-term needs of their children's children. The environment is at the heart of that.

The cultural change is not uniform. We need to recognise and tackle the fact that environmental concerns do not figure especially highly in the priorities of people who live in deprived areas. My constituency has four of the most deprived wards in England and Wales, where daily worries about housing, drug abuse and crime render issues such as landfill and climate change almost irrelevant. I say that because it is important that we recognise that although cultural change may be in train throughout what is crudely termed middle England, there remains a vast tract of society for whom the environment is an expensive luxury.

Improving local environments through reduced litter, fly-tipping and graffiti is a vital component in fostering a sense of pride and responsibility in areas where people live. If we do not tackle the quality of life in deprived urban environments, I fear that we shall miss an opportunity to help facilitate the sort of social improvements that we all want. The Conservative party has a proud history on the environment. I should like to correct the false impression that Lady Thatcher somehow thought of the environment as a humdrum issue. As a scientist, she was one of the first party leaders to bring the environment on to the mainstream political agenda, when she said:

"We do not have a freehold on the earth, only a full repairing lease."

Mr. Martyn Jones (Clwyd, South) (Lab): Does the hon. Lady not remember that Margaret Thatcher stopped the very important Salter's duck renewable energy project? That project is now nowhere to be seen, but at the time it was at a production level of 10 per cent., and cheaper than nuclear energy. That was one reason why she closed it.

Mrs. Spelman: Perhaps the hon. Gentleman will just wait a little to hear me talk about renewable energy. Technologies have moved on a great deal, even since I wrote my PhD on the subject 20 years ago. Improvements in technology have improved the economic viability of so many renewable technologies, but that was perhaps not the case at the time when Lady Thatcher was leading my party.

Many would seek to demonise centre-right politics, capitalism and business as the arch-enemies of environmental welfare. That simplistic analysis is as flawed as the assertion that because the Conservative

[Mrs. Spelman]

party is pro-business, it cannot be pro-environment. However, centre-right politics yielded the end of the cold war and with it, the beginning of the end of some of the world's most environmentally destructive industrial practices. The word conservatism is a derivation of the verb to conserve, meaning to protect or preserve. Conservatism is all about taking responsibility for one's actions, being prudent, safeguarding the future and nurturing a framework of codes and practices that permit the maximum possible freedoms for everyone.

Those four tenets go to the very heart of the protection of our environment, reflected at every level at which my party operates. At global level, as my hon. Friend the Member for North Wiltshire (Mr. Gray) has said, it was the present leader of my party, my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), who led the negotiations for Britain at the 1992 Rio Earth summit, which gave rise to the Kyoto protocol, of which we remain fully supportive. At European level, the Conservative group negotiated to chair the environment committee in preference to other committees, because we recognised the importance of working with our neighbours to combat environmental threats. At national level, hon. Members on both sides will recognise the role played by my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), who continues to be dedicated to environmental matters and who led for the Conservatives in the debate on climate change in Westminster Hall two weeks ago.

Hon. Members will observe that, to show our ongoing commitment to the environment and our understanding that it involves cross-cutting concerns, we have again combined transport and the environment in one portfolio, which we are certainly finding beneficial for policy development. At local level, according to the National Audit Office, Conservative councils consistently perform better on environmental issues than their Labour and Liberal Democrat counterparts.

There is broad consensus among all parties on the need to protect the environment. However, although we can agree on that aim, there are bound to be differences in the way in which we would go about attaining it. It is important, especially in a debate such as this, to give credit where it is due, and many of the Government's intentions on the environment are very good. That is why my party can make common cause with the Government on so many environmental objectives, but where we differ is on how those objectives can best be realised. Too often, the underlying problem has been misdiagnosed, and consequently the wrong priorities are chosen in the attempt to devise an effective solution. There has therefore been a system failure in implementation, creating a whole generation of new problems as a consequence.

It is not difficult to understand how that has occurred. The Department for Environment, Food and Rural Affairs has evolved comparatively recently, and it has become rather centralised and bureaucratic, having difficulties with its lines of responsibility. I do not make that diagnosis of the problem; it was made by the person whom the Government appointed to undertake an analysis of DEFRA's structural problems: Lord Haskins. He described the Department as

"a dog's dinner of the highest order".

Nowhere are the Department's failings clearer than in the context of the environment, and the rural environment in particular. Although we would think that the environment would come first in the list of departmental responsibilities because it is first in the Department's title, all too often—partly through events, including the demands of the crisis in agriculture—it has come last in the Government's departmental priorities. We have only recently discovered, now that the figures have come to light, that it took £500,000 of taxpayers' money to rebrand DEFRA when it was established in 2001, absorbing the Ministry of Agriculture, Fisheries and Food. Such is the confusion in DEFRA that when I recently asked a written question, the Minister who replied was unable to supply even the most rudimentary information on staffing levels in the Department. Only during oral questions in the Chamber last week did I finally obtain that information, which should have been readily available.

The practical effect of the organisational problems in DEFRA is manifest to those who have to use its service and those of us who observe it in action. I shall quote Lord Haskins again. He said:

"Too many organisations are involved in rural delivery, resulting in confusion—the delivery of sustainable land management, for example, is handled by at least six national agencies working with multiple regional and local organisations."

The problems are not only of an organisational nature, but concern broader questions of competency. According to DEFRA's municipal waste management survey, England recycles or composts just 13.5 per cent. of its municipal waste. That is one of the lowest rates in Europe and compares with a recycling rate for municipal solid waste of 48 per cent. in Germany and roughly the same rate in Austria. I am yet to understand why DEFRA cannot do more to include home composting in the compilation of its figures. I strongly suspect that a failure to include in the figures the extent to which we, as a nation, compost at home has led to an underestimation of the extent to which we compost in general. If the reduction in the number of black sacks that my family puts out is any indication of the role and value of home composting, there are great savings to be made in that area.

I have been made aware today, by industry sources, of the industry's estimate of the ground that needs to be made up. In its view, we are so massively off target over meeting the requirements of the landfill directive that unless there is a fourfold increase in the amount of composting that we undertake as a nation, we will fall way short of the directive targets by 2010. In response, the Government have set a target for the recycling rate for household waste to rise to 25 per cent. by 2005, to 30 per cent. by 2010 and to 33 per cent. by 2015. However, the Environmental Audit Committee believes that the UK will

"not come close to meeting any of the national targets set for recycling",

and that the 2010 and 2015 targets will be missed by "a wide margin".

Paddy Tipping: I agree entirely with the hon. Lady's points on home composting and the need to compost.

However, will she cast her mind back a few months to the passage of the Waste and Emissions Trading Bill? Her Front-Bench colleague in the other place tabled amendments that would, if accepted, have led to the demise of composting.

Mrs. Spelman: It would take an awful lot, in such a nation of gardeners, to lead to the real demise of composting. Fundamentally, we are a nation not, perhaps, of shopkeepers but very definitely of gardeners, and I think that we all understand the value of composting. If our spokesman in another place is unaware of its benefits, perhaps it is for lack of a garden—who knows? I shall speak to him on the subject.

Mr. Morley: On the figures for recycling and composting, the hon. Lady will be aware that I have said that we have a lot to do in that area. I am not complacent about that. The Environmental Audit Committee report said that the Government would not meet any of their targets, but that is just not true. We are meeting our targets, and the rate is accelerating. Will the hon. Lady also, in a spirit of fairness, acknowledge that in relation to recycling and composting, we are starting from the very low base that we inherited in 1997?

Mrs. Spelman: I do not deny that, as a nation, we have a lot of catching up to do, as anyone who is aware of the cultural and lifestyle differences among certain comparable developed economies, particularly on the continent of Europe, in relation to recycling and segregating household waste before it is passed to the municipal authorities will know. However, I am concerned that we sometimes sign up to directives without having put in place the necessary facilities to implement them, so that even if we want, with the best will in the world, to embrace the changes involved, we are unable to do so. A good illustration of that is the batteries directive, which we have signed up to despite there being no facilities in this country for recycling batteries. In comparable developed economies, it is regarded as a heinous crime to put batteries in the waste paper bin. However, that directive remains the only solution to that problem in this country, and I look forward to the necessary facilities being put in place so that when a safe and environmentally suitable solution exists, we really can take advantage of it.

Recycling rates and landfill rates are two sides of the same coin. It is no surprise, given the slow progress being made on increasing recycling, that aspirations towards the reduction of the amount of biodegradable municipal waste going to landfill are also faltering. The hon. Member for Lewes (Norman Baker) made a fair point when he said that the hierarchy of dealing with waste seemed to have been turned on its head. Much more effort needs to be put into this area, because the more that can be segregated and recycled at household level, the less will be the temptation to justify the easy solution of burying it all in the ground, which we want to move away from.

The amount of landfill increased to 22.3 million tonnes in the last year for which there are figures. That is not only an indictment of this country's inability to get on top of waste disposal as an issue—it also means that Britain is perilously close to missing the requirements of the European landfill directive, which would result in a fine of up to £180 million a year. Perhaps the Government will tell us whether they intend to pass that fine on to local authorities and, ultimately, to council tax payers, should we be faced with such a bill.

Another target that is looking increasingly fallible is that of attaining 10 per cent. of electricity production derived from renewable energy sources. The reality is that the 3 per cent. target for 2002 was missed by a considerable margin. That makes the likelihood of fulfilling the 10 per cent. target in a mere six years look more and more like a costly pipedream. I am of course aware of the recent announcements regarding wind farm investments, which the Government have been keen to cite as examples of progress in meeting those targets. However, there are many concerns about wind farms—particularly onshore wind farms—with regard to their reliability, their efficiency and, ironically, their environmental impact. Wind farms can at best be only part of any sensible programme for generating electricity from renewable energy sources. The Government must certainly look to offshore wind farms and wave farms as ways of harnessing renewable forms of energy in a more environmentally acceptable way.

Among the most interesting and logical sources of renewable energy are biofuels. As the author of a book entitled "Non-Food Uses of Agricultural Raw Materials", perhaps I ought to state a private interest in this particular issue. Biofuels, like wind power, are not in themselves the holy grail of environmentally friendly energy production, but they could well offer part of the solution and they certainly warrant further research.

Sadly, biofuels are another area in which the Government's thinking has appeared muddled and little or no effective progress has been made. In October last year, the Environment, Food and Rural Affairs Committee published a report which confirmed that. It stated:

> "We deplore the fact that the Government has not nominated any one Department to lead on biofuels and consider that this is the prime reason for the slow progress that has been made in this area."

The report concluded:

> "The Government's biofuels policy still appears to be muddled and unfocussed: it has expressed support for biofuels but the mechanisms used to promote their use have had little effect so far".

It is bad enough that the Government are found wanting when it comes to taking effective action for our medium-term renewable energy commitments, but there are also a number of very worrying failures with regard to their present day implementation of EU environmental measures. Every so often, a snapshot image of the kind used in newspapers and on television screens becomes imprinted on the public consciousness, and I would argue that one such image is that of mountains of decaying fridges piled up throughout the country with no adequate means of disposal for them.

Mr. Challen: The hon. Lady has not really talked about nuclear energy. What are her party's policies on that issue? Its history, when in government, was to support nuclear energy with what I call a nuclear tax of 10 per cent.—otherwise known as the non-fossil fuel levy. That gave our competitors in Germany and Denmark a great opportunity to advance on us in terms of the engineering and technology required to develop wind power, for example. Would the Conservatives go

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back to such an approach, which would set back our renewable energy prospects? Do they have a policy on nuclear power yet?

Mrs. Spelman: The hon. Gentleman would expect the environmental spokesman for the Conservative party to state the blindingly obvious on this issue, which is that until an adequate environmental solution is found to the problems of waste from nuclear energy, nuclear power is not an option that can enthusiastically be embraced. So far, such a solution has not been found. I think that that answers the hon. Gentleman's question.

To return to the mountains of fridges, the arguments over whose fault that was—the Government's, for failing to read and understand the implications of the ozone-depleting substances directive, or the European Commission's for not making the implications explicit—have been rehearsed many times. In June 2002, the Commons Environment Sub-Committee concluded that DEFRA and not the European Commission was primarily to blame for the situation. The Committee, of whom eight members out of 10 are Labour MPs, said that clearing up the problem would cost taxpayers £40 million. In particular, the report said:

"While the European Commission must accept some blame for lack of clarity, the overwhelming responsibility for mishandling the implementation lies with the Government."

The report concluded:

"We find it deeply disturbing that the Government signed up to the regulation whilst still suffering 'knowledge gaps' about its full impact."

What this episode serves to highlight is a routine deficiency in the implementation of European environmental legislation, and the spectre of the fridge mountain fiasco looms large as we begin implementing the hazardous waste directive and the waste electrical and electronic equipment directive. I very much fear that, as a country, we are inadequately prepared to deal with the de-manufacturing and recycling of our waste electrical goods, particularly as we feel the effects of the ominous trend towards built-in obsolescence in manufactured goods.

One consequence of this lack of preparation is the increased problem of fly-tipping, which blights urban and rural areas throughout the country. That problem is likely to be exacerbated with the closure of 290 of the 300 landfill sites that currently take hazardous waste, just months before the hazardous waste directive takes effect. Perhaps the Minister will clarify the position on that.

Mr. Morley: Yes, I will. The sites will not be closing. The directive ends co-disposal, but they will continue as landfill sites. Some of them, if they so choose, will be able to continue by installing a separate cell for hazardous waste on the site; indeed, a number have already put in a planning application to do so. The vast majority of the sites do not take hazardous waste anyway, so the hon. Lady's figures are really quite misleading.

Mrs. Spelman: I tabled a written question on this subject. It is of the utmost importance to know the pattern of sites to which hazardous waste will be able to be sent. Given the combination of the increase in landfill use and the costs involved, if there are to be restrictions on the type of material that can go to such sites, those who try to avoid those costs will be tempted to deposit certain materials in the countryside.

Fly-tipping presents similar problems to those of litter, graffiti and, to some extent, urban water course pollution, which are also symptoms of ineffective law enforcement. Litter costs local authorities in the region of £342 million each year. I am not convinced that measures contained in the Anti-social Behaviour Act 2003 will reverse the fall in the number of prosecutions and convictions for depositing litter and the fall in the number of fixed penalties issued to offenders. More policing will be a far greater agent for change than more legislation.

Another grave concern among Conservative Members is the inconsistency within the Department. Last Friday, I went to Stansted to meet campaigners opposed to the construction of a new runway. They, like me, are bewildered at the lack of an environmental impact assessment before the Government announced their plans about where to expand. This view is shared by the Environmental Audit Committee, which stated:

"The opaqueness of the appraisal process means that it is not possible to evaluate . . . the cumulative impacts at both regional and national levels, and the relative balance of economic, social and environmental benefits and disbenefits."

The Committee added:

"We regard the absence of concise, transparent and strategic integrated appraisals as a major weakness in the consultation documents. The Department's failure in this respect conflicts with its own guidance."

The aviation White Paper also brought to light another inconsistency in the Government's approach, to which other Members have alluded in interventions. The ambitious carbon reduction targets that the Government have set will be impossible to meet given the growth in aviation facilitated by the Government's airport expansion plans. Those failings clearly suggest that the environmental implications of airport expansion were of little or less concern when the Government reached their decision.

At each level of environmental awareness that I identified at the outset—global, European, national and local—there are clear failings by DEFRA. It would be disingenuous of me to suggest that Britain was alone in being without a joined-up approach to dealing with the environment. I am sure that we can all name one country whose failure to ratify Kyoto should be a cause of grave concern to us all, which the Prime Minister would do well to use his much-vaunted transatlantic influence to remedy.

The point, however, is that there is no good reason why we should not be one of the pioneers of environmental policy and good practice. It is an uncomfortable reality that without many of the EU-originated regulations, Britain would not even now be adopting environmental good practice in many crucial respects. Britain is a bold, entrepreneurial, creative country with a natural instinct for conservation and protection, and it is the Government's duty to harness that instinct. Britain could and should become a beacon of environmental progress among industrialised

nations. If we fail in this, we will certainly be in no position to try to influence the environmental practices of the developing countries that otherwise will surely follow in our footsteps.

2.33 pm

Mr. Colin Challen (Morley and Rothwell) (Lab): I very much welcome this debate. Given the importance that the Liberal Democrats attach to it in their motion, I am surprised that it is only a half-day debate. It seems that the ice caps could melt before we move off the subject of a local income tax, but that is their order of priorities.

The motion calls for an annual debate on this subject, and we should give it a regular slot. Perhaps it could be tied to regular debates on reports from the Environmental Audit Committee, on which I sit. The EAC, as Members on both sides of the House will know, has produced some highly critical reports, to which reference has often been made this afternoon. Its reports deserve a wider audience. The Committee was one of the key creations on the parliamentary environmental scene that arose from the Labour party's 1997 manifesto, and it has firmly established itself as an authoritative voice on the environment and sustainable development.

My main concern with the nature of the political debate on the environment and sustainable development is that it does not engage the public as widely as it should. We know that politicians of all persuasions are reluctant to go too far down the road of radical change because a swift and debilitating electoral consequence would follow. Sustainable development, if we take it seriously, implies that those living in the most developed countries will have to make some sacrifices. Our pattern of consumption is clearly unsustainable, but it is our solemn duty as politicians—in all parties, I hasten to add—to tell voters at election time that we will make their quality of life better, which is always understood to mean their material quality of life. Our whole economic model is based on the presumption that we must pursue economic growth, and that we must emulate countries such as the United States, which has experienced the longest sustained growth rates in the western world. The fact that the US does that by consuming more resources per capita, at a rate that simply could not be replicated around the globe, is the kind of argument that is compartmentalised in discrete packets of worthy thinking labelled "the environment", "climate change" or whatever, which are not allowed as yet to challenge the assumptions of economic growth.

How do we square the circle? It will be very difficult. The first party that dares seriously to challenge those assumptions will be laughed out of court. Unless a major disaster forces our hand, we will inevitably have to take an incremental approach, which runs the risk of not doing enough fast enough to make much difference. I applaud this Government's early and urgent efforts to get the world to agree on the Kyoto protocol, but it is still not yet in force, and, even when it does come into force, it is such a modest measure that some doubt that it will have the desired impact.

Nations will therefore have to take more unilateral action to get things done, but even that will cause howls of protest from those such as the CBI, which would prefer simply that the climate change levy would go away, because it says that it damages our competitiveness. That is the same argument used by George Bush, who wants a purely voluntary approach to climate change, which I am not sure he really believes exists anyway. He wants to prevent the American economy from suffering. He has already caused enough unemployment; he does not want any more.

Such short-term attitudes will ultimately be self-defeating, as the costs of climate change mount. Those costs will hit us with higher insurance premiums, more flooding in some areas, more drought in others, food and water shortages and high levels of human migration causing civil strife. The Government have made some very useful steps in the right direction: the climate change levy, the renewables obligation, and the Energy Bill, which clearly has set some stiff targets in sourcing energy from renewable sources—10 per cent. in only six years' time and 15 per cent. by 2015. Some people say that we do not have the engineering capacity to meet those targets. I hope that we address that criticism by putting more resources into our energy strategy from Government funds, and that we seriously increase our research and development resource in other areas, apart from wind, which is now a fully fledged technology. How is it that we spend less on R and D in wave and tidal energy or other renewables than we use to prop up British Energy and its outdated nuclear technology?

Most of what the Government have done so far has addressed major players in the environmental field. They have addressed corporations' use of energy, for example, and they have introduced market mechanisms, which take a while to filter through, such as the renewables obligation. What we lack is a way of engaging the public in this debate, such as mechanisms that encourage individuals to make pro-environment choices in their lives. That is the real test, because, unlike businesses, individuals have votes, and if, for example, we told individuals that they could not drive their cars our popularity would evaporate faster than a cloud of carbon dioxide. Nor, as we have seen, can we easily introduce more taxes, since the fuel protests put paid to that. No doubt it is the memory of those events that makes the Government reluctant to tax aviation fuel. What, I wonder, is the Liberal Democrat policy on that? I do not think we have had an answer to that important question.

Norman Baker: I am sure the hon. Gentleman will be given a very full answer by our shadow Chancellor when he winds up, but in the meantime let me repeat what I said to the hon. Member for Sherwood (Paddy Tipping): aviation is currently untaxed, and we need to find ways of dealing with that. The Government have imposed airport passenger duty, which is very low and not terribly focused. There is talk of the Chancellor's doubling it, but I am not sure whether that is the right idea. We would like aviation fuel to be taxed, but we realise that that must happen, if not internationally, at least on a Europe-wide basis, which is not immediately achievable.

The Government's aviation paper mentioned a number of economic instruments, some of which should be investigated carefully. There may, for instance, be a case for taxing aeroplanes—on the assumption that they

[Norman Baker]

are full—because that would give airlines an incentive to fill seats rather than running half-empty flights. There are a number of possibilities—

Mr. Deputy Speaker (Sir Michael Lord): Order. I think the hon. Gentleman has said enough for the time being.

Mr. Challen: I was still waiting for the answer, actually. I was not sure where it was in all that. Perhaps we shall hear it at the end of the debate.

I am happy to say, as I said to the Secretary of State for Transport in the Environmental Audit Committee, that I favour a tax on aviation fuel. The £8 billion or £9 billion that is spent on subsidising the airline industry could be better spent on other things.

I have been talking about the individual. I suppose the individual elector might want to punish me for talking so explicitly about what has been described in a local paper as the right to cheap holidays, but I think there are ways in which we can help that individual elector to contribute to a reduction in environmental damage. In that context, I shall now shamelessly promote a meeting that I am hosting in Room 21 at 6 pm, entitled "The carbon consumer". Positive ideas will be presented, some of which originate from the Tyndall Centre, which has already been mentioned. It is a well-respected organisation that has been considering ways of cutting our carbon emissions.

One suggestion is the introduction of domestic tradeable quotas. I have a lot to learn about the subject, but I understand that they would operate rather as international emissions trading schemes do, while in this case applying domestically to individuals. That idea builds on something mentioned yesterday by the Bishop of Leicester in his maiden speech. He referred to contraction and convergence, first proposed by Aubrey Meyer of the Global Commons Institute. The idea of contraction is to reduce the amount of carbon emissions overall, while convergence is seen as a way of distributing responsibility for the reduction. Those are exciting ideas, and I hope that the Minister will meet me soon to discuss them, as they seem to me to constitute one of the few ways in which individual citizens can become involved in reducing emissions.

At tonight's meeting, I will also promote a scheme called "save as you travel". If it were adopted, people would be given reward cards—a concept that is familiar to the British consumer. They would be rewarded for using public transport more, by means of points, air miles or financial remuneration. The Treasury could support the scheme quite generously if it chose, by taxing aviation fuel.

I want to mention a third proposal that deals with the environment more generally. It is not an original idea, but one that I picked up during a visit to Ontario. There, an environmental bill of rights enables individuals to launch cases or complaints against any Government, corporation or other body, which can then be investigated and pursued vigorously with a remedy possible at the end.

Those are three policies that I think could deal with the problems of which we have heard today. I hope that the Minister will respond positively and seek more information about them, and that we can meet to discuss them.

2.44 pm

Mr. Andrew Stunell (Hazel Grove) (LD): Many Departments have a role to play in the delivery of sustainable development when it comes to energy policy and environmental policy generally. I agree with my hon. Friend the Member for Lewes (Norman Baker). We have a Department for Environment, Food and Rural Affairs, and I know that the Minister wants to give a good account of what it and the Government have done, but I am constantly perplexed at the way in which the Government's responsibilities for delivering sustainability and environmental policy are split between so many different Departments. The Department of Trade and Industry, for instance, is responsible for supervising policy on electricity generation and the generation industry as a whole, while the Minister's Department is responsible for conservation and efficient energy use. The Treasury deals with fiscal regulation and such matters as the climate change levy, and our built environment is regulated largely by legislation from the Office of the Deputy Prime Minister. As the hon. Member for Morley and Rothwell (Mr. Challen) pointed out, a significant proportion of our energy consumption takes place in the transport sector, and is dealt with by the Department for Transport.

As one who does his best to make connections between the various parts of Government policy and to evaluate them—as well as the views of many outside organisations that seek to engage with the whole Kyoto policy process—I feel that that diversity of responsibility, which is a polite way of putting it, often prevents the Government from delivering as effectively as the Minister would no doubt wish. If we are to have a sustainable environment in the future—plenty has been said about the need for that, and what should be done to achieve it—conserving resources and using them efficiently will be just as important as anything we do to generate energy. Conservation and efficiency constitute a more cost-effective way of improving our environment than any substitution of technologies for the generation and use of energy.

I was a member of a deputation attending an environmental conference in Berlin last week to discuss sustainability and the development of policy in both Germany and the United Kingdom. The conference was addressed by Lord Whitty, a member of the Minister's departmental team who, obviously, spoke on behalf of the Government. As ever, he made a well-rounded speech, featuring plenty of explanation of what the Government had done and intended to do. As I listened, I felt rather like repeating a line from a John Cleese sketch—the one in which he goes into the kitchen and says "I think I got away with it that time." The words were fine and the message was good, but the audience was not in a position to apply its critical faculties in order to find out what was actually going on.

A German participant in the conference said later "The difference between your Minister and mine"—the German Energy Minister had also made a speech—"is the difference between a 1 MW and a 12 MW man." Of course, that underlined the fact that our performance falls well short of the words that we use. I hope that the Minister, in responding to the debate, can give some reassurance that the Government are not only talking a good talk but are prepared to walk a good walk.

I cannot sit down without saying something about the small contribution that I am making through my private Member's Bill, the Sustainable and Secure Buildings Bill. I am happy to report that it has support from both sides of the House—from Government Front Benchers, from Conservative Members and from my own party. It tries to focus the attention of the building industry in particular on the fact that how we save energy is as important and cost-effective as how we generate it. Notwithstanding the rows that we have in this House about the applicability of renewable technologies—windmills or waves, for example—compared with nuclear energy, we need to remember that for every £100 that we can invest, we will take a bigger step towards sustainability by investing it in conservation and efficiency than by investing in any of the available generating technologies. My Bill tries to pick up on that point, and to make sure that in future our building stock is more sustainable and efficient.

The hon. Member for Morley and Rothwell said that we cannot make progress without everybody having to pay some of the price. However, if we improve the efficiency of our building stock, we will improve our comfort levels, reduce the number of people who die in the winter because their homes are too cold, reduce the bills that people have to pay and reduce the carbon dioxide emissions that contribute to climate change. I want us to spend more time focusing our political energy on those factors that can produce a win in every dimension: a financial win for the consumer, a health win for our country, and an environmental win in terms of a reduction in greenhouse gases. I thoroughly agreed with 99 per cent. of what the hon. Gentleman said, but his point about progress constituted 0.5 per cent. of what I did not agree with.

The other 0.5 per cent. of what I did not agree with was the hon. Gentleman's proposal—assuming that I understood it properly—that we award public transport points, so that people receive a reward for travelling by bus. That is fine, but giving a reward of air miles would somewhat undermine his initial point.

Mr. Challen: The point is that, as has been argued, putting a tax on aviation fuel would tax working-class and poorer people out of air travel. They are the people who use public transport, so if they were rewarded in the way that I am suggesting, we could balance the risk that such people would be taxed out of the air.

Mr. Stunell: I thank the hon. Gentleman for that explanation, which puts the idea into a somewhat different context. Perhaps we could debate on a separate occasion how we might run such a card; however, we are some way from that at the moment. I certainly agree that we need to do all that we can to make people aware of the benefits to them of a healthy public transport system that they actually use. Practically everybody says that they are in favour of a better public transport system—on the basis that others will use it, so that they themselves can drive their cars more rapidly. Some significant work needs to be done to change that situation, and if the hon. Gentleman's proposed card will achieve something, I am certainly prepared to consider it.

We need a broad consensus in this House on what needs to be done in terms of the environment and sustainability. The proposal of my hon. Friend the Member for Lewes that there be an annual report, and all that is implied in bringing to the House the key strands of Government policy, are very important. We need a broad consensus because we have to keep going with this project, and not just for one or two Parliaments. For the next eight, nine or 10 Parliaments, and certainly for the next 50 years, this issue will be of fundamental importance. We need that consensus so that we can move matters forward, so that those outside this place can believe with some confidence that they are backing the horse that will come first in the race, and in particular so that we can achieve real results.

If we decide to go for a long-term strategy—the Government have indeed set targets for where they want to be in 2050—the important thing is to ensure that the steps taken between now and 2050 are each of a size that enables them to be taken at the time, but which continue progressively year after year, so that we can reach our goal. For example, we need only a 1 per cent. increase in our renewable generating capacity each year to achieve 50 per cent. by 2050. Admittedly, it will take us another 40-odd years to get there, but that is the time scale and progress that we need to think about.

With that in mind, I want to give credit to the Government for the recent extension of the renewables obligation, beyond 10 per cent. for 2010, to 15 per cent. for 2015. I thoroughly approve of that decision, but I do hope that they will quickly recognise that further progressive increases are needed, because that is the way to lay the foundations of certainty for investment.

Norman Baker: Is my hon. Friend aware that in the 1980s the then Department of Energy predicted that it would be possible to obtain 40 per cent. of our energy from renewable sources by 2020? Back then, development of renewables was very limited, and such matters were the responsibility of the Atomic Energy Authority, which was not necessarily very keen on developing renewables.

Mr. Stunell: I certainly agree with my hon. Friend's underlying point, which is that we have missed several boats over the years. However, we are where we are. We are standing on the quayside, and another boat is available. When we get on it, we must make it go as fast as we can, but the main thing is to ensure that we are on it. It is important to set course in the right direction, and to proceed with all due speed.

I hope that, in responding to the debate, the Minister will pick up on the urgent need to ensure that all Government Departments are focused on this problem and are working together. I hope, too, that he will focus

[Mr. Stunell]

on the need to achieve a broad consensus throughout the House on the need for the environment and sustainability to be at the heart of policy making. I hope that there can be broad, non-partisan, all-party encouragement to the Minister—and to subsequent Ministers—to make progress in future.

2.58 pm

Paddy Tipping (Sherwood) (Lab): I am very pleased to follow the hon. Member for Hazel Grove (Mr. Stunell), particularly given that I am a sponsor of his private Member's Bill. It must make sense to have buildings that are more sustainable and efficient, and which will last us in the long term. I want to reinforce his argument—the hon. Member for Lewes (Norman Baker) made the same point in opening the debate—that the more we can do to achieve a shared long-term strategy, the better it will be for us all.

I am pleased to be involved in what has been a balanced debate, although it has perhaps been out of synchronisation in certain ways. The discussion has concentrated on problems. It is easy to recognise problems, but it is sometimes hard to develop solutions. The reality is that the more we concentrate on solutions instead of problems, the better off we will be in the long term.

The tenor of the debate has been such that we have tended not to recognise the Government's achievements, but to look instead at some of the failures. It is always easy to look at failures, but there have been achievements. The temptation with achievements is simply to pocket them and move on.

Let me remind the House of one or two of the Government's achievements. We are committed to building 60 per cent. of all new housing on brownfield rather than greenfield sites—something for which we all campaigned. When the Government came into office, they stopped the privatisation and progressive sell-off of woodland across the country. We have taken steps to create two new national parks—the South Downs and the New Forest national parks. Significantly, after years of decline, the number of wild birds is at last beginning to increase again. It is important to me that, after 100 years of campaigning by MPs across the country, we will have legislation in force later this year enshrining the right to roam on wild, open spaces. I believe that those are all significant gains, which should not be denied.

I want to deal with one or two problems and try to move us towards partial solutions. The hon. Member for Meriden (Mrs. Spelman) and the hon. Members for Lewes and for Hazel Grove all touched on energy policy. Let us recognise that it is almost the anniversary of the White Paper. I support its aspirations and believe that it is right to move towards a lower carbon economy, but I have anxieties about whether the targets correctly set out in the White Paper will be met. It has already been mentioned that, at the current 3 per cent. figure, we have a long way to go before reaching the 10 per cent. target by 2010, particularly when we have acknowledged that most of the 3 per cent. is traditional hydro energy and that the current rate of acceleration towards renewables is pretty slow.

We should also recognise, as stated in the White Paper, that wind power is the best method of getting us from 3 per cent. to 10 per cent. and then up to 20 per cent. The language of the White Paper is interesting: it is an aspiration that some people might say is impossible to achieve, but we should strive towards that wind power goal.

I believe that there are some problems with on-land wind power. The Minister will remind me that two-thirds of planning applications for new wind farms are either withdrawn or rejected. The great hope—my hon. Friend the Minister for Energy, E-Commerce and Postal Services has campaigned hard for it—is to secure offshore fields. Some important points need to be made about that. Wind power will, by definition, be peripheral and there is a sense in which we need to rewire Britain. We are moving from an energy policy that was dependent on coal and steel to one in which power generation will be more embedded. In those circumstances, that rewiring of Britain will have costs, as will the renewables obligation.

I am anxious about the lack of recognition in the White Paper that energy will cost us more in the future than at present. For the past decade, we have seen low energy prices in relative terms. The White Paper speculates that those prices will, over the next few years, rise by 5 to 15 per cent. I think that it will rise even more and I am very concerned that the social, political and economic consequences have not yet been properly thought through. If energy prices are going to rise more dramatically than predicted in the White Paper, we must reflect carefully on the consequences, particularly for the more disadvantaged members of the community.

I accept the point of the hon. Member for Hazel Grove that we should pursue energy conservation more vigorously. I must confess that, although I am interested in energy policy, I do not understand the whole range of energy conservation measures that are available. I believe that the time has come for us to examine them and review them radically. We need to increase funding, but it is important that we measure outputs and deliver resources to new energy efficiency and conservation programmes according to the amount of carbon that could be saved.

We have acknowledged in the debate that, although carbon emissions are falling, it has been mainly on the back of the coal industry. I believe that the Government are relatively weak on having a coherent policy towards the transport sector. There are few remedies around to tackle the problem. We have an example of congestion charging in London, but it could be the case that, in the short term, the only show in town is to move towards biofuels, by which I mean biodiesel and bioethanol. I am concerned that, although the present duty rates set by the Treasury have been reduced by 20p, that will not be sufficient to encourage the UK biofuel industry.

I believe that biofuels can help us to deliver two policy objectives: to reduce the amount of emissions; and to provide a real lever to help British farmers to bring new investment, and new and different ways of working, into the British rural economy. I am truly concerned about the current Treasury approach of generally accepting in the pre-Budget report that biofuels have a place in our energy policy, because there is a danger of sucking in biofuels from abroad, particularly from Brazil, and failing to encourage our own biofuel industry. I hope that the Minister will pass on my pre-Budget representations to his colleagues in the Treasury. It is

important for the Department for Environment, Food and Rural Affairs to talk across Government. My main pre-Budget representation is the need for us to be adventurous and imaginative about how we approach biofuels policy.

I am not convinced that a further cut in duty rates is necessarily the right way forward. British Sugar, for example, wants to use its factories to create bioethanol. One means of help could be through capital allowances. Another way of helping the whole industry would be to consider having a biofuels escalator. That would allow us to build on the EU biofuel regulations—stipulating 2 per cent. by 2005, though I worry whether we can achieve that—and set ourselves a longer-term goal. By regulation we could encourage an increasing biofuels mix—starting at 1 per cent. and perhaps increasing to 10 per cent. over a 10-year period. That would provide British producers and British farmers with the opportunity to put down roots and develop their business rather than sucking in from abroad. As I said, that is a real danger because biofuels are taking off not only in Europe, but across the world. We need the opportunity to develop our own industry.

Norman Baker: I agree with the hon. Gentleman that the Treasury could provide some long-term stability so that people had some knowledge of how matters would stand in five or 10 years' time. One current problem is the uncertainty about whether the Treasury is going to chop and change its view on what is desirable.

Paddy Tipping: That is exactly the point. We need to set long-term goals with appropriate fiscal mechanisms so that producers can operate in a market that they understand.

The energy White Paper will have consequences for carbon emissions, as will biofuels. I accept that global warming is taking place, although one can argue about its scale. I want DEFRA to work across Government, and internationally, to compile a report on the consequences of global warming for people in the UK. It is clear that summers here will be drier and winters wetter, and that there will be real consequences for sewers. Storm sewers will overflow as a result of flash floods, and real damage will be caused.

This debate is about the state of the environment. This morning, I was talking to the Minister about private sewers. Most hon. Members will be aware of that issue as a result of their constituency work. We are making important progress, but we must keep one foot on the pedal. I look forward to the Government announcing the future direction of policy in the spring. We should look at how private sewers could be adopted, and at how to fund the work that needs to be done on them.

We also need to look at water. It is a scarce resource, and global warming will cause problems with its provision. I hope that the Government will consider that problem, and devote to it part of a larger report on the consequences of global warming. Flooding is a big issue, and we need to have a discussion about managed coastal retreat.

Important though these issues are, they must not be taken in isolation. If we can deal with issues of the countryside and landscape in a more careful and thoughtful way, we may be able to find some solutions.

The Government have achieved an enormous success with the mid-term review of the common agricultural policy. Only 12 months ago, people said in this Chamber that it would never happen, but the biggest change ever in the CAP has been secured. We should not throw that achievement away lightly.

Shortly, the Government will announce how subsidy support to farmers will be paid in 2005. I hope that we will break with the past on that, in the same way that we have changed the CAP. I know that the Minister and his colleagues will listen to claims for historical payments, but I hope that they will recognise that a hybrid approach based on area payments will have better consequences for the environment. There may be difficulties in terms of management, but I advise my hon. Friend the Minister, firmly, that we should not throw away the gains that CAP reform offers.

The reform of the CAP would allow us, in the longer term, to pay landowners to let their land be flooded. Lots of other possibilities would open up as well, especially when it comes to protecting the environment. Diffuse pollution is a real problem. Farmers will not want me to me say so, but the farming communities are the biggest polluters at present. We must link CAP reform—which deals with how farmers are paid—with how we inspect and regulate the farm sector. It might be possible to adopt a single, whole-farm approach, and in that way bring about changes in behaviour.

In my speech, I have considered various problems and suggested partial solutions. As other hon. Members have noted, to achieve big gains in the environment we must work from the local level to the national level, and from there to the international level. We must recognise that the changes will not happen overnight: these are long-term issues, requiring policies that are sustainable in their own right. As far as possible, policies need the all-party support that will mean that they can be delivered, not in one Parliament but over several decades. As many speakers noted, it will become increasingly vital to take seriously environmental concerns—such as enhancing the environment and improving the landscape—and make them the cornerstone of Government policy in the future.

3.16 pm

Mr. John Randall (Uxbridge) (Con): In my capacity as an Opposition Whip, I confess that I was slightly disappointed with the Liberal Democrat motion for this debate, as I could find nothing in it to disagree with.

The hon. Member for Lewes (Norman Baker) made a thoughtful introduction. Not long ago, the Minister was present for a very interesting debate in Westminster Hall on climate change. I shall not recycle the speech that I made then, even though the same people tend to take part in these discussions and there is a great temptation to use renewable sources of information.

There is a danger that some hon. Members will be seen to be banging on about this subject continuously, but it is so important that there is sometimes no other way to deal with it. My own interest is biodiversity. Many people wonder whether that is really so important, given all the other things that are going on, but I advise them to think of the miner's canary: if animal species are—almost literally—dropping off their perches, should we not worry about what might happen to us?

[Mr. John Randall]

There has been an interesting discussion about forests this afternoon. I spent most of my life before I entered the House selling furniture, so I am acutely aware of timber, and of the great joy that wood products give many people. However, I also know how difficult it is for our manufacturers to find timber that comes from sustainable sources. Nearly all British manufacturers want that, but my experience was that they did not always get it, despite the assurances that they were given. The suspicion was that some of the money put aside for replanting in fact ended up in a Swiss bank account.

As many hon. Members know, I have a special interest in the marine environment. I urge the Government again to see what can be done about implementing legislation that will give the marine environment real protection. I have gone through the agonies and ecstasies that a private Member's Bill involves. In my case, the ecstasy came first: the agony followed when my Bill foundered on the rocks of the House of Lords. I am aware of how complicated marine environment legislation is. The marine environment is not like the land and the legal competences seem extremely complex; we do not have the same protection for something that is just as valuable as the terrestrial environment. I hope that the Government, my party and the Liberal Democrats will work together to try to implement such protection—I know that the Minister takes a keen interest in the matter. It is not always easy to raise a priority with a Government who have many other priorities in mind—although I may not agree with many of their priorities and certainly not with the way they carry them out—but environmental matters are important.

I have a particular interest in genetically modified crops. During my first year as a Member, the hon. Members for Lewes and for Nottingham, South (Alan Simpson) and I took the Government to court over genetically modified seeds. I was a bit concerned that I might have to foot the bill. The action was about the process and the Government acknowledged that they might have cut a corner, so things were put right.

The results of the Government's farm-scale evaluations of three genetically modified, herbicide-tolerant crops—spring oilseed rape, beet and maize—were published in January. Each crop had been genetically modified to allow it to withstand a particular broad-spectrum herbicide. The trials examined the effect of growing GM varieties of those crops on the abundance and diversity of wildlife, and compared those effects with what happened in conventionally grown fields of the same crop types. The results for the beet and spring oilseed rape showed significant environmental harm and I believe, with many others, that the Government should thus rule out growing them commercially.

The maize results were better for many types of wildlife than those for conventional maize; there were more weeds and weed seeds in and around the crops and more insects at certain times of the year. However, those results cannot be attributed directly to the way in which the maize was genetically modified; rather, they were a consequence of crop management, as the broad-spectrum herbicide applied to the GM maize was less effective in reducing weeds than the herbicide regime used on conventional maize.

In many of the conventional trials, the herbicide used was atrazine—a chemical that has recently been banned in the European Union, owing to its damaging environmental profile. Given those uncertainties, I hope that the Minister will agree that it would be premature to approve commercial growing of GM maize before the Government have tested the crop's performance by comparison with conventional maize that has not been treated with atrazine. The need for caution is paramount, because the public have not yet been persuaded. If GM technology is to be used, it is vital that the public are behind it, and we are a long way from that.

We have already heard about aviation, and tomorrow there will be a debate in Westminster Hall on the aviation White Paper during which I hope to catch the eye of the Chair, but I want to touch briefly on the subject. Those of us who live near Heathrow already know about air pollution and the effects of aviation on our environment. There is a dichotomy, however, because aviation is part of our local economy. Many Members have alluded to similar problems. We can all talk about what we want to happen, but we do not want it to impinge on our own lives.

The hon. Member for Morley and Rothwell (Mr. Challen) said that he might get into trouble for talking about the possibility of charging higher air fares. My constituency may be a bit more marginal than his, but as I have already said in this place, we have to accept that cheap air travel is not a human right. We might want it, but not at the cost of our environment. I was interested to hear his idea for a travel card; I appreciate the point that he was making.

There are ongoing problems at Heathrow and we need to discuss them. Most of our discussions have been with the Department for Transport, but DEFRA has an important role, too, as it will—I hope—monitor the results of air pollution around Heathrow. If the levels cannot be reduced, the third runway will not go ahead. I am not sure what existing data we can use for comparison to determine whether pollution is going down, nor am I sure how independent the results will be.

I regret to tell the House that as I get older not only do I get grumpier, but also more cynical; I may be unwise to go down this path, but sometimes I think that results are determined by the requirements of certain Departments rather than by the facts—one can get what one wants if one asks the right questions.

I have every sympathy for DEFRA and for some of its excellent personnel because they face problems of interdepartmental conflict. During the course of my private Member's Bill, soundings were taken by various Departments—for example, the Department of Trade and Industry and the Treasury, which of course always rears its head. I understand that, but we must take serious note of the fact that the environment is not a luxury; we must take it very seriously.

My hon. Friend the Member for Meriden (Mrs. Spelman) wisely pointed out the danger that care and concern for the environment can be seen as "middle England"—although perhaps that reflects her constituency, as it is in the middle of England. Many people think that they have greater concerns in their

everyday life than worrying about which products to use and whether they are environmentally friendly and so forth. If that is true in this country, we can understand why certain other countries, with incredible problems, feel that environmental concerns are not for them. However, we cannot take such things lightly.

Mr. Peter Ainsworth (East Surrey) (Con): My hon. Friend always speaks well on these subjects. Does he agree that part of the problem that has dogged environmental policy for generations is that the Treasury seems to think that the environment is part of the economy, whereas of course the reverse is true?

Mr. Randall: My hon. Friend puts the point admirably, as befits his position as Chairman of the Select Committee on Environmental Audit. I congratulate him and the other members of the Committee on doing such an excellent job.

I have lived in Uxbridge all my life—I still regard it as Middlesex. I can still walk out of my house and go bird-watching, but I have noticed, despite the comments of the hon. Member for Sherwood (Paddy Tipping), that the number of species is declining. It may be part of the grumpy old man syndrome, but the environment around me is changing, and not for the better. My constituents, my family and I feel the effects of environmental pollution on our health every day. We should not take that lightly.

We all experience contradictions in our lives. Before I became a Member of this place and could speak on these matters, I used to walk to work, but now I travel to work by public transport and, yes, I drive here on many occasions because the public transport system is so bad. However, I shall try to make an effort, because of what I want for my children.

The environment is a wide subject—it can cover everything from litter to climate change, as has been pointed out. We must take it seriously and I hope that the debate has awakened some people's thoughts on the subject.

3.30 pm

Dr. Vincent Cable (Twickenham) (LD): It is clear from the contributions that have been made that this subject does not arouse enormous ideological division and passion, and there has been an extraordinary degree of consensus. My hon. Friend the Member for Lewes (Norman Baker) was generous in his introduction and acknowledged the many things that the Government are doing with which we agree. The hon. Member for Meriden (Mrs. Spelman), the Conservative spokesman, used language such as "common cause" and "credit where it is due", and any doubts that she might have had that she was speaking off message were assuaged by the contribution from the Conservative Whips Office. The Minister reciprocated by acknowledging Government failings in areas such as waste management in an open-minded spirit. In a particularly thoughtful contribution, the hon. Member for Sherwood (Paddy Tipping) discussed the need for a balanced approach.

People on the free market, libertarian right would regard the debate as wet and woolly, and people at the deep green end of the argument would regard all of us as hopeless consumerists, but none the less there is a fair degree of agreement on the way we should head. However, this is not an Adjournment debate; it is an Opposition day debate, and perhaps I can focus on some of the areas of criticism.

My criticisms are not of strategy, objectives or philosophy; they are criticisms of effectiveness. I shall quote the previous Minister for the Environment, the right hon. Member for Oldham, West and Royton (Mr. Meacher), who spoke openly about his position not with the freedom of the Back Benches, but shortly before he resigned from the Government. He said that he felt like a lone voice in the wilderness and that the Government had failed to grasp the magnitude of the environmental challenge. His point was that there was a lack of leadership on environmental issues. When we discuss that lack of leadership, we are talking about the top of the Government.

A few weeks ago, there was a revealing exchange in the Liaison Committee where the Prime Minister was being particularly articulate and effective. However, his exchange with the hon. Member for East Surrey (Mr. Ainsworth) contained a weak passage about what is being done at No. 10 Downing street about environmental strategy. He was asked, "Are you taking an active role?" He replied, "Yes, in two ways. First of all in the discussions that we have had about so-called liveability at local level, and then most particularly in relation to issues to do with sustainable development at an international level like Kyoto." On the first part of the reply, perhaps I am not fully in the loop on environmental jargon these days. Can the Minister explain what the Prime Minister means when he discusses his role in relation to "liveability at a local level"? What does that mean and what is No. 10 Downing street doing?

The other issue is more substantial. Labour Members were correct to say that the Government have adopted ambitious targets in relation to Kyoto. We have accepted a commitment to a big reduction, and although it is not quite as big as that accepted by countries such as Germany, we have accepted it and a positive lead is being taken.

I confess to not having been a great fan of many things that Baroness Thatcher did, but in the late 1980s I worked on one of the first big intergovernmental reports on climate change, which was submitted to the Commonwealth Prime Ministers in 1989 when concern first surfaced about sea level rises. The report was pitched at Mrs. Thatcher—as she then was—in particular. Although she may have had a blind spot over many other issues such as renewable energy and recycling, she was at least aware of the importance of global environmental problems. She took a leadership role on issues such as the Montreal protocol and even persuaded Ronald Reagan, whose environmentalism was best captured in his campaigning slogan about trees being the world's biggest source of pollution, to sign up to it.

That is in marked contrast to the current Prime Minister, who has staked much of his reputation on his close relationship with the President of the United States. Despite the advocacy and speeches in Congress, however, he has been totally unable to make any serious inroads into US policy on Kyoto.

Mr. Peter Ainsworth: I am flattered that the hon. Gentleman should refer to my brief exchange with the

[Mr. Peter Ainsworth]

Prime Minister. When I asked that question, it occurred to me that it was the only moment in the lengthy exchange between the Prime Minister and the Liaison Committee where his eyes went blank and his body language went pear-shaped. The hon. Gentleman is on to the right issue.

Dr. Cable: That is first-hand evidence to support my suggestion.

One very important Department, the Treasury, provides leadership and interest in environmental policy, and I am speaking in this debate because I shadow the Treasury. A lot of thought is going on, and the pre-Budget report contains 20 densely argued pages on the matter, and last year there were 100 pages. Many relevant tax instruments and economic instruments are going through the system such as the climate change levy, taxation on landfill and aggregates and the measures on biofuels, which we have discussed today. Innovation is taking place in those areas and, as a broad development in principle, I favour the introduction of economic instruments into environmental policies, which is positive from many different points of view. The introduction of economic instruments sends clear market signals to producers and consumers, it reconciles the environment and the market economy and it encourages the quantification of the economic costs of environmental damage.

My hon. Friend the Member for Lewes has recently tabled a series of parliamentary questions to which he has received helpful answers from Ministers. The answers suggest that in major areas such as road congestion and nuclear liabilities the aggregate economic cost of current policy is some £65 billion a year, and that is a superficial measure. My hon. Friend's questions help us in another way because they quantify the costs of regulation, which is desirable in itself. The regulation of the environment is, as with other matters, not desirable in itself, and there are often considerable costs associated with it.

David Taylor: Is the hon. Gentleman aware that under the removal of hazardous substances regulations, lead must be removed by July 2006, but there has been relatively little negotiation and discussion with the electronics industry, which is a major lead user in, for example, solder? Although the Government have a good environmental track record, they should take on board at a much earlier stage the concerns that industries put to them—the aggregate industry and the restriction of hazardous substances directive are two examples of that.

Dr. Cable: That is absolutely true. One of the advantages of economic instruments is that they enforce discipline in thinking about the problems and costs of regulation. Before I entered this House, I worked in the energy industry and saw at first hand the billions of pounds that often had to be spent across Europe in order to comply with requirements that had minimal environmental benefit. One of the advantages of using economic instruments is that they address that problem.

Having said flattering things about the Treasury and its approach, there is the major criticism about the basic lack of coherence at the heart of its actions. I make that point as the Opposition spokesman, but the all-party Environmental Audit Committee—I think that this occurred before the hon. Member for East Surrey became its Chairman—produced a critique of the Treasury paper "Tax and the environment: using economic instruments", which is worth quoting. It said:

> "This document, for all its elegance as an economic and policy development treatise, certainly does not amount to an environmental tax and fiscal strategy. It is unclear to us in what way either the review or this document will help the Treasury develop its approach and implement its strategic objective of shifting the burden of tax from goods to bads."

There are some specific areas in which that lack of coherence is all too apparent. I shall give several examples that came up in the debate.

The first example is climate change. It has been pointed out already that this country will pioneer a traded permits system, which is positive and I welcome it. However, it will be difficult, because there is no liquid market in permits at present. It will also be difficult to trade across national frontiers, and the scheme will not cover most small and medium-sized businesses. The major instrument at present is taxation, and the Government had the option of introducing a sensible, across-the-board system of carbon taxation that would tax carbon according to its role as a natural raw material. The carbon tax system could have been applied upstream on primary fuels, with minimal administrative costs, and would have spread throughout the economy. The Government did not take that route because they wanted to exempt households and the transport sector. As a consequence, the climate change levy fell almost exclusively on manufacturing industry, at a time when it was already suffering from all the problems of an over-valued exchange rate. The Government then exempted much of the most energy-intensive manufacturing and replaced taxation with voluntary negotiated agreements. That produced a system that is horrendously complicated. Even the most committed environmentalists in the green movement now want that system to be phased out and replaced by a proper system of carbon taxation. That is a good example of adopting the right principle—using a market instrument—but introducing a tax system that was over-complicated, discriminatory and ineffective.

A second example was mentioned by several hon. Members, including the hon. Member for North-West Leicestershire (David Taylor), and that is the imbalance between the taxation of motorists and of aviation. At the moment, motorists face extremely high rates of taxation—in theory for good environmental reasons, but in practice driven largely by revenue considerations. The Government manage demand for road use through queueing and congestion. That is in marked contrast to their approach to aviation, which is lightly taxed and enjoys a permissive approach to airport expansion, as the hon. Member for Uxbridge (Mr. Randall)—a fellow Heathrow neighbour—reminded us.

That problem can be dealt with in several ways. The hon. Member for Morley and Rothwell (Mr. Challen) advocated the introduction of aviation fuel taxation, and I support that in principle, although it would be difficult in practice because of treaty obligations. There are other ways to deal with the problem at national level. We have a system of regulation of airports—the so-

called single till system—which means that we have ludicrously low landing charges. We have a system of allocating permits for landing, in which they are handed out free of charge on what is called the grandfathering principle. There is no reflection of the scarcity or congestion involved. Both of those systems could be reformed at a national level if we were more aware of the environmental costs.

The Chancellor has introduced some aircraft taxation—the passenger fuel duty—but it is only obliquely related to environmental costs, because it relates to the number of passengers, not the number of flights. Again, the broad principle of using economic instruments is understood and accepted by the Government, but it is applied incoherently.

The third example is in energy policy. Other hon. Members mentioned broad agreement with many aspects of the Government's energy policy. When I was my party's spokesman on the Department of Trade and Industry, I spoke on several occasions about the energy White Paper and I broadly agree with the Government's approach. Many of us would sign up to the renewable energy obligation and the commitment to carbon reduction, but the incoherence arises—as my hon. Friend the Member for Hazel Grove (Mr. Stunell) specifically highlighted—between the role of the DTI in energy production and the role of DEFRA in energy conservation. One of the issues that the Minister must explain is why his Department has been so weak in its dealings with the rest of Government on the key issue of the Warm Front programme. That is a small area of Government expenditure, but it is important, because it is one of the ways in which the Government can influence energy conservation and simultaneously address issues of fuel poverty—at relatively low cost. The cut of a third in the Warm Front programme sent a powerful signal that the Government were either uninterested in energy conservation or that DEFRA did not have the clout to deliver it.

The last example that I want to give is another issue that I dealt with extensively as the shadow DTI spokesman: the Government's approach to car recycling, where we have a European obligation. Again, the broad policy is right and I do not think that any of us have any problems with that. However, it seems that the Government were effectively nobbled by the motor car industry.

The Government were told that they could not introduce, as they should have done, a sensible environmental tax on the sale of the first car, but that the levy to pay for recycling had to be borne by the last owner. As we know, the last owner is generally at the bottom end of the income scale. Estimates of the recycling cost vary from £40 to £100, so there is a strong incentive for people simply to dump their vehicles, and the evidence that that is happening is already emerging. The total number of abandoned cars was, I think, 295,000 in 2001–02. It rose by 27 per cent. last year. The figure is growing rapidly.

My hon. Friend the Member for Lewes was unduly flattering when he said that the disposal cost was £40 million; it is probably 10 times that magnitude, for the simple reason that many vehicles are torched and then the fire brigade and the police have to be involved, at a cost of several thousand pounds per vehicle. There are enormous associated costs, and the problem has been aggravated by bad policy produced by tension between different Government Departments and the wrong side winning the argument.

There is a lack of coherence. Where we ultimately come together—and the intervention about the relationship between the environment and the economy was helpful—is in accepting that there is a very sensible principle underlying policy: the whole idea of sustainable development. I worked with Mrs. Brundtland when the original report on sustainable development went to the United Nations Secretary-General and so brought the idea into common use. There was then—and I think it has been accepted since—a powerful insight that, contrary to what many environmentalists had been claiming, there is no fundamental conflict between economic progress and the environment. Indeed, economic progress is vital to remove poverty, which in itself is the major source of environmental pollution. I think that we can all sign up to that.

For that concept to become really embedded in government, it must be taken seriously and given priority. Our main criticism of the Government is that although the words are right, the actions are often ineffective.

3.47 pm

Mr. Morley: With the leave of the House, I should like to respond to the debate.

Some very interesting contributions have been made—by the hon. Members for Lewes (Norman Baker), for Meriden (Mrs. Spelman), for Hazel Grove (Mr. Stunell), for Uxbridge (Mr. Randall) and for Twickenham (Dr. Cable); and by my hon. Friends the Members for Morley and Rothwell (Mr. Challen) and for Sherwood (Paddy Tipping).

I can agree with much that was said, but some of the comments, especially those of the hon. Member for Meriden, were a little ungenerous about the role that DEFRA has established and is establishing, bearing in mind the fact that it was formed in 2001 and has come a long way since. The progress that we have made must be recognised.

In 1997, the waste recycling rate was 7 per cent. We are confident that we shall hit our target of 17 per cent. in 2003–04, and we are on target for 25 per cent. in 2005–06. It is a very challenging target, but we are moving forward. In 1997, the percentage of energy from renewables was 0.7 per cent. We are aiming for 10 per cent. and are extending the target to 15 per cent. This is considerable progress.

The hon. Member for Lewes quoted Jonathan Porritt. Jonathan Porritt's role in government is to be outspoken; he is there to push us on, and he is very good at it. However, he said of the 2002 Budget that it brought about a series of positive sustainability measures. They include such matters as excluding combined heat and power from the climate change levy, and abolishing stamp duty on the most deprived neighbourhoods. We are dealing with an issue of environmental quality of life. That is what my right hon. Friend the Prime Minister was talking about when he mentioned liveability. It is a very important issue, and I shall return to it. There was also a commitment to look at other matters, such as road wear charges based on distances covered by lorries.

[Mr. Morley]

A number of hon. Members mentioned airport expansion and other aspects of aviation. The hon. Member for Meriden said that she had had a meeting at Stansted. On that basis, I take it that she does not support the proposal for another runway at Stansted.

Mrs. Spelman: I should make it perfectly clear that, as an environment spokesman, I was not performing the role of transport spokesman; I was specifically talking about the lack of an environmental impact assessment at any airport in the context of the very prescriptive proposals in the White Paper.

Mr. Morley: That is very helpful—we understand that the Conservatives are in favour of a second runway at Stansted—but what the hon. Lady says about environmental assessment is not correct. Let us be absolutely clear that detailed environmental assessments must be conducted as part of the evaluation of extra runways. The third runway at Heathrow cannot go ahead until the airport reduces NOx levels, which will, of course, take a great deal of time and investment.

David Taylor: Does the Minister agree that environmental impact assessments must consider not just extra or longer runways, but significant expansion in use, such as that at East Midlands airport, where stringent noise controls are what the Secretary of State for Transport referred to and what are desperately needed?

Mr. Morley: That is absolutely right. My hon. Friend makes the point very well that all those issues will be examined, and I fully agree that they need to be examined.

The hon. Member for Meriden mentioned pioneering good environmental practice. I believe that the Government have pioneered good environmental practice, especially in carbon trading—the UK is the only country in Europe to introduce its own scheme—and in the other work that we have done. I gently remind her that we inherited a number of directives that had never been fully implemented—for example, the bathing water directive, the nitrates directive and the freshwater fish directive. Indeed, some parts of the waste directive were overdue. Those issues have had to be addressed, and we are applying the various environmental directives properly and effectively, as they should be.

My hon. Friend the Member for Morley and Rothwell rightly referred to consumption and production. Again, the Government have produced a strategy on consumption and production—another pioneering approach that is important for sustainability. He talked about the need to change attitudes towards the approach to sustainability at every level. He is right about that. He also talked about carbon management and renewable energy sources. I am aware of his interest in those issues, and he has some very interesting ideas. I assure him that his views are always welcome, and my door is open to him if he wants to come and talk about them.

The hon. Member for Hazel Grove talked about structures. Indeed, there is always an argument about the structures of government, but I served in the Ministry of Agriculture Fisheries and Food before it became DEFRA and I have seen the structures change for the better. People in government can always argue about where Departments should go, but the problem is that every issue cannot be dealt with in one Department. Of course people can say that it is good to put planning with the environment or to put transport with the environment—that is all very true—but a balance must be struck about what is effective and what works.

I believe that the DEFRA structure is very effective. I remind the hon. Member for Meriden that DEFRA brought in Lord Haskins to look at how our agencies work. He concluded not that DEFRA was in any way ineffective but that there should be a clearer split between policy and delivery, as well as more devolution to the regions in relation to delivery, and we do not disagree. Indeed, we will respond to his recommendations in due course.

Mr. Stunell: I appreciate the line of argument that the Minister is developing, but will he say something about improving co-operation between Departments so that they deliver a coherent objective in the way that he describes?

Mr. Morley: Absolutely. I mentioned in my opening remarks the joint approach taken by Departments and co-operation across Government structures, such as the green Ministers structure—the ENV committee—but the fact is that there is common working in areas of common interest. That has been established; it is being developed, and it is becoming more effective all the time. DEFRA is establishing itself as an effective Department, both nationally and internationally. There is a lot of interest in DEFRA internationally. A lot of people come to see its structures and how it works. There is a lot of experience in DEFRA—able civil servants, able officials and excellent scientists. People have been attracted to work for DEFRA and have joined in recent years because of the new structures, and we should be proud of the expertise in the Department.

My hon. Friend the Member for Sherwood was right to talk about the need to address the whole issue of renewables—not only wind, but other important renewables. He mentioned biofuels, in which I know he has an interest. Biofuel production in this country has had an enormous boost under the policies that have been put in place. The last figures that I saw showed that some 2 million litres of biodiesel are produced a week, which is not only due to the 20p reduction in duty, but because it can be grown on set-aside land, which attracts specific subsidies. There is a whole package of measures to encourage the production of biofuels. He was also right to say that there is potential for a range of non-food industrial crops in addition to biofuels. The Government are providing a great deal of support for the research and development of crops such as hemp for clothing and vehicle parts, and bio-oils. There is a great deal of potential for non-food crops, so we are giving that the attention that it deserves.

My hon. Friend the Member for Sherwood mentioned water. I know that he has a particular interest in sewers, which we talked about during our useful meeting earlier today. There is no doubt that water will be a major political issue not only in this country, but internationally. Although our country has always been

considered to be not exactly short of water, water resource management will become more pressing and something that we cannot take for granted. We must recognise that the changes in our weather patterns, with milder and wetter winters and hotter and drier summers, will have a range of implications. Water resource management at every level—drinking water management, and flood and coastal management—will be important.

Norman Baker: Is the Minister worried that the Deputy Prime Minister is concentrating housing development in the south-east, which is where water resources are under the most stress?

Mr. Morley: That gives us an example of the integration about which hon. Members talk. Water management and supply is one of the strategies for housing development in the south-east. I assure the hon. Gentleman that there will be no development unless the water supply is secure because that must feature in planning from its initial stages. We are actually going further than that. I mentioned new developments in which one has the opportunity to build in sustainability at the beginning. We are setting a target for new houses in the Thames gateway to reduce water use by 30 per cent., which can be achieved through modest investment in water-saving devices. In fact, we can go further with technology depending on what people are prepared to pay.

The hon. Member for Uxbridge, who has a long-standing interest in the environment and biodiversity, especially, made several important and sensible points. I agree that sometimes, especially on the international stage, people talk about the environment and biodiversity as two separate issues. That is a mistake, because biodiversity is certainly an environmental indicator. Where there is strong and healthy biodiversity, there is a strong and healthy environment—the two go hand in glove. He will be aware that the Government use several important biodiversity indicators as part of our strategy to measure sustainability and quality of life.

The hon. Member for Twickenham mentioned leadership. We have put in place a range of measures on liveability. We are addressing fly-tipping, urban life and the quality of life. Our tough targets on climate change are important and require political leadership from the very top. Otherwise, we would not be able to set targets. That emphasises the Prime Minister's commitment to measures such as the landfill escalator, climate change levy and aggregate levy. The hon. Gentleman rightly mentioned the financial instruments from the Treasury, which come from the top in terms of the lead given by the Prime Minister, Chancellor of the Exchequer and Cabinet in the priority given to the World Trade Organisation, reform of the CAP and the emphasis on private and commercial sustainable production and consumption.

The hon. Gentleman was wrong in respect of end-of-life vehicles. We have reached agreement that they will be the responsibility of the makers of the marques. That scheme will be put in place, along with other directives demonstrating the Government's commitments to sustainability—many of which are admired internationally, most of which are effective and others of which have still to be developed. But no one should doubt the commitment at every level of the Government, right to the top.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 183, Noes 306.

Division No. 50] **[4:00 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, John *(Billericay)*
Barrett, John
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brake, Tom *(Carshalton)*
Brazier, Julian
Brooke, Mrs Annette L.
Browning, Mrs Angela
Bruce, Malcolm
Burnett, John
Burnside, David
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Calton, Mrs Patsy
Campbell, Gregory *(E Lond'y)*
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Conway, Derek
Cormack, Sir Patrick
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Donaldson, Jeffrey M.
Dorrell, rh Stephen
Doughty, Sue
Duncan, Alan *(Rutland)*
Duncan, Peter *(Galloway)*
Duncan Smith, rh Iain
Evans, Nigel
Ewing, Annabelle
Fabricant, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Fox, Dr. Liam
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Grieve, Dominic
Gummer, rh John
Hague, rh William
Hammond, Philip
Hancock, Mike
Harris, Dr. Evan *(Oxford W & Abingdon)*
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Heathcoat-Amory, rh David
Hendry, Charles
Hogg, rh Douglas
Horam, John *(Orpington)*
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Kirkbride, Miss Julie
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lamb, Norman
Laws, David *(Yeovil)*
Leigh, Edward
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Mackay, rh Andrew
Maclean, rh David
McLoughlin, Patrick
Marsden, Paul *(Shrewsbury & Atcham)*
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moss, Malcolm
Murrison, Dr. Andrew

Oaten, Mark *(Winchester)*
O'Brien, Stephen *(Eddisbury)*
Opik, Lembit
Osborne, George *(Tatton)*
Page, Richard
Paice, James
Pickles, Eric
Portillo, rh Michael
Price, Adam *(E Carmarthen & Dinefwr)*
Prisk, Mark *(Hertford)*
Randall, John
Redwood, rh John
Rendel, David
Robathan, Andrew
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Mrs Iris *(Strangford)*
Rosindell, Andrew
Russell, Bob *(Colchester)*
Salmond, Alex
Sanders, Adrian
Selous, Andrew
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Teather, Sarah
Thomas, Simon *(Ceredigion)*
Thurso, John
Tredinnick, David
Trend, Michael
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Waterson, Nigel
Watkinson, Angela
Webb, Steve *(Northavon)*
Weir, Michael
Whittingdale, John
Wiggin, Bill
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Wishart, Pete
Yeo, Tim *(S Suffolk)*
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Sir Robert Smith and Mr. Alan Reid

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale & Darwen)*
Atherton, Ms Candy
Atkins, Charlotte
Baird, Vera
Banks, Tony
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, Jean
Cousins, Jim
Cranston, Ross
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Dunwoody, Mrs Gwyneth
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flint, Caroline
Flynn, Paul *(Newport W)*
Follett, Barbara
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gardiner, Barry
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Roger
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, Keith *(Streatham)*
Hood, Jimmy *(Clydesdale)*
Hope, Phil *(Corby)*
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Glenda *(Hampstead & Highgate)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, David
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Liddell, rh Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McCartney, rh Ian
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mahon, Mrs Alice
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Merron, Gillian
Michael, rh Alun
Miliband, David
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Moonie, Dr. Lewis
Morley, Elliot
Morris, rh Estelle
Mountford, Kali
Mudie, George
Mullin, Chris
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan *(Wansdyke)*

O'Brien, Bill *(Normanton)*
O'Neill, Martin
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Prentice, Ms Bridget *(Lewisham E)*
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Shipley, Ms Debra
Short, rh Clare
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Margaret Moran and
Mr. John Heppell

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MADAM DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House applauds the leadership and commitment on the environment shown by the Government domestically and globally; welcomes the UK's climate change programme which has already put the UK on track to overshoot its Kyoto target of a 12.5 per cent. cut in 1990 levels of greenhouse gas emissions by 2012; commends the introduction in the UK of the world's first economy-wide emissions trading scheme; further welcomes the long-term improvement in air quality and steps to improve local environmental quality generally; notes that river and bathing water quality is the highest on record; congratulates the Government on achieving a household recycling rate of 15 per cent. in 2002–03 and being on track for 17 per cent. for 2003–04; further congratulates the Government for playing a key role in the Convention on International Trade in Endangered Species (CITES), increasing protection for a number of endangered flora and fauna; recognises that there is still much to do to promote sustainability at all levels; and calls upon the Government to continue to put environmental protection, locally, nationally and globally at the heart of its policies.

Mr. Tim Yeo (South Suffolk) (Con): On a point of order, Madam Deputy Speaker. Are you aware that an hon. Member said today that he had been gagged by Government Whips, who removed him from the Standing Committee that is considering the Higher Education Bill? As the defender of Back-Bench rights, do you share my view that it is scandalous that because the hon. Member for Wirral, West (Stephen Hesford) refused to give an undertaking about the way in which he would vote in Committee, he has been denied the chance to explain why he broke his election promises through voting for Second Reading?

Madam Deputy Speaker (Sylvia Heal): I remind hon. Members that last week Mr. Deputy Speaker said that "Erskine May" makes it clear that the Speaker cannot interfere in the work of the Committee of Selection, which is responsible for nominations to the Standing Committee. I can add nothing further to that ruling.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Further to that point of order, Madam Deputy Speaker.

Madam Deputy Speaker: Is it on the same point?

Mr. Mitchell: It is on a related point.

Madam Deputy Speaker: I have already ruled on that and there is nothing further that the occupant of the Chair can add.

Local Taxation

4.17 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I beg to move,

That this House believes council tax is unfair, should not have been introduced and should be replaced by a system that reflects people's ability to pay.

Today's debate on the council tax is about fairness in local taxation. Most people agree that fairness may be in the eye of the beholder when the judgment is about the object of one's affections. However, when the object is taxation policy, surely the judgment is less subjective.

The usual meaning of fairness in the context of taxation is progessivity. Simply put, that means that it is fair that a person's tax bill should increase at least in proportion with their income. It means people paying according to their means; taxpayers paying what they can afford, and tax related to ability to pay. That is not a difficult concept and I hope that it is not controversial. Yet when we apply the fairness test to council tax, what do we find? The poorest pay the most in proportion to their incomes. Whether they are pensioners, low-paid public sector staff or low-paid private sector employees, those on modest incomes pay more in council tax. It is the reverse of fairness and progressivity.

We are not considering a little unfairness, with the poorest paying a smidgen more, but gross, grotesque unfairness—unfairness not seen since the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) extolled the virtues of the council tax in the House.

Mr. David Borrow (South Ribble) (Lab): The hon. Gentleman said in his introduction that fairness must be perceived in terms of income. Does he accept that fairness in terms of ability to pay is not only a matter of income but of wealth and that both must be taken into account when judging whether a tax or a basket of taxes is fair?

Mr. Davey: The hon. Gentleman is right that we should consider all aspects of a person's wealth when considering overall tax policy, but I wonder whether he wants to force people out of their homes by taxing them through council tax. I would rather ensure that that part of property wealth is taxed through inheritance tax when people die, or through stamp duty when they move. That is the fair way of taxing property. It is much fairer for local taxation to be based on ability to pay—on income.

Dr. Julian Lewis (New Forest, East) (Con): There is a certain déjà vu to this debate—I am thinking back to the community charge, which was introduced before the hon. Gentleman and I were in this House. If we had a local income tax, what would happen where a household had three or four wage earners who all paid that tax, whereas previously just one householder had paid the council tax? How would the hon. Gentleman avoid the same sort of demonstrations and upsets that attended the community charge? Is not this the Liberals' version of the poll tax?

Mr. Davey: I am grateful to have a Conservative intervention so early because I will be asking every Conservative MP who intervenes on me today two questions. First, do they think that the council tax is fair; and secondly, what is their policy on council tax? This House needs to know the Tory party policy.

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Madam Deputy Speaker. The hon. Gentleman has just said that he will ask every Conservative Member who intervenes two questions. Will it be in order for us to get up and answer those questions? If we are asked questions, it is only fair that we have the chance to answer them.

Madam Deputy Speaker (Sylvia Heal): The occupant of the Chair always tries to be fair to all hon. Members, so I think that we will wait and see as the debate progresses.

Mr. Davey: Madam Deputy Speaker, I can assure hon. Members that if some of them want to answer those questions, I shall allow them to intervene.

I can tell the hon. Member for New Forest, East (Dr. Lewis) that the difference between our proposal for a local income tax and the community charge is that one is related to ability to pay and the other is not. Under one scheme, millionaires paid the same as dustbin men; under the other, they would not. That is the difference, and that is why this party stands for fairness and his does not.

Mr. Lindsay Hoyle (Chorley) (Lab): I understand the point that the hon. Gentleman is trying to make, but I wonder whether he shares my worry that the wealthiest in this country usually have the best accountants, who ensure that they pay only a very limited amount of income tax. How would those wealthy people contribute to the hon. Gentleman's local scheme?

Mr. Davey: I am interested to hear Labour Members defend the very richest in the land. The hon. Gentleman should speak to his right hon. Friend the Chancellor, because if he is failing to administer the tax system properly, this House ought to know about it.

Mr. Mark Field (Cities of London and Westminster) (Con) *rose*—

Mr. Davey: I know that Conservative Members are desperate to answer my questions, and I promise that I will give them the chance to do so, but I want to make some progress.

I shall give the House some measure of the unfairness of council tax. Let us start with households. The richest households pay just 2 per cent. of their income in council tax, but the poorest pay 7 per cent., which is more than three times as much. That figure alone should worry the House, but I am afraid that there are worse examples. Let us look at pensioners. According to the Office for National Statistics, the poorest 20 per cent. of pensioners pay on average 7.1 per cent. of their income in council tax, taking into account council tax benefit and single person's discount. Hon. Members may have examples of pensioners who are paying far more—perhaps 20 or even 30 per cent. of their incomes. I have some such examples in my constituency, but on average,

the poorest 20 per cent. of pensioners pay 7.1 per cent. of their income in council tax, which is nearly six times more than the richest 20 per cent. of non-pensioners. They pay just 1.2 per cent. of their income in council tax.

That is unfairness on an extraordinary scale, and it goes a long way towards explaining why there has been a revolt against council tax in this country.

Sir George Young (North-West Hampshire) (Con): Returning to the question that the hon. Gentleman did not answer, is it not the case that the millionaire to whom the hon. Member for Chorley (Mr. Hoyle) referred will pay nothing at all under the hon. Gentleman's proposals and that, by definition, the less well off will have to make good the difference?

Mr. Davey: The right hon. Gentleman ought to know better, as I believe he served in the Treasury in years gone by. Under this Government, and under the previous Conservative Government, the Inland Revenue has cracked down on people who evade tax. He ought to be ashamed, because he is saying that this House cannot implement the tax legislation that it passes. That is a very bad precedent to set, and Government figures in fact show that people on higher incomes pay more in income tax, but less in council tax.

Mr. Andrew Turner (Isle of Wight) (Con): Does the hon. Gentleman accept that he appears to be confusing those who are rich, which is a measure of capital, with those who have a high income? Somebody can be rich and still have nil income, and therefore pay nothing through a local income tax?

Mr. Davey: If the hon. Gentleman had been listening closely, he would know that I was not doing that. I said that those people with assets and property could be taxed through inheritance tax and stamp duty, and that that was the fair way to do it. I therefore answered that question.

Mr. Eric Pickles (Brentwood and Ongar) (Con): Will the hon. Gentleman explain what is the Liberal Democrat position with regard to those people who receive remuneration through shares? How will he tackle that with a local income tax? How will he square it with increased share ownership, which is one of the Liberals' aims?

Mr. Davey: I do not know whether the hon. Gentleman fills in a tax return at the end of the year. These people will, however, and they will therefore pay local income tax on it, as is the case in many other countries.

Mr. Pickles: My question is simple, and an answer to it will help the House enormously. Will people pay local income tax on what was referred to as unearned income—yes or no?

Mr. Davey: I am afraid that if the Inland Revenue, under current rules, classes that as income, local income tax will apply to it. If national income tax applies to income, local income tax will apply to income. That is the simple policy that we propose.

It is interesting how concerned Conservative and Labour Members are. They are rattled, we know that they are rattled, and that is why "Focus" editors up and down the country are putting out leaflets on the subject.

Mr. Hoyle: Will the hon. Gentleman give way?

Mr. Davey: I will do so in a second. I want to make a little progress.

There is a revolt against local council tax across the country. What is interesting, however, is that the complaints are not just against one council, and they are not just against councils controlled by the Labour party, the Lib Dems, or the Conservatives. There have been complaints against council tax across the country. The anger is nationwide, and it is against the council tax system.

That is probably why opinion polls on council tax have shifted so sharply in recent times. Only a year ago, 57 per cent. of the public blamed local councils for the council tax rises, while a mere 29 per cent. blamed the Government. Now the position is reversed: 39 per cent. blame the Government, while only 24 per cent. blame councils. People have sussed it out. The national Government are responsible for the council tax system—councils do not choose the local tax system that they use or the local government finance system. That is the job of Ministers, and this lot have opted for the Tory council tax, which is why people are so worried about it.

What is bizarre about the Government's choice is that it is despite the recommendations and advice of the independent Audit Commission, which echoes the views of the public. It said last December that the council tax system is fundamentally flawed. That is why the House must debate the motion, put matters right and get rid of the council tax.

Huw Irranca-Davies (Ogmore) (Lab): Does the hon. Gentleman recognise that one of the greatest and most antagonistic issues with the current council tax is the failure to re-band for too many years? Will he therefore applaud the Labour-led Welsh Assembly Government for introducing a change by spring 2005, which will mean that greater variety exists, instead of lumping everybody together in bands that are 13 years out of date?

Mr. Davey: If the hon. Gentleman thinks that re-banding is going to solve the problem, I am afraid that he does not understand the post-war history of local government finance. I recommend to him a text that I read in Greece during the recess, when I was boning up on local income tax, which shows that in every decade since the second world war, a local taxpayers' revolt has taken place, whether on rates, poll tax or, now, council tax. The truth is that successive Governments since the second world war have asked local taxation, whether it is on property, individuals or per capita, to do far too much. That is a problem that we must solve, whether through the balance of funding review or our approach.

Huw Irranca-Davies: If there is a history of revolts year after year—I will read the pamphlet to which the hon. Gentleman referred—what increased burden on

[Huw Irranca-Davies]

the taxpayer does he anticipate, if any, under the Liberal Democrat proposals? Back in September, we were talking about possible increases of 3 per cent., 4 per cent and so on. Will it be a zero point gain, or will people who pay the local income tax have an increase within the first couple of years?

Mr. Davey: No, they will not. The policy is designed to be revenue-neutral overall. It is not a tax-raising but a tax-neutral policy. The aim is to shift tax-raising power from central Government to local government, which is done in many other countries.

Mr. Hoyle *rose—*

Andrew Bennett (Denton and Reddish) (Lab) *rose—*

Mr. Davey: I am going to make some progress, but I promise to give way in due course.

Our motion is pretty clear. The first part says, very simply, that

"this House believes council tax is unfair".

I look forward to hearing from many Members, particularly Conservative and Labour Members, whether they disagree with that part of the motion. If they are going to stand up and put on record that they think the council tax is fair, I am sure that their electors will want to know that.

Mr. Hoyle *rose—*

Mr. Davey: I will give way, because I am worried about the hon. Gentleman's health.

Mr. Hoyle: While the hon. Gentleman worries about my health, I will ask him a question that will give him something else to think about. Does he know how many airline pilots and people who work abroad have their salaries paid into overseas accounts? The one thing that the previous Government established was that people move but properties do not. That is why they had to return to the old system. How would the Liberal Democrats begin to collect tax from those who are paid abroad in offshore accounts—and there are a lot of them—and how would they assess what those people should pay? Or—this is the key question—would they put the burden back on to the people who are employed in the United Kingdom?

Mr. Davey: I will not be worrying about the hon. Gentleman's health again.

What we are arguing is that the national income tax base should remain, and that local income tax should go on to it. If there is a problem with people not paying income tax now, it should be sorted out by the Chancellor of the Exchequer. He should make sure that they pay their dues.

As I learnt during my sojourn in Greece, many other countries operate a local income tax. It is a tried and tested policy. It works in very left-wing countries like the United States of America and Switzerland; it works in very right-wing countries like Sweden, Denmark, Finland and Norway. The hon. Gentleman may suggest that there are difficulties, but I am afraid that he is wrong.

Andrew Bennett *rose—*

Mr. Davey: I give way to the Chairman of the Select Committee.

Andrew Bennett: The hon. Gentleman says that his proposal is revenue-neutral. All the upsets over the council tax and the poll tax have related to the problem of those taxes going up. Will the hon. Gentleman now admit that a local income tax will have to keep going up if councils are to provide extra services?

Mr. Davey: It is revenue-neutral compared with what otherwise obtains. *[Laughter.]* I am surprised that Members laugh. Obviously if more is to be spent, tax revenue will go up. That is what has happened under the poll tax and the council tax. Members may wish to deny the facts, but I am afraid that they will have to face them.

One of the real benefits of a local income tax for local government is its buoyancy. Unlike council tax, which must rise every year just to keep pace with inflation, local income tax rates could stay the same because more money would come in as employment and earnings increased. *[Interruption.]* Of course, the rates could go down if locally elected councillors and local communities wished. That is what has happened in other countries.

Mr. Graham Stringer (Manchester, Blackley) (Lab): Will the hon. Gentleman give way?

Mr. Davey: No, I will not.

When I made my point about the council tax being unfair, I expected Conservative Members to leap to their feet. I am sure that they will in a second. I expected them to do so because their Front-Bench spokesman, the right hon. and learned Member for Devizes (Mr. Ancram), has said that the council tax is

"as fair a tax as you will find".

A tax that makes the poorest pay more is a fair tax, according to the Tory Front Bench.

Mr. George Osborne (Tatton) (Con): *rose—*

Mr. Davey: Does the hon. Gentleman want to intervene now?

Mr. Osborne: I am grateful to the hon. Gentleman for giving way, but I suggest that he answer my questions, rather than trying to turn the tables. Students are currently exempt from council tax. Can he confirm that under the Liberal Democrat proposal, any holiday earnings that they accrue would be taxed?

Mr. Davey: That depends on whether they earn more than the personal allowance. For the current financial year, 2003–04, there is a tax-free sum of £4,615. If they earned less than that, they certainly would not pay.

This is an interesting point that I am sure will be made again during this debate. Conservatives will be desperate to point out the losers under this policy, but they will not point out the gainers. They will not point out that 70 per cent. of people will either gain or be largely unaffected. They will not point out that pensioners and those on low or modest incomes will gain massively. They will not point out that our policy is a major tax cut for some of the poorest in our society.

We have heard today from the right hon. and learned Member for Folkestone and Hythe the "moral case" for low taxation. The problem is that his party is the party of unfair tax, not low tax. That is its history and heritage, and that is what it keeps supporting.

Mr. Mark Field: I am an obliging sort of chap, so I shall partly answer the hon. Gentleman's question. I believe that the council tax is a fairer tax than inheritance tax. In terms of elderly pensioners, his party is playing to the gallery by proposing a local income tax. I would like to know by how much Liberal Democrats envisage increasing the inheritance tax take, which would of course affect the estates of many elderly folk, who may not be around for much longer, and who want to pass on their assets to the next generation. They need to be told about that, in advance of the so-called advantages that a local income tax will offer them.

Mr. Davey: We have no plans to increase inheritance tax, but it is interesting to note the hon. Gentleman's point, which is that inheritance tax is somehow unfair. In some cases, we are talking about people who have literally millions, yet he seems to suggest that on their death, such money should be in no way taxable. That would clearly be wrong.

Mr. Andrew Turner: Will the hon. Gentleman give way?

Mr. Davey: No, I have given way to the hon. Gentleman before. The problem for the Conservatives is that in terms of local taxation, they have "form" as long as your arm. That is mainly because they have not got a clue about fairness. I refer them to a debate on the poll tax that took place on 18 April 1988. The then Conservative Minister said—*[Interruption.]* I shall come a little further up to date with the same person in a moment, if Conservative Members will be patient. In 1988, the then Conservative Minister said:

"The proposal that we seek to put in place of that discredited system"—

he was referring to the rates—

Mrs. Angela Browning (Tiverton and Honiton) (Con): On a point of order, Madam Deputy Speaker. No one on the Conservative Benches can answer for what happened in 1988, apart from my right hon. Friend the Member for North-West Hampshire (Sir George Young), who voted against the proposal in question.

Madam Deputy Speaker: That is a point for debate and not a point of order for the Chair.

Mr. Davey: As I was saying, the then Conservative Minister said:

"The proposals that we seek to put in place of that discredited system are much better related to ability to pay." [*Official Report*, 18 April 1988; Vol. 131, c. 639.]

The Minister in question was the right hon. and learned Member for Folkestone and Hythe, the current leader of the Conservative party. He was telling the nation that the poll tax was fair, but wait—fairness is apparently a concept that can change. On 11 November 1992, a certain Conservative Minister—there are no prizes for guessing his constituency—said:

"I am confident that the council tax will be seen to be a fair replacement for the community charge".—[*Official Report*, 11 November 1992; Vol. 213, c. 873.]

The council tax is fair, according to the Conservatives. I can assure them that if they fail to change their mind in that regard—if they fail to vote with us tonight—they will be seen by the public not just as the inventors of the council tax, but as the arch-defenders of this discredited system.

The Tories have a bit of a problem at the moment—the problem of being a true party of opposition. They have no policy on tuition fees, they backed the Government on Iraq, and the Prime Minister hoodwinked them on weapons of mass destruction. On council tax, they are incapable of telling us about their alternative—or at least, their leader is.

Mr. Andrew Turner: Could the hon. Gentleman help those of us who do not have to travel abroad to get our summer sunshine—we who live on the Isle of Wight—by explaining why he said to a Labour Member that we were asking the tax system to do too much, but then said later that he expected the local taxation system to be given more responsibility, and to take a greater role in the funding of local services?

Mr. Davey: I will come on to that in a few moments, but the hon. Gentleman knows that I have discussed that matter with him. When a local income tax is in place, it is possible to slash national income tax and reduce some of the subsidies going to local government, allowing local income tax to take the strain. The hon. Gentleman knows that, because I have spoken to him privately about it.

Mrs. Browning *rose*—

Mr. Davey: I will not give way, as I want to make some progress.

Only 10 months ago, when the current leader of the Conservative party was the shadow Chancellor, he was jumping on the council tax bandwagon. He told *The Daily Telegraph* that he would

"change the system of council tax when we come back to office."

Spotting a scoop, the journalist pressed on and asked the then Tory shadow Chancellor how he would change the system. His reply was short: "I don't know". So we have "I don't know" from a man who has spent years studying local government finance as a Minister. The right hon. and learned Member for Folkestone and Hythe has more ministerial knowledge on that subject than any other Member of the House and has the distinction of having introduced two new local taxes—the poll tax and the council tax—but now the Tory leader does not know.

Mrs. Browning: Will the hon. Gentleman give way?

Mr. Davey: No.

[Mr. Davey]

As I said, the Tory leader was shadow Chancellor a few months ago, presumably in charge of the Conservative tax policy, yet he did not know. Perhaps he has run out of ideas. Well, I have some good news for him. His successor as shadow Chancellor, the right hon. Member for West Dorset (Mr. Letwin) has been thinking. He sketched out the latest Tory thinking in a little noticed interview for *The Independent* on 10 December last year. According to that newspaper, he said that, in "the short term", the Conservatives

"would come up with some answers to the problems caused by soaring council tax bills."

In the short term—yet we are still waiting for their answers. The newspaper report continued:

"The Tories may propose that the share of council budgets raised locally is increased from 25 per cent. to more than 50 per cent. and the council tax is likely to remain under their plans."

I am grateful to the right hon. Member for West Dorset for those fascinating words, not least because they amount to the only official Front-Bencher policy that the Tories appear to have on council tax.

Dr. Julian Lewis: On a point of order, Madam Deputy Speaker. I appreciate that we are having what is called an Opposition day debate, but does that mean that the Liberal Democrats should spend the entire debate talking about the Conservative Opposition? Is it conceivable that they should talk about the policies of the Government?

Madam Deputy Speaker: Order. I have no doubt that the spokesman for the Liberal Democrats will, when he continues his speech, include some comments about the Government.

Mr. Davey: You are absolutely right, Madam Deputy Speaker, and you rightly anticipate my remarks, but I have not yet finished with the Conservatives.

What might the words of the right hon. Member for West Dorset mean? To double the amount of money that councils raise locally, they will presumably have to be given some new tax, or council tax will have to go up. I am a fair and generous person, and given that the Conservatives have not mentioned any new tax and have said that they will keep council tax, I have drawn the obvious conclusion. Council tax will double under the Conservatives. All households will, if they re-elect the Conservatives, see council tax bills of more than £2,000.

Let us consider what that would mean for average band D council tax for different regions. Under the Tories, people in the east of England would have to pay double the council tax—£2,230. In the east midlands, it would be £2,250 and in London, it would be £2,160—and I could go on. It is a brave policy and "Focus" editors will be interested in explaining it. However, we will refuse to help the Conservatives sell that policy nationwide if they can tell us that they have a different policy.

Mr. Pickles: The hon. Gentleman is being courteous to the House, but can he reconcile what he has just said with the answers that he gave to the distinguished Chairman of the Select Committee, when he said that incomes and expenditure of councils would rise? I would be grateful if he would tell the House how much the doubling of local income tax would cost.

Mr. Davey: To most taxpayers, nothing, because national income tax would be cut to offset it. It is, as we have said, a neutral tax policy. I was rather disappointed by what the hon. Member for Brentwood and Ongar (Mr. Pickles) had to say, and wonder whether the Tories have a different plan. If they want to tell us their plans for council tax, we should be very interested to hear them. Until then, we will continue to tell the public that the shadow Chancellor has said that the Tories want to double council tax.

There is some fresh thinking going on in the Conservative party. Last week, I stumbled across a paper written in 2002 by a certain Mark Nicholson, deputy chairman of the Ealing Southall Conservative association. It was entitled "No Representation without Taxation—"

Mrs. Browning: On a point of order, Madam Deputy Speaker. The Minister is a generous and understanding man. Would it not be appropriate for him to change places with my hon. Friend the Member for Brentwood and Ongar (Mr. Pickles), so that my hon. Friend can answer the debate when the time comes? Clearly, Labour Members are not involved in the debate, and they could all have a cup of tea.

Madam Deputy Speaker: I shall leave hon. Members to make their own decisions about staying in the Chamber.

Mr. Davey: The paper in question was published by the Bow group. Its executive summary states that local government should raise a far higher proportion of its costs through local taxation. We agree. It goes on to say that a local income tax should supplement council tax to allow councils to become self-financing, and that the national rate of income tax should be reduced to compensate for the introduction of the local income tax, leaving the overall tax burden unaltered by the reforms. It is an interesting document, although not exactly Liberal Democrat policy, as it proposes an extra tax and would retain council tax. "Focus" editors would probably call it the "Tory two-tax solution", but it is at least coherent, and spelled out in detail over 46 pages.

I am grateful to that leading Conservative thinker for his explanation of how a local income tax would work and benefit people. This Conservative member of the Bow group says that a local income tax would improve accountability, protect less affluent areas, improve transparency and not require "any great additional administration". I have decided to send a copy of the pamphlet as a gift to the right hon. and learned Member for Folkestone and Hythe, so that he can get a few ideas. After all, he was chairman of the Bow group in days gone by.

Mr. Stringer: Will the hon. Gentleman give way?

Tim Loughton (East Worthing and Shoreham) (Con): Will the hon. Gentleman give way?

Mr. Davey: No. I hope that the Conservatives will come to their senses on this matter, and join our

campaign for fairer local taxation, even if that means that Opposition Front-Bench Members have to apologise for getting local taxation so badly wrong twice in one political generation.

Tim Loughton: Will the hon. Gentleman give way?

Mr. Davey: I will, as I am about to turn to the Government lot.

Tim Loughton: I am greatly relieved about that. Before the hon. Gentleman tells us what the mutual aid officer of the Little Piddling in the Marsh Conservative branch had to say on this subject some years ago, will he return to what he said about proposals for increasing the share of taxation that comes from local tax? Does he not realise that that has been happening in practice already? In West Sussex, the share of local spending met by national Government grant five years ago was about 75 per cent.—the average for shire counties—and is now 56 per cent. That has happened not because we have raised council tax by enormous amounts, but because the grants to counties such as West Sussex have been slashed and the money has gone elsewhere. That is another example of the equalisation of the rates that the hon. Gentleman is talking about. Will he also explain—

Madam Deputy Speaker: Order. That is a rather lengthy intervention.

Mr. Davey: I am grateful to the hon. Gentleman, as his was one of the first interventions this afternoon with which I could feel any agreement. There is no doubt that the Government have manipulated the grant system, and that their operation of local government finances has not been fair. It must be said that the Government learned most of their lessons from the previous, Conservative Government, but he is right to point out that there have been many examples of unfairness.

The Government should be most ashamed of their record on council tax. Before 1997, most people thought that a Labour Government would be committed to fairness, especially in taxation. However, the fact that the unfair council tax has survived for nearly seven years under Labour is hard evidence to the contrary. The problem for the Government is that retaining council tax undoes all their attempts to do good works elsewhere. Those attempts include winter fuel payments, free television licences for people over 75, tax credits—the Chancellor of the Exchequer can reel them off. They may all have been designed to help pensioners and the less well-off, but are the recipients truly grateful when their extra cash has to be set against the highly visible and rocketing council tax?

Last year, the basic pension went up by 2.6 per cent., but the average council tax rose by 12.9 per cent. Council tax takes a record share of the basic pension; on average, it is more than 20 per cent. That unfairness is felt by many erstwhile Labour voters.

Although the Government are like the Tories, in that they do not have an answer to council tax unfairness, they have at least set up the balance of funding review and the process has, so far, been relatively transparent. The only problem is that Ministers are busy ruling out options before the review has even concluded. I very much regret that, as the review could turn out to be a real shambles.

Andrew Bennett: The hon. Gentleman is doing the House a disservice; he is spending his time making knock-about points, but there are serious issues in the balance of funding review. If he has confidence in a local income tax system, should he not spend most of his speech trying to explain it to the House so that we can see whether it has any validity and can make a contribution to the review?

Mr. Davey: The hon. Gentleman anticipates me—I was coming to the balance of funding review. As he knows, we have published full details of our policy; it is on a website and easily accessible, and we are receiving many favourable comments. He should have already seen it.

The Government's review is supposed to be looking into 12 new revenue sources—at the last count. On the ODPM website, we are told that the review is considering a reformed council tax, a localised non-domestic rate, a local income tax, a localised vehicle excise duty, a localised stamp duty on property transfers, a local sales tax, a local land tax, tourist taxes, new council charges, street works charges, local congestion charging and new, unspecified, environmental taxes.

Some of us felt that 12 new taxes were a bit over the top, but we were reassured by the Government's comments to *The Guardian* in October, after those proposals appeared on the website. Ministers were said to be looking at

"a local income tax as an alternative to council tax and a means of allowing local councils to raise more of their own funds".

Indeed, the Minister for Local Government, Regional Governance and Fire was reported as saying that replacing council tax with a local income tax was one of the three frontrunners in the review.

That was music to our ears, but unfortunately, that commitment lasted only 24 hours. That was how long it was before No. 10 Downing street barged in to close down the options and the Prime Minister made it clear that he opposed local income tax. He was at it again when he appeared before the Liaison Committee last week. He repeated his opposition to local income tax and went on, in words that were almost identical to those used by the leader of the Conservative party, to say that the trouble was that he himself did not know what the answer was. So the leader of the Conservative party does not know and the Prime Minister does not know. That is extremely worrying. The House should be very, very worried. The Prime Minister knows about weapons of mass destruction but he does not know how to reform council tax.

Mr. Stringer: I have been listening carefully as the hon. Gentleman has developed his arguments on funding for local services and I understood him to say that he wanted less dependence on and interference from the centre. In that case, how can he support a local income tax that would require more intervention and more redistribution from the centre than any tax that has been considered since the 1981 Green Paper?

Mr. Davey: If the hon. Gentleman were right, he would be right to criticise me, but unfortunately he is

[Mr. Davey]

completely wrong. The whole point of a local income tax is that it would build a local tax base into the grant formula, so distribution would be automatic—there would not be more intervention.

The Government must look at the problem more closely. The Audit Commission, in its report on council tax rises last year, stated:

"The review that the Local Government Minister is chairing on the future funding of local government needs to address the fundamental flaws in the local tax system".

Those flaws have led to massive council tax rises and if they are not addressed, no amount of threats and capping will save the Government from blame. After all, if, having set up the review, Ministers decide to do nothing, they will deserve to get the blame. They must realise that tinkering with council tax reform will not solve the balance of funding problem. It might make a dreadfully unfair tax slightly less unfair, but it will not stop the gearing effect that is producing above-inflation council tax rises.

Last Thursday, we held a ridiculously short debate on the local government grant settlement, which touched on some of those problems.

Sarah Teather (Brent, East) (LD): On the grant settlement, does my hon. Friend agree that it is hypocritical to discuss capping council tax or complain about rises in council tax when the Government grant settlement forces a particular council tax outcome? The Government provide a grant based on the difference between what they think local government should spend and the assumed national council tax level. In the case of Brent, council tax must therefore rise by 8.7 per cent. to reach the assumed national council tax level. Brent effectively has two options: it can either set an inflation-busting council tax or it can cut central services that the Government think that it should provide.

Mr. Davey: My hon. Friend has explained in detail how the council tax system is failing. The Audit Commission says that there are perverse effects where central Government try to insert their tentacles into all aspects of local authority budgets, preventing local authorities from making sensible decisions and pushing them into silly ones. That is why the Government's capping solution is simply not the answer.

Mr. Parmjit Dhanda (Gloucester) (Lab): The other side of the coin in respect of the argument made by the hon. Member for Brent, East (Sarah Teather) involves authorities such as Liberal Democrat Cheltenham, which is close to my constituency. Last year's settlement, which included capital, was about 12.5 per cent.; the hon. Gentleman discusses the gearing effect, but Liberal Democrat local authorities such as Cheltenham multiply it by putting council tax up by 13.9 per cent.

Mr. Davey: The hon. Gentleman fails to mention the rules, restrictions, ring-fencing and passporting that force councils to take decisions, many of which they do not want to take. That is the problem.

Mr. Adrian Sanders (Torbay) (LD): When the Government claim a 5.9 per cent. increase in their contribution to local government expenditure, it applies only to 75 per cent. of that expenditure and is therefore worth less than that percentage rise. Furthermore, when a local authority sets its budget, it must deal with a public sector inflation rate of around 7 per cent.

Mr. Davey: My hon. Friend is right, and the situation is worse than he suggests because the 5.9 per cent. increase does not apply to national non-domestic rates. The flawed system needs reform.

Mr. Borrow: Will the hon. Gentleman give way?

Mr. Davey: No, I will not give way again because I want to make progress.

The system is flawed and a problem for the Government is coming down the track. In 2007, several million properties will change council tax band. Some people will enjoy a windfall tax cut; others will see their council tax bills suddenly jump as their houses are re-banded upwards by one or even two bands. It is difficult to know the balance both between losers and gainers and between regions, but initial analysis by the New Policy Institute on the Office of the Deputy Prime Minister website gives us some hints. For example, in London most homes now in band C will go up at least one band and face a tax hike of 15 per cent. on top of annual council tax rises. Those households will, in the main, be on low or modest incomes and contain pensioners and public sector workers—band C homes in London are not mansions.

A no-reform option from the balance of funding review will sentence such families to a massive hike in a grossly unfair tax, with nothing to show for it just after the next election, which may be the point that Ministers are grappling with. Maybe they think it convenient that the revaluation will occur after the next election. However, I warn the Minister that if the Government cannot promise reform before or at the next election, I hope that they will have the honesty to mention that prospective tax rise in their manifesto, because if they do not do so I promise him that others will. The balance of funding review is a huge opportunity for local government and local taxpayers if Ministers have the courage to take it.

Ministers know where this party stands on the balance of funding because we have made submissions and published our detailed proposals. Indeed, we have set up a website containing those plans and even answered the questions from the Minister for Local Government, Regional Governance and Fire on our policy. We urge Ministers to consider our policy seriously, and we are prepared to get round the table and discuss it with them. I hope that Ministers in the ODPM can persuade the Prime Minister to get round the table.

Mrs. Lorna Fitzsimons (Rochdale) (Lab): It is not good enough for the hon. Gentleman to say that the details are on a website. This is a debate that his party asked for on the Floor of the House. I should like to know which of my constituents will have to pay more tax, when the hon. Gentleman says that other people will have to pay less. Who?

Mr. Davey: It is very rich for Labour Members and Conservative Members to complain that our party is not

publishing its detailed policy. We have published it. It has been widely reported. We are very happy to put it to the balance of funding review. The vast majority of the hon. Lady's constituents would pay less tax under local income tax.

I want the hon. Lady and her hon. Friends on the Front Bench to persuade the Prime Minister of the virtues of local income tax, and I suggest a strategy: tell him that they have a local income tax in the United States. That might just tip the balance. Tell the Prime Minister that they do not have it in France, but they have it in countries as diverse and wealthy as Japan, Switzerland and Sweden.

A local income tax is a policy whose time has come. I commend the motion to the House.

5 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"welcomes the current work of the Balance of Funding review of how local government in England is funded; notes that the review is receiving evidence on a number of possible reform options suggested in public consultation; awaits with interest the report of the review in summer 2004; and urges local authorities to set budgets for 2004–05 which deliver value for local taxpayers."

It is always good to debate the important and complex subject of local government finance. It is a chance to have a good Liberal Democrat baiting session, which I think Conservative Members have enjoyed.

Unlike the Liberal Democrats, the Government take this issue very seriously. It is currently the subject of our balance of funding review. I listened with great interest to the speech of the hon. Member for Kingston and Surbiton (Mr. Davey) and his attacks on the Conservative party. It was most interesting to hear all of that, but we are here to debate the serious issues facing the country today.

I have one preliminary point. The hon. Gentleman might have chosen a better day for today's debate, since the Minister for Local Government, Regional Governance and Fire and I are both involved today in the Committee on the Fire and Rescue Services Bill. My right hon. Friend sends his apologies for being unable to be here for the start of the debate, as he is still in Committee. Dedicated and talented though he is, he cannot be in two places at the same time.

It may be helpful if I start by briefly setting out some background. First, I refer hon. Members to the recent generous grant settlement for local authorities in England. This is the essential context of the issues facing the local government finance system and the reality of what is happening now.

Last Thursday, my right hon. Friend put before the House proposals confirming that the total of formula grant would be £46.1 billion in 2004–05, an increase of 5.5 per cent. compared with 2003–04. On top of that, specific grants take the overall increase to no less than 7.3 per cent.

Of course, it is not a one-off increase. It is part of a programme of sustained growth in investment in the vital public services delivered by local government. Overall Government funding to local authorities is up by 30 per cent. in real terms over the past seven years. That is in stark contrast to the previous four years, when year-on-year cuts were the norm—a 7 per cent. real-terms cut over that period.

Conservative Members may wish to forget their responsibility for the realities of life in that era, when real-terms cuts were the order of the day. However, those involved in local government, including some of my hon. Friends and me, do not have such short memories. They know the change that has occurred. They know that in 2004–05, for the second year running, all local authorities receive a real-terms increase in formula grant on a like-for-like basis.

As the hon. Member for Kingston and Surbiton said only last week,

"it is a generous settlement . . . the settlement is far more generous than anything ever proposed by the Conservatives." —[*Official Report*, 5 February 2004; Vol. 417, c. 990.]

I am grateful for that recognition.

I am pleased to say that in recent grant settlement we have removed ring-fencing from some £750 million of specific grants, and thus reduced the ring-fenced grant from over 13.3 per cent. to about 11 per cent. of the total grant. That is part of our commitment to reverse the trend on the ring-fencing of grants to local authorities.

Mr. Pickles: Will the hon. Gentleman concede that ring-fencing is still slightly over three times the level that the Government inherited in 1997?

Phil Hope: The hon. Gentleman makes a fair point, but the direction of travel is now definitely right, with less ring-fencing and therefore more freedoms and flexibilities to local authorities.

I come to council tax rises.

Mr. McLoughlin : I should like to take the Minister back to what he said a few moments ago. He was talking about the amount of money by which the Government have increased the grant to local authorities. Given that what he says is true—and I do not argue with his figures—why have our constituents seen such a large rise in council tax over the past few years, when in the years when he says there was a reduction in council grant there was actually a smaller increase in council tax levels?

Phil Hope: I was coming to precisely that point. Given the generous grant settlement for next year and the scope for efficiency improvements, our view is that local authorities can and should deliver council tax increases in low single figures in 2004–05, so we are now looking at proposed council tax rises very closely. We are pleased that initial indications suggest that many authorities have listened and are planning increases in low single figures. For example, Southampton is talking about a council tax increase of 2.9 per cent.; Birmingham, 1.5 per cent.; Dudley, 1.5 per cent.; Derbyshire, 2.9 per cent.; and Suffolk, 3.9 per cent.

Mr. Ivan Henderson (Harwich) (Lab): Is my hon. Friend aware of the situation with my local council, Tendring district council, which is run by the Conservatives? In May last year, the Conservatives on the council said:

[Mr. Ivan Henderson]

"Your Conservative district councillors have implemented the lowest Council Tax increase in Essex and one of the lowest in the UK".

The increase was 2.5 per cent. because the Government were so generous in giving them a good increase previously. Less than six months later, they were advocating an increase of 30 to 45 per cent. Is not the serious concern regarding such councils either that they are playing games for elections or that they are bad financial managers? They need to be looked at seriously.

Phil Hope: My hon. Friend makes an excellent point. Despite significant extra investment, some local authorities—he has just quoted his own, Tendring—have not listened, and they have indicated that they will impose large council tax increases. I shall give some examples of authorities proposing very high rises. Torbay is proposing a 17.5 per cent. increase; Leicester, 14 per cent.—a subject of debate in the House last week—Milton Keynes, 11.1 per cent.; Dover, 17.1 per cent.; Warwick, 24 per cent.; Waverley, 14 per cent.; Rother, about which we had a debate in the House last night, 13 per cent.; Medway, 15 per cent.; and Brighton and Hove, 13 per cent. Those are simply unacceptably high council tax increases.

My right hon. Friend the Minister for Local Government, Regional Governance and Fire has now written to no fewer than 65 local authorities about which we have seen reports of council tax increases that are not in low single figures, and he is planning to call in some authorities. It appears inevitable that the Government will have to use their capping powers this year.

Mr. Pickles: Will the hon. Gentleman confirm whether the letter has now gone to the Mayor of London?

Phil Hope: I cannot confirm at the moment whether the letter has gone to the Mayor of London. There is a complicated debate between the Greater London authority and the Mayor, but he will receive a letter if he is considering such an increase. Indeed, no sooner have I answered the question than I am holding in my hand the letter that has gone to the Mayor of London.

The hon. Member for Kingston and Surbiton prayed in aid the Audit Commission to explain the increases, saying that they were all the Government's fault. Let me remind him that the chairman of the Audit Commission said, in commenting on the settlement, that there are a number of factors behind the rises this year and that trying to find a single point of blame is not only counter-productive, but simply not borne out by the evidence. It is interesting that, although we are still gathering information about council tax increases, our initial reports show that the average increase in Labour councils is about 5 per cent., but Conservative councils are coming in at about 7 to 8 per cent.—and, yes, hon. Members will be glad to hear that Liberal Democrat councils are coming in at about 8 to 9 per cent. Perhaps one reason why we are hearing about alternatives to the council tax is that Liberal Democrat councils cannot budget awfully well.

Mr. Edward Davey: Will the Minister confirm that Liberal Democrat councils had the lowest rises last year?

Phil Hope: I am discussing the council tax for next year, and Liberal Democrat councils are coming in with much higher figures than the others, although the Tories are not far behind.

I come now to the balance of funding review, which is the essence of today's debate.

Mr. Pickles: I am grateful to the hon. Gentleman for giving lots of information. Will he tell us which political party has the lowest council tax, band for band? Would that be the Conservatives?

Phil Hope: Unfortunately for the hon. Gentleman, the average band D council tax in Conservative councils is now higher or equal to that in Labour councils, so the previous position, which I think he was trying to put, no longer applies.

Sir Paul Beresford (Mole Valley) (Con): Will the Minister give way?

Phil Hope: I want to move on to the balance of funding review, if I may.

The review's steering group has met several times over the past few months. It discussed the principles of a successful local government finance system, held a public consultation and commissioned independent research, all of which is publicly available. It is now discussing possible reform options. I shall take a moment to emphasise one of its research findings. Many members of the public are not clear where accountability for local government services lies or where the money comes from. However, what matters to them is not where local authorities get their money, but that services are efficiently delivered. According to the review's research, there seems to be no sign of a direct link between balance of funding and local election turnout. That was a surprise to many of us.

What are the options for reform of balance of funding? The hon. Member for Kingston and Surbiton talked about 12 options, but the review is examining four. Given today's debate, hon. Members will be interested to learn that one of them is indeed local income tax. The others are a reform of council tax, the relocalisation of business rates, and a mixed option of smaller taxes or charges. I should emphasise that the fact that the review is hearing evidence on different options is not an indication that the Government accept that the balance of funding must be changed, nor that they favour any of the reform options. One difficulty with an open debate is that it can be open to abuse. If all information is published on websites so that people can engage in the debate openly, the inevitable party politicking starts and positions are misrepresented. The hon. Member for Kingston and Surbiton did that, and I shall come back to it later.

The hon. Gentleman asked whether we had ruled anything out, but one option that we are not considering is a return to the Tories' failed community charge, or the

poll tax as it was popularly—or, perhaps, unpopularly—known. Many hon. Members will remember that one of the consequences of that rushed reform was that value added tax increased to 17.5 per cent. to raise an additional £140 per community charge payer in central Government support. That is one reason why a considered approach to these matters is essential, rather than a knee-jerk response based on slogans such as "Axe the Tax" or "Scrap the Cap". There is nothing like a good Liberal slogan—frankly, they are nothing like good Liberal slogans.

Mr. Edward Davey *rose—*

Phil Hope: I shall give way to the hon. Gentleman, who will no doubt give me another slogan.

Mr. Davey: Will the Minister confirm that, although he has ruled out the community charge, he has not ruled out the local income tax?

Phil Hope: I am looking forward to reaching the part of my speech about the local income tax, but first I want to talk about something that the hon. Gentleman skipped over during his speech: reform of council tax. Many responses to the review consultation said that there were serious problems with council tax, including the questions of fairness with which he opened the debate, but most suggested that it could be reformed rather than abolished. The tax was widely accepted until recently. It has advantages—for example, it is relatively easy to understand and collect. Indeed in 2002–03, local authorities in England collected more than 96 per cent. of the council tax due within the financial year.

Mr. Borrow: Does my hon. Friend agree that any Government should be reluctant to give up a property tax in favour of increasing an existing tax, as the Liberal Democrats propose? If the Government were to do that, the likelihood is that a future Chancellor would resurrect a property tax because it makes sense to have a good basket of taxes, of which a property tax should be part.

Phil Hope: My hon. Friend is a renowned expert in the field and I am grateful for his excellent point.

What kind of reforms to the council tax might we be talking about? Such changes include the revaluation of domestic properties, to which we are already committed and which is currently planned for 2007. That will ensure that a council tax bill is based on the up-to-date value of a house rather than its value in 1991. I make the especially important point that the revaluation is not designed to raise more tax overall. Our 2001 local government White Paper made clear that its overall impact would be neutral. The hon. Member for Kingston and Surbiton misses the point. At the same time as revaluation, we will consider the case for changing the existing bands. Quoting revaluation without taking into account band changing, as he did in respect of London properties, is disingenuous

The point came through strongly from the consultation that council tax should reflect more closely people's ability to pay and mirror with more accuracy variations in property values. Ways of doing that mentioned during the review include introducing new bands or a regional banding system. I make it clear that we are not committed to any particular changes. Before changing the banding system, we would need carefully to examine the impact on groups such as pensioners on low or fixed incomes living in high value properties. It simply will not do for Liberal Democrats to scaremonger by quoting selectively from documents from the balance of funding review or for them to avoid key questions from hon. Members in all parts of the House about their proposal to increase stamp duty and inheritance tax.

Another key issue identified by the reviewers is resolving problems relating to council tax benefit—an inbuilt way of achieving more progressivity in local taxation, which the Liberal Democrats say they want. Council tax benefit helps people on low incomes, including many pensioners, with their payments. The problem is that many people are not aware of their right to that money—1.4 million are eligible but not claiming. Some who are aware are put off by the perceived stigma of claiming a benefit and are reluctant to claim other than the state pension. It is for local and central Government together to do all they can to ensure higher take-up. We are already abolishing the restriction that limits the maximum council tax benefit for property in bands F, G and H from 1 April. We are also considering whether other improvements can be made to the system.

Mrs. Annette L. Brooke (Mid-Dorset and North Poole) (LD): Is not the Minister making the argument for local income tax? The poverty trap that he described, with people either not claiming council tax benefit or just missing out, is where the tax really hits people.

Phil Hope: I am intrigued by the hon. Lady's intervention because the motion does not mention local income tax but states that

"council tax is unfair, should not have been introduced and should be replaced by a system that reflects people's ability to pay."

The motion does not say that council tax should be replaced by local income tax—although that was mentioned by the hon. Member for Kingston and Surbiton. I have demonstrated how we can reform council tax by re-banding and benefit changes that will better relate to people's ability to pay. I am surprised that the hon. Lady cannot support those reforms, given that their outcome matches the Liberal Democrat motion.

Replacing council tax completely with local income tax is the solution favoured by the hon. Member for Kingston and Surbiton and his colleagues. The balance of funding consultation showed support in some quarters for replacing or supplementing council tax with local income tax—or at least considering the case for doing so. The Prime Minister has made it clear that the Government do not favour replacing council tax with local income tax, but we are certainly prepared to listen to reasoned arguments. Local income tax is one of four issues on which we are asking expert organisations—in this case, the Chartered Institute of Public Finance and Accountancy—to provide further evidence on the pros and cons. It will give a presentation at the next meeting of the balance of funding review steering group in

[Phil Hope]

March, which will be attended by Liberal Democrat and Conservative members of the Local Government Association.

Liberal Democrats have focused on the importance of relating local government tax sources to the ability to pay—by which standard, as was indicated by the hon. Member for Mid-Dorset and North Poole (Mrs. Brooke), they argue for the superiority of local income tax. Council tax can be made more progressive for the lowest income tax group by increasing the take-up of council tax benefit. I hope that all right hon. and hon. Members will help to resolve that issue by fully supporting our campaign.

The argument is made that local income tax works so well and is so popular in other countries that it should be introduced in Britain. International experience does not justify that rosy picture. It certainly does not justify abolishing our domestic property tax and relying entirely on local income tax. Last week, the hon. Member for Kingston and Surbiton said that he would be happy to take my right hon. Friend the Minister for Local Government, Regional Governance and Fire to countries with a local income tax system. I advise them to wrap up warm, because the only country in Europe to rely on a local income tax is Sweden. Other EU countries rely partly on a property tax, as my hon. Friend the Member for South Ribble (Mr. Borrow) said. Spain and Italy are increasingly reliant on such a tax. Only five countries in Europe have a local income tax, and in four of them—Belgium, Denmark, Finland and Italy—it is one of several forms of taxation. All that information is available on the website of the Office of the Deputy Prime Minister.

As various countries have been bandied about, hon. Members should be aware that comparisons between UK local government finance systems and those of other developed countries do not compare like with like. Different countries have different political and legal systems, their terminology and data are often incompatible with ours, and state finance systems do not stand still. I fear that the proposals for a local income tax advocated by the hon. Member for Kingston and Surbiton would result in disruptive and complicated changes to the tax system. First, they would do little to improve the flexibility available to local authorities. The Liberal Democrats would increase the proportion of local funding from central Government by using £1.7 billion of their proposed higher rate tax increase to increase grant and keep local income tax bills down to 4p in the pound.

Mr. Edward Davey: It is 3.75p.

Phil Hope: I would not like to get the figure wrong, but I can readily envisage it creeping up to 4p under the Liberal Democrats. They will use £1.7 billion to keep the local income tax bill down. Authorities in poor and deprived areas will collect less income tax than the richest areas, so the hon. Gentleman's proposals would mean that poorer authorities would become more heavily dependent on grant. There would be less flexibility and a worse gearing effect for those authorities than at present.

Secondly, there would be substantial costs, which are not mentioned in the Liberal Democrats' proposals. They would combine their local income tax with an increase in the level of personal allowance to £5,000, but that would cost an extra £2.4 billion—

Mr. Davey *rose*—

Phil Hope: I have tried to do the maths, and shall see if I have got it right before giving way to the hon. Gentleman.

The Liberal Democrats will raise £4.7 billion from their tax increases for the higher paid. They will spend £1.7 billion on local income tax, and £2.4 billion on raising the threshold for income tax. They will then use an additional £2 billion to abolish university tuition fees—that emerged in a press release issued by the leader of the Liberal Democrats before Christmas—and £1 billion to pay for care of the elderly. That adds up to £6.7 billion, all of which will be paid from an increase in taxation of £4.7 billion. The Liberal Democrats are therefore £2 billion short.

However, it does not end there. My right hon. Friend the Prime Minister has drawn attention to other spending pledges by the leader of the Liberal Democrats. There are 70 such pledges on top of that £6.7 billion, including free eye and dental checks, a new community safety force and cutting primary class sizes. We would all like to have those wonderful things, but how will the Liberal Democrats pay for them, given that they are at least £2 billion short?

Mr. Davey: I want to put the hon. Gentleman out of his misery. We have made our spending package clear in letters to the Prime Minister, and the fact that he does not appear to take our word for it is a disgrace. If the hon. Gentleman reads the document in which those figures appear, he will see that it is clear that the £5,000 allowance would be introduced when our proposals are implemented. If implemented in 2003–04, we would stick with the current allowance of £4,615. It is a disgrace that the Government and Ministers are not prepared to accept what we have said in a published document.

Phil Hope: The hon. Gentleman has just demonstrated why the Liberal Democrat figures cannot be trusted—they simply do not add up.

Finally, the Liberal Democrats' proposals on local income tax have weaknesses that they have not considered. They have two ideas for collecting the tax—one is to collect it during the year through tax codes, the other is to collect it at a standard rate across the country, then settle up with individual taxpayers to reach what they should have paid at the end of the year by using the year-end adjustment process. The Liberal Democrats do not appear to have taken into account in their costings the additional costs for employers arising from the first proposal. Employers would have to deal with local income tax rates for every local authority in which their employees lived, and would have to account separately for the different amounts of local income tax subtracted from their employees' wages. The Liberal Democrats simply have not considered that in their costings for local income tax.

Matthew Green (Ludlow) (LD): Clearly, the Minister has not been involved in administering PAYE in a small

business. It is already the case that virtually any employee will have a different PAYE code from another because of the many different circumstances that can apply.

Phil Hope: I do not think that my PAYE form has a location code on it. Under the Liberal Democrat proposals, I would have a variety of location codes depending on where I lived, where I worked and where I paid my income tax.

Andrew Bennett: Does the Minister accept that one of the problems is that many people pay council tax on more than one property? Would not considerable difficulties arise in trying to apportion their income tax commitments between two different properties?

Phil Hope: I have no idea of the answer to that, but it is not my problem. It seems that the Liberal Democrats would offer choice to everybody, leading to goodness knows what chaos.

Mr. Davey: It is interesting that the Minister does not know the answers to these questions, because they are in the document from which he quoted and the letter that I wrote to the Minister for Local Government, Regional Governance and Fire. Either he is not communicating with the Office of the Deputy Prime Minister or he cannot read.

Phil Hope: The correspondence between my right hon. Friend and the hon. Gentleman makes for entertaining reading, because it is full of questions but offers precious little in the way of answers from the Liberal Democrats.

The second option would be an odd compromise that would satisfy no one—a local income tax under which most of the time the bill that one paid had nothing to do with the rate set by one's local authority. How would such a system promote local accountability and flexibility, and how would it aid the taxpayer in understanding how much money their council was asking from them or spending on services? In addition, given that the mechanics of the tax system mean that underpayments or overpayments would not be fully settled for months or years, it would be doubly complex and unpredictable for individual taxpayers, local authorities and the Inland Revenue. When it comes to a local income tax, a slogan sounds good, but the reality is unacceptable.

The third issue that was highlighted by the balance of funding review consultation was the relocalisation of non-domestic or business rates. For the past 10 years, although local authorities have collected business rates they have not set the level of rates or kept the proceeds. Now, central Government set a national business rate and redistribute the money to areas on a per capita basis. Relocalisation—a return to the pre-1990 system—is not something that the Government have favoured in the past, but there is strong demand for it from many in local government. Most consultation responses from councils argued that relocalisation would resolve the balance of funding problem and encourage better partnerships with local businesses. However, many in the business community would be strongly opposed to any change to the level playing field for business. The balance of funding review is continuing to address that problem.

The fourth and final option that is being considered in the public consultation is the mixed option of smaller taxes or charges, which is sometimes called the basket option—I think that the chairman of the Local Government Association calls it the cornucopia option. The LGA is among those who are keen to explore this option, which covers a wide range of possibilities that build on the freedoms already given in the Local Government Act 2003, including localised vehicle excise duty, localised stamp duty on property transfers, land value taxes, hotel bed taxes and more charges for the use of local services. I have not got time to go into more detail, but I stress yet again that because the Government are listening to evidence from interested parties who favour those options does not necessarily mean that they are the Government's favoured options. If Members want openness and transparency in debating these issues, it is important that they do not pretend, as did the hon. Member for Kingston and Surbiton, that there are 12 new taxes. That is an unacceptable way to conduct the debate.

I welcome the debate, which has given a good airing to some important issues. People will have more to say, and we look forward to hearing it. Those of us who are directly involved—my right hon. Friend the Minister for Local Government, Regional Governance and Fire is here—will take careful note of all the points that have been raised. It is clear to us that many people have serious concerns about many aspects of the local government finance system, especially gearing and the impact of council tax rises on taxpayers with fixed incomes. It is also clear, however, that there are no easy fixes or quick wins. This Government will not return to the dark days of the Tory poll tax, nor will we be conned by Liberal Democrat proposals for an uncosted and unworkable local income tax—instead, we will analyse the options carefully. In the meantime, local government and the people it serves can be satisfied that the Government are committed to providing and supporting local services.

5.29 pm

Mr. Eric Pickles (Brentwood and Ongar) (Con): It is a pleasure to see the Minister for Local Government, Regional Governance and Fire in his place. My right hon. Friend the Member for Skipton and Ripon (Mr. Curry) would have liked to participate in the debate, but he is awaiting news of the birth of his first grandchild. We look forward to the time when he can come to the Dispatch Box and say, "We are a grandparent."

The debate has been interesting so far. Interventions from my hon. Friends and Labour Members did an effective job of destroying the Liberal Democrats' local income tax plan. I am therefore left with the slightly humbler task of bayoneting the wounded.

At times, I felt sorry for the hon. Member for Kingston and Surbiton (Mr. Davey). For him, the past few months must have been a living hell. He has been saddled with the most unworkable and impractical of all Liberal Democrat policies; no extended sojourn on the Greek islands could possibly have made up for that dreadful task. The policy was devised when the Liberal party was a single entity and its activists were bearded, sandal-clad men of a certain age and earnest young women sporting tank tops. It belongs with such other Liberal Democrat policies as giving the vote to

[Mr. Eric Pickles]

prisoners, legalising cannabis while simultaneously banning smoking in public and outlawing goldfish from funfairs. It is the hon. Gentleman's misfortune to have to try to make the misdirected policy credible. I tell him, with oodles of affection, that he sadly failed to do that today.

The hon. Gentleman's response to the Minister's 10 questions dated 14 October was a master class in why one should always ignore letters from political opponents. In the autumn, Liberal Democrat headquarters supplied a draft motion on local income tax to their groups on local councils. Among my many duties, I monitored those debates. I apologise to the Whip because I am sure that I shall get into terrible trouble with my party hierarchy, but I have a confidential report on the debates from central office. In a spirit of openness and glasnost, I am prepared to risk discipline by reading out its main conclusions.

One must understand how one should read a central office report, and I admit that the first two points are predictable. *[Interruption.]* There may be some pleasant surprises for the hon. Member for Kingston and Surbiton in the report. The first point states:

"Conservative councillors . . . were well prepared for when the debate occurred in council",

which is nice; it is good to know that. The second point emphasises:

"Conservative councillors are united against the motion put forward by the Lib Dems."

The third point is a little worrying for the hon. Gentleman. It states:

"Where it has been debated Lib Dems are often ill prepared and ill informed of the particulars of the motion. In several cases the motion was not unanimously supported by all Lib Dem members."

Oh dear! I cannot imagine that. There is some comfort for Labour Members because the document states:

"Labour groups are generally voting against the Motion en bloc."

I have a list of those who did not, which is available for a reasonable fee afterwards. The fifth point stresses:

"Media attention around the motion has been poor."

Oh no!

Let us take some random examples, which I have highlighted for the convenience of reading them out. On Bournemouth, the document states that

"two Liberals abstained. (on an amendment to their own motion—one of them is the husband of the Lib Dem MP."

I have no idea who that is. In Devon,

"the Lib Dem opposition"

said that

"the main anomaly with the local income tax policy was that young couples with a big mortgage, children and heavy outgoings would be 'very hard hit' by the local income tax policy."

That does not seem terribly on-message. Let us move to Harrogate, about which the document states:

"The proposer and the seconder were extremely cagey on the LIT proposal and seemed reluctant to even say that they supported it instead of saying that the motion was one of principle rather than specifics."

We can sympathise with them.

In Norfolk, I read that Liberal Democrats tried to disguise the tax

"as the sort of locally raised tax that everyone could support and the proposer made great play of the fact that she had never mentioned local income tax."

I have just two more examples, and it is hard to say which is my favourite. This one was my favourite until I got to the last example. It is from Poole, and says:

"Lib Dems said . . . that the regional income tax was no longer a policy and made mutterings and shouted about savings being made"

from local income tax. I think that that is pretty good, but this last one is the best. It is from Somerset, and says:

"Their cause was not helped by David Laws MP for Yeovil's website which showed under 20 per cent. supporting their idea of local income tax!"

We look forward to what the various "Focus" teams say. We even heard a report of a Liberal Democrat leaving the Chamber rather than debating the issue. I thought that that was cowardice until I heard the hon. Member for Kingston and Surbiton speak today; now it seems like wise tactics.

Mrs. Brooke: I am sure that as I was inadvertently referred to I can make a brief response. It is true that at a Poole council meeting my husband abstained on a Conservative amendment. However, my point in intervening is to ask the hon. Gentleman to tell us whether the Conservatives proposed alternative policies in all the council meetings to which he has referred, or whether all those councils were simply satisfied with the council tax.

Mr. Pickles: Indeed, I will come to that point. I am sure that the hon. Lady's apology to her party will be noted and that it will not at all affect her chances of success.

When the Minister was kind enough to take an intervention from me, he suggested that band D levels were equal between Conservative and Labour councils. However, according to the latest figures, which are for last year, the Conservative level was £1,030, the Labour level £1,111 and the Liberal Democrat level £1,129. Given that councils have not determined their figures for this year, what the Minister said to the House on that was clearly inaccurate. Would he like the opportunity to withdraw his earlier comments?

Phil Hope *indicated dissent.*

Mr. Pickles: I am sorry about that, because the facts speak for themselves.

I shall refer in a few moments to the point that the hon. Member for Mid-Dorset and North Poole (Mrs. Brooke) made, but first I have some comments on local income tax. Much has been made of the effect that the tax would have on different categories of person. Council tax is based on two adults sharing a house, with a discount for single occupiers, reflecting a crude recognition of the use of local services. Many families with two people working would be worse off under the Liberals' proposals, and families on average earnings would be particularly badly hit. It is important for the House to remember that in most households with two

people working, they are doing so from necessity to make ends meet. As the *Sunday Express* has pointed out with some force, there would be a tax blow under a local income tax, with bills rising by 60 per cent.

Let us aid consideration of the matter by using the figures that the hon. Member for Kingston and Surbiton supplied. Let us assume a local income tax rate of 3.75 per cent., and take a couple on average male and female earnings paying an average council tax bill under this year's tax system. Whether they live in England, Scotland or Wales, local income tax would be more expensive for them than the present system. In England—

Matthew Green *rose—*

Mr. Pickles: I shall just give the hon. Gentleman the figures; then he can dispute them. In England, the couple would pay an extra £547 a year, in Scotland an extra £510 a year and in Wales an extra £471 a year. Were there a third or fourth person earning in the household, there would be a heavy extra burden. A son or daughter still at home with their parents and just starting out at work would find the tax very heavy.

Matthew Green: It would be helpful if the hon. Gentleman confirmed that the median household income in the UK is £21,700, and not the £48,000 that the Conservative briefings quoted in the *Sunday Express* suggested is the average household income. I would love to know where all those people earning that amount are.

Mr. Pickles: I am sorry that the hon. Gentleman disputes our figures, because they stand the test of scrutiny. We are talking about average male earnings—I do not think anyone would dispute that that figure is £525 a week—and average female earnings, which are £396 a week. Those are the facts—*[Interruption.]* The hon. Gentleman should face reality. People on average earnings will lose out under his proposals, and the Liberal Democrats' blindness to that fact is leaving them looking utterly foolish.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am reluctant to rise to the defence of the Liberals, but will not the hon. Gentleman accept that there can be an enormous difference between median income and mean income because of the distorting effect of the many huge household incomes at the upper end of the spectrum? It is therefore fair of the hon. Member for Ludlow (Matthew Green) to quote the figure of £21,700.

Mr. Pickles: I am not disputing what the hon. Gentleman says about the difference between median and mean incomes. I choose my figures carefully—*[Laughter.]* They are based on income, because we are debating a local income tax. It is right to take into account the level of people's incomes in such a debate. The hon. Member for North-West Leicestershire (David Taylor) should remember that the proposal is for 3.7 per cent. on top of existing base rates, and is based on incomes between £5,000 and £100,000.

Students, student nurses, apprentices and young trainees are exempt from council tax under the Local Government Act 1992. The Local Government Act 2003 goes further in removing their joint and several liability if they live in a house with non-students. Yet under the Liberal Democrats' plan, students who work hard will pay local income tax. I am indebted to their document "Labour's unfair council tax: the facts"; I think that we are right to rely on the facts. The document contains a question and answer section that includes the question:

"Will students have to pay?"

The answer is:

"Only if they are already paying income tax, e.g. earnings during holidays and so on."

It is no use trooping through the Lobby to oppose the Government on variable fees while at the same time proposing a measure that will increase student indebtedness.

Most students do not pay income tax, but it is worth noting the research carried out by NatWest bank, which shows that 53 per cent. of students have a part-time job during term time and 20 per cent. of all students earn more than £100 a week. Many students work full-time during their vacations to top up those earnings. Most student nurses now earn enough to have to pay income tax. In addition, it is estimated that 75 per cent. of them now have to do part-time work to supplement their income while studying, and would therefore have to pay extra in the form of local income tax.

While pensioners are protesting, and some are even going on strike, it takes the genius of the Liberal Democrats to find a system that would make a significant proportion of them pay more, especially those who have worked hard and saved for security in their retirement. The poorest pensioners receive council tax benefit and do not pay council tax. One fifth of pensioners in Britain are in receipt of that benefit. Seventy-one per cent. of all pensioners receive income from their own investments. That income would be taxed under the Liberal Democrats' proposals. With a local income tax of 3.75 per cent., the average pensioner couple in the top quintile of pensioners would be an extra £563 a year worse off. That is on top of the Liberal Democrats' 50 per cent. income tax band, their regional income tax band, their regional national insurance contribution, their business land tax, their toll tax and their parking tax. It begs the question: is there anything that the Liberal Democrats do not want to tax. The hon. Member for Ludlow (Matthew Green) was unhappy with the *Sunday Express*, so let us consider the opinion of the *Daily Mail*, a very fair paper. It commented in January:

"The Liberal Democrats put forward their own plans for local income tax which would hit the middle classes hardest".

To be fair, that is a clear and stated aim of their policy. As their leader said on BBC Radio 4's "Today" programme:

"Middle classes . . . should pay more for a better society".

One aspect of Liberal Democrat policy that I particularly look forward to exploring on the doorstep in my constituency is the commitment to keep resource equalisation through a grant. The level of local tax will therefore still be at the whim of central Government, and the rate of local income tax charged in some localities will be higher. That point was made tellingly by the hon. Member for Manchester, Blackley (Mr. Stringer) in an intervention. It is helpful that the Liberal Democrats have provided confirmation:

[Mr. Pickles]

"It may be that areas which currently have very high council taxes will have a slightly higher local income tax".

Again, that comes from the Liberal Democrats' document, "Labour's unfair council tax: the facts", so it must be a fact.

We also have the advantage of the interesting letter from the Minister for Local Government, Regional Governance and Fire. He asks the hon. Member for Kingston and Surbiton a reasonable question:

"How would the redistribution of funds between areas operate?"

And he makes the reasonable point that

"London and the South East currently generate 33 per cent. of total Council Tax revenue but 45 per cent. of total income tax revenue in England".

The hon. Gentleman made the mistake of replying to that. He says in his letter, at point 7:

"Inter-regional redistribution would of course be necessary . . . The exact figures would depend on the final grant system adopted, which would of course be one tailored to a LIT system".

I can imagine myself on the doorstep. After the usual pleasantries, my script would be, "I'm really sorry that Brentwood's local income tax is going up. But your local Liberal Democrats think that the money would be better spent on services in Bradford." The good folks of the Ongar road will be queuing up with their piggy banks saying, "Please take away our money and give it to Bradford. We've seen the pictures from up there. We know the kind of suffering you had in your early life. Give them the money." I do not think it will be like that.

Matthew Green: Can the hon. Gentleman name a local tax system that does not have a formula that redistributes money through some sort of grant settlement of some degree? For instance, the standard spending assessment was the formula introduced by the Conservatives to go with council tax, and the Government have now introduced the formula spending share.

Mr. Pickles: Of course I cannot do that. That is the point. The redistribution system for local income tax would make it worse. Everything must have a redistribution process, but this would not make that redistribution process fairer; it would make it unworkable.

Mr. Edward Davey: Justify it.

Mr. Pickles: I will happily justify it with the point that the Minister for Local Government, Regional Governance and Fire made in his letter. It is as plain as a pikestaff, and it is a telling point. I will read it to the hon. Gentleman again. I am sorry if I am embarrassing him by reading out his marvellous work:

"London and the South East currently generate 33 per cent. of total Council Tax revenue but 45 per cent. of total income tax revenue in England".

If the hon. Gentleman has not grasped that, it probably explains why the Liberal Democrats tabled the motion.

Mr. Davey: Will the hon. Gentleman give way?

Mr. Pickles: Oh dear; all right.

Mr. Davey: What the hon. Gentleman has not grasped is how the grant system would have to work. If at present the council tax base of any local authority is in the formula, obviously it could not be retained for a local income tax. It would be bizarre in the extreme to include a council tax base in the formula when a local income tax was operating. There would be significant changes in the grant formula, which would override everything that the hon. Gentleman has said.

Mr. Pickles: With respect, I do not think that it is I who has not grasped the point. It is the hon. Gentleman who needs to grasp this if he wants to hold on to his southern seat: his proposal will more than extend the redistribution from the south of England to the north. In fact, I think I might go on the doorsteps of Kingston and Surbiton to ensure that the hon. Gentleman makes that point.

Let us set aside for a moment the inconsistencies of local income tax. Let us set aside the extra cost, and set aside the unworkability. The problem with local income tax is that it misses the point. The problem is not so much the form of the tax as the fact that it has risen by 70 per cent. since 1997. We need to examine why that is before we can consider ditching such an easy tax to collect.

The council tax has become the Government's favourite stealth tax. The Government have enjoyed the headlines about increased public spending without having to fund it directly. Instead, they have indirectly forced councils to fund national Government diktats through the council tax, and through the distorted mirror of its multiplier.

In opposition, the present Prime Minister promised that he had no plans to increase taxation. Of course we now realise that we should not have taken those words in terms of their ordinary meaning. What we should have done is view the pledge in its totality, to use a fashionable phrase. What the Prime Minister could not get through the front door of income tax he has chosen to introduce through the back door of council tax.

The Government's abuse of council tax is the clearest indication that it is impossible to increase public expenditure without increasing taxation. The fact that the public now blame the Government for these rises is the clearest possible indication that old Abe Lincoln was right: you cannot fool all the people all the time. Ring-fencing, specific grants and the introduction of passporting have pushed many services directly on to the backs of council tax payers.

There are six councils in the country that are in a "100 per cent. passporting" position, which means that there is nothing extra for hard-pressed services such as care for the elderly and vulnerable children, or even for day-to-day services such as refuse collection, planning enforcement and environmental controls. Those councils are Richmond upon Thames, East Sussex, Windsor and Maidenhead, Southend-on-Sea, West Sussex and Bromley. All are Conservative controlled except Windsor and Maidenhead, which is controlled by the Liberal Democrats.

In other councils, passporting covers more than 90 per cent. of grant increases. The Minister for Local Government, Regional Governance and Fire said on Thursday:

"Those are real-terms increases that are well above the rate of inflation, and we expect local authorities to work within the finance available to them, and to look for economies in order to deliver value for money and quality services to their residents." — [*Official Report*, 10 February 2004; Vol. 417, c. 967.]

That is meaningless when the Government have unbalanced authorities' budgets.

The Minister for Local Government, Regional Governance and Fire (Mr. Nick Raynsford): Will the hon. Gentleman give way?

Mr. Pickles: It is a real pleasure to give way to the Minister, fresh from his Committee.

Mr. Raynsford: When the hon. Gentleman's party was in power, local authorities received grant increases below the rate of inflation but were given a similar exhortation to deliver better services and keep council tax down. If he regards our settlement—a 5.5 per cent. increase in formula grant and a 7.3 per cent. increase in total grant—as inadequate, will he tell us how much more his party would put into local government expenditure to achieve his objectives?

Mr. Pickles: The Minister knows the answer to that. It is not just a question of money; it is a question of the burdens. It is a question of unbalancing—

Mr. Davey: The burdens?

Mr. Pickles: I shall deal with the burdens in a moment. In fact, the list is the one that the hon. Gentleman read out. I know that he feels a little bruised because his figures did not add up.

The Minister must consider the fact that the council tax has gone up by 70 per cent. since his Government took office, yet nothing like those figures occurred when the Conservatives were in office. He says that he is giving more money to local authorities, but he is increasing the burdens on them, and increasing expenditure by making them do likewise without matching their funds. So from national insurance contributions to the pension tax, the Government have given with one hand and taken away with the other. They have imposed on local councils a purpose and a burden that councils were not intended to carry.

Let us consider the comprehensive performance assessment and best value. The local government information unit estimates that the annual cost of external inspections of local government is £600 million, and that the indirect cost of inspections, compliance, council staff time and so on is an additional £400 million. For most local authorities, the number of premises to be licensed will increase between five and 10 times, and there will be no additional funding for start-up costs. I raised this issue with the Minister, who offered the pious hope that eventually we will be able to work out a system of charges that will provide recompense. But start-up charges are immediate. Councils have an immediate cash crisis, and these factors will immediately add to that crisis.

Local authorities had to comply with the Freedom of Information Act 2000 by July 2002, with full openness coming into effect by 2005. *[Interruption.]* My hon. Friend the Member for Cotswold (Mr. Clifton-Brown) says from a sedentary position that the Minister admitted the other day that there was a problem with licensing, and that is my recollection, too. We should also consider the Homelessness Act 2002, EU environmental directives, the Care Standards Act 2000, the Travel Concessions (Eligibility) Act 2002, e-government targets, the cost of asylum seeker dispersal and care, and emergency and civil contingency planning following 11 September. Moreover, the Criminal Records Bureau increased fees for standard and enhanced disclosures by 142 per cent. in July 2003, at an estimated additional cost to councils of £15 million a year. Bed-blocking fines are costing an estimated £10,000 to £15,000 a week, and there is also the school budget pressures caused by passporting.

The recent ICM opinion poll that the hon. Member for Kingston and Surbiton quoted was compiled by the Conservative group on the Local Government Association. It is not the first time that the Liberal Democrats have quoted Conservatives in aid of their argument, and this time we are happy to lend them our support. That poll shows that 39 per cent. of the public put the blame on the Government. That is a 10 per cent. increase on last year, and a complete reversal of fortune for all the Minister's efforts. Nobody is buying his argument.

The independent Audit Commission makes it clear who is to blame. Its report, entitled "Council Tax Increases 2003–04: Why Were They So High?", which was published in December last year, shows that the burdens imposed by central Government have increased local authorities' costs. Page 9 states:

"National cost pressures taken together account for about £2.3 billion of the total increase in councils' spending of £4.3 billion. In other words slightly more than half the total increase is due to national pay and price inflation, increased national insurance and general population growth".

It also states:

"The causes of increased spending by councils included ... national policy priorities, such as the requirement to increase funding for schools by the amount determined by government or to meet national waste recycling targets".

It also refers to the changes in allocation of funding that have hit many councils. It mentions the redistribution from London and the south to the midlands and the north—

Mr. Raynsford *rose*—

Mr. Pickles: Does the Minister want me to give way because he thinks that I am quoting from the wrong passage?

Mr. Raynsford: If the hon. Gentleman's thesis is right, why does the chairman of the Audit Commission, James Strachan, clearly state that there were

"a number of factors behind the rises and trying to find a single point of blame is not only counter-productive but also simply not borne out by the evidence."?

Mr. Pickles: I think that the Audit Commission is ticking off the right hon. Gentleman for all his wild assertions about political control. I am quoting from the Audit Commission's written report, not a press release, and the report dismisses the Government's claim that last year's high rises were due to councils not being up for re-election. It states:

[Mr. Pickles]

"We could find no evidence of a statistically significant relationship between either budget or council tax increases and the length of time until the next council election".

The right hon. Gentleman's argument therefore collapses. The report also noted that the political control of councils made no difference to the rises and saw the size of the grant as the central factor. That is what it says in the main text of the report, and no one's press release can undermine what the report states.

In conclusion, council tax has become unpopular because of the abuse of the system and because no one now trusts the fairness of the grant system. The council tax is also unpopular because under Labour it has shot up by 70 per cent. As *The Independent* put it:

"The council tax may be unpopular, but the alternatives are worse."

The message is clear: to restore confidence we must reintroduce fairness into the system, redress the balance of funding and start trusting local government.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Front Benchers' speeches have taken up 104 minutes of the 163 available. In order to allow all the Back Benchers who wish to contribute to the debate to do so, I suggest a self-imposed time limit of about 10 minutes.

6.1 pm

Huw Irranca-Davies (Ogmore) (Lab): May I explain first why a Member of Parliament from Wales such as myself should venture into the debate when the Chamber today is peopled largely—with the notable exception of the hon. Member for Brecon and Radnorshire (Mr. Williams)—with English Members? It is because, as with so many other policies, the repercussions of today's debate, coupled with an Assembly review running alongside the current balance of funding review, will have major repercussions across the border. There are voices of discontent out there—whether it be in Cardiff, Canterbury, Oldham or Ogmore—and people are greatly disconcerted over recent rises in council tax levels. No one in the Chamber should ignore that.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I reinforce that point by saying that the same concern extends north of the border to Scotland. If we are to have a major reform in respect of local income tax, it would be more easily done if introduced across the United Kingdom.

Huw Irranca-Davies: My only proviso would be that, as a great supporter of devolution, I welcome the differential. Sometimes it can be a little annoying, but I welcome the freedom to implement policies differently. As the hon. Gentleman knows, the Treasury has given a massive tranche of funding to Ministers in the National Assembly for Wales to pass on to local authorities.

The Government have commissioned an ongoing review of council tax to explore future options and, as I mentioned, the Welsh Assembly Government have also considered the matter and are paying close attention to what we are saying in the House today.

I commend the Liberal Democrats on their choice of debate today, because council tax has had a massive impact on my constituents. Like many others, my constituency has seen large increases in recent years and many people agree that the position either is, or is rapidly becoming, untenable. Politically, as I have no need to remind my hon. Friends, including those on the Front Bench, our constituents look to us to bring forward carefully crafted proposals, so I ask my Front-Bench colleagues not to rush the proposals, no matter how much the Opposition or the media want us to introduce a hasty policy, which might help Conservative Members to snap up a few political crumbs. Our electors will not thank us for introducing badly thought-out measures.

All too often the headlines in the right-wing press have singled out one or other Government policy and screamed, "This is Labour's poll tax". In my two years in the House, I must have heard that on at least a dozen occasions already. However, when we talk about the council tax, we are haunted by a spectre of the past—the real, Conservative poll tax. Before us waits the spectre of a possible future—the local income tax. If it is the only source for local government financing, it could well become the next poll tax, as I shall explain. I must say to my right hon. Friend the Minister that, if we fail to reform and renew the existing council tax adequately, we could find that our present policy could mutate before our very eyes into another poll tax.

I commend the Liberal Democrats on their ability to climb aboard a political bandwagon. It is world class. They have spotted something that is currently unpopular, and come up with an eye-catching, if flawed, idea. They have proceeded to flog that poor horse until it has keeled over.

I do not blame them. That is the nature of politics in opposition. Labour Members remember our 18 years in opposition, and Liberal Democrat Members have had to live with 100 years in the wilderness.

Mr. Edward Davey: I have here a piece of paper containing quotations from the general election manifestos produced by Liberal Democrats and our predecessor parties since 1983. Each manifesto contained a proposal for local income tax. That is some bandwagon.

Huw Irranca-Davies: Despite my warm words, I cannot commend the Liberal Democrats on their blinkered focus on a local income tax. Their proposals resemble a promise to fix up an old house, using a sledgehammer only and ignoring the other tools in the box. There is more danger that a sledgehammer will bring the house down than accomplish any good or complicated repairs. The Liberal Democrats, with their blind allegiance to a single option, could truly be called the house wreckers of local government.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Will not any reform of the council tax merely alleviate the symptoms, and not cure the complaint? The complaint is the unfairness that lies at the heart of the council tax.

Huw Irranca-Davies: I agree with the hon. Gentleman about unfairness, but I hope that the present exhaustive

and thorough review of the balance of funding will produce an analysis based on evidence. Using that analysis, we can make decisions. That is the way to go about things; we should not leap ahead and adopt a policy just because it looks politically attractive. The Liberal Democrat proposal on local income tax can be rendered in two or three words in a little manifesto statement, but I would need to have the evidence before making a decision to move in that direction.

Matthew Green: If the review is so thorough, why has the Prime Minister ruled out one option before it has even begun—and before the Chartered Institute of Public Finance and Accountancy has given the evidence that it was asked to give? The Prime Minister has ruled out one option, with no regard for the information that is available.

Huw Irranca-Davies: The hon. Gentleman must be as confused as I am on this matter. I have read statements in the media that flatly contradict his version of events. Some newspapers, and especially the right-wing press, assert that nothing is being ruled out of consideration. It has also been stated—wrongly, but the same point has been raised in this debate—that the Government will bring in a dozen different new taxes. My right hon. Friend the Minister has made it clear that nothing is being ruled out of the review, but that people should not assume that Government policy will use only one of the tools available in the toolbox.

I want to go back into the mists of time, to February 2003. The Liberal Democrats' alternative Budget promised all voters that the adoption of a local income tax would result in a cut of £100 in council tax bills. That claim was repeated in the party's local election manifesto, entitled "Power to the People"—with its echoes of the Tooting popular front—and in the by-election at Brent, East. It is pretty clear then, that between February and September last year, the Liberal Democrats were offering a very catchy promise of "£100 in your pocket".

However, a curious trick had taken place by December. That catchy promise of £100 back with every Liberal Democrat vote had shrunk. The right hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) suggested in *The Guardian* of 8 December that the amount would be £70. From September to December, the amount fell by £30, yet only two days later his colleague, the hon. Member for Truro and St. Austell (Matthew Taylor), was insisting that it was still £100. However, for the moment, let us stay with the leader of the Lib Dems and the tenner a month shrinkage. If the amount saved continues to decrease by £10 a month, it will be down to no saving at all by the time the balance of funding review reports in the summer. The public will be no worse off, but they will certainly be no better off either.

One question jumped out at me when I considered the pay-as-you-earn option for local income tax: how do the Liberal Democrats plan to plug the funding gap they will cause by missing out the 500,000 people who do not have a salary but receive dividends? Some of the wealthiest people in the country would be missed out. Has there been a calculation of that lost tax take? How much extra will have to come from those who pay through a PAYE system? If the Liberal Democrats cannot tell us today, will they tell us in the press releases after the debate?

I refer briefly to an article provided by the Library—I commend the excellent work of the Library staff. It was published in *The Observer* on 1 February 2004. Part of the headline was "Another Fine Mess" and it was subtitled:

> "If you hate dealing with one tax return a year, consider coping with two."

Mention was made earlier of the American example. In the article, Brendan Donnelly, a director of the Federal Trust stated that local taxation

> "is infinitely more complicated than people think . . . There would be so many winners and losers among the public, and many would be distributed in a highly unpredictable way."

Apart from the over-simplistic platitude that the poor will be better off and the rich will not be, we have failed to get an answer about exactly who the winners and losers will be. If the system will be unpredictable, have the Liberal Democrat policy wonks already come up with an analysis of where the knife will fall? Who will it affect across the UK and, to be parochial, who will it affect in Ogmore? I am still not clear about that and I do not think that Liberal Democrat Members are clear about it either.

We must actively consider change, but we must not leap prematurely into wholesale changes that could worsen the situation. Despite a real-terms increase of 30 per cent. to local government in England since 1997, and a commensurate transfer of funds to the Welsh Assembly Government, many local authorities have had massive increases in local taxation.

David Taylor: My hon. Friend is forensically dissecting what remains of the Liberal income tax policy, but does he recognise that the unease to which he referred about council tax rates in Wales, which also exists north of the border, is significantly cushioned by the generosity of the Barnett formula? The formula certainly needs review in parallel with the balance of funding review undertaken by the Chartered Institute of Public Finance and Accountancy. I declare an interest as a member of CIPFA.

Huw Irranca-Davies: That point alone could fill an entire debate. The complexities of the Barnett formula, especially when we consider proposals for regional assemblies, may not have the beneficial effects in Wales that some Members on the Opposition Benches and some people in the nationalist community claim. We need to treat the matter with great caution.

The Government were right to set up the balance of funding review in April 2003. My understanding is that no options have been ruled out, but that, at present, nothing has been ruled into Government policy. That is the right way to play it. Based on the evidence, local income tax certainly has a role to play in the debate and it may even have a partial role in the eventual solution, but to pretend that it is the magic bullet fools no one except some headline writers who believe that there can be simple solutions. It is rather like believing in the tooth fairy; it is reassuring, but at some point we need to put away such things.

[Huw Irranca-Davies]

We should let the review get on with its work, and look at some of the proposals, including aspects of local income tax, that are worth considering. I commend the review group for its work—the quality of the research, the extensive consultation that is being carried out and the willingness to explore all options. That is quite contrary to what has been put to us by some Opposition Members today.

I want to put to the Minister some of the feelings of my local authority—Bridgend county borough council. It dislikes the over-zealous use of ring-fencing, although that is primarily conducted by the Welsh Assembly Government, and it would also welcome the flexibility of a return to non-domestic rates in one form or another—I throw that in for the Minister's consideration. It does not have an appetite for pure local taxation as the prime way forward because it recognises that central Government funding has advantages, not least of which is the equalisation function. For all the criticism of central Government funding, it is the mechanism by which we can ensure that deprived areas and rural areas are adequately rewarded.

Whatever happens in the review, its very existence is an explicit recognition of the unsatisfactory current situation and, most notably, the seemingly unmanageable regressive element of the council tax system. The criteria are correct, so any alternative system should balance stability for local authorities; predictability of income; sufficiency of resources looking more than one year ahead; allowing local authorities to respond to local circumstances; and variety of income. Relying on one source of income is the way to disaster. I would not rule out elements of the Liberal Democrat policy, but a wholesale transfer to it would be dangerous.

On the necessity of equalisation, I do not envy those wise people who are trying to juggle the often conflicting criteria, but I applaud their efforts and watch their progress with interest. Earlier, I referred to a well-argued article by Neasa MacEarlean in *The Guardian*, and its closing statement is apt. It states:

> "If we get a sophisticated debate going in the run-up to the next election, we could end up with a more sensitive tax system that will serve us for decades to come".

The corollary is that, if this debate is unsophisticated and dabbles in simplicity for the sake of spinnable, winnable headlines, we risk ending up with another poll tax, albeit a local poll tax.

Whatever the outcome of the review, I urge the Minister to adopt certain principles. We must examine an appropriate measure to devolve powers and funding, but the process must not be wholesale. We need a mix of funding rather than an over-reliance on a single source, equalisation within central funding and minimum standards that guarantee that wayward councils will not revert to slashing services as a response to tighter times. Whatever the solution, it is patently not local taxation. The wise solution is more complex and we must be honest with the electorate and not paint them a mirage of a promised land of low, lovable, local income tax.

6.18 pm

Sir Paul Beresford (Mole Valley) (Con): When I considered this debate, I realised that we would probably have some knowledgeable contributions, particularly on national issues, so I decided to examine the matter from a local perspective.

My local council is, unsurprisingly, called Mole Valley district council. As with many local councils, particularly in the south-east, it has had considerable difficultly with the size of the council tax, not the method. It was hurt in this round: after the adjustment in the formula, which predominantly went back to the Department for Work and Pensions, the transferred grant was sent through and it received an increase of £14,000, which is about 0.4 per cent. A little bit of Government panic money came down to it—another £25,000—giving it the grand total of a 1.2 per cent. increase.

Mole Valley council felt fairly sore. Fortunately, although it is under no overall control, the Conservatives and the independents used this year to look for efficiency savings and resisted yet another year of Liberal calls for vast increases in expenditure—many hon. Members will have noted that the Liberals are quick to dispense other people's money. In this case, the Conservatives and independents made some savings and managed to keep the proposed increase down to 5 per cent. The Mole Valley Liberals called every saving a cut and suggested an 18 per cent. rise in council tax. Going by the reaction at the council meeting when the final decision was made, the Liberals complained that the 5 per cent. increase was too much while also complaining about the cuts.

As many hon. Members have recognised, the council tax has, in the main, worked quite well. I agree with the Government that many authorities have the opportunity to make enormous savings, but many just do not try. For example, why is it that Hammersmith and Fulham's bin collection costs twice as much per head of population as its Conservative neighbour's? That is a little gem of a question that I am sure the Minister of State will think about and have a reply of some sort to when he winds up the debate.

The Government's contribution to high bills must be acknowledged. It includes the changes in local council procedure and structure, the effective removal of market testing, the huge volume of targets, the number of reviews and reports required by central Government, and the direct controls on the size and direction of spending—just some examples, in addition to those already mentioned. Last year the Minister introduced his new grant system. It was not fair, but as the Minister said to the Office of the Deputy Prime Minister, Housing, Planning and Local Government Committee, it had to involve an element of rough justice. It was certainly rough, but it was a bit short on justice. Many of the needs indices were subjective—as the Minister put it,

> "We had to make choices."

The Government did make choices, and many were politically motivated. The Committee warned the Government, but the Minister ploughed on. The money moved from the south-east and London to the urban north. The Government denied that that was the effect of their changes, but the Audit Commission—much quoted today—said that it was. Many local authorities,

especially in the south, lost huge sums year on year. For example, Surrey lost about £39 million. Around the country, but especially in the south-east, council taxes rose, often by large amounts.

The Liberal Democrats' proposal is the local tax—their long-term bandwagon. As ever, they claim that it would be fair. They always claim that until one lifts the glossy lid and finds a bin full of expensive problems for local authorities. That is not even to mention the prospect of having local finance directors and councillors examining one's tax declaration. The Liberal Democrat estimate of 3 per cent. is considered by experts to be incorrect: the true figure is probably nearer 6 or 7 per cent.

The local income tax—like the poll tax, but even more so—would mean technical and administrative problems, and costs would be horrendous. Local authorities would have to locate every taxpayer for collection and keep track of those who moved in each financial year. That would apply even if the tax were collected centrally and dispensed locally. I understand that the Inland Revenue does not have the home addresses of most PAYE taxpayers and only a nominal address for some others. When the Revenue has an address, it is often a taxpayer's home, but it may not be. It may well not be the only home, let alone the main home.

Mr. Edward Davey: Will the hon. Gentleman give way?

Sir Paul Beresford: I shall not give way. I am very aware that the opening speeches were especially long, and that my right hon. Friend the Member for North-West Hampshire (Sir George Young) is in his place and desperate to make his speech.

No consideration has been given to the situation in which, for business or other reasons, earners have two or more residences. If the tax were set at 5 per cent., would an individual with two properties pay 10 per cent. or would the 5 per cent. be split between councils? If so, how would it be split? One wonders. If the tax were collected centrally, the money dispensed by Government would have to be on a per head basis, in which case rural areas would be hard hit, or on a formula basis, which is the source of the present complaints. Any central collection and distribution would effectively remove any real local government autonomy.

As has been mentioned, because the tax year correction is retrospective, adjustments, either up or down, would cause a large measure of uncertainty. That would mean that local council taxes would have to supplement balances, and reserves would have to be increased considerably. The readjustment would be complicated by each local council having to seek out individuals retrospectively, further adding to administration costs.

I would be one of the first to recognise some of the problems with the poll tax. I set a zero poll tax twice, and one of the biggest single savings was of the annual £2 million cost of collection. Similar costs, at today's prices, would apply to the Liberal Democrat local tax.

The Liberal Democrats make great play of local decisions, but only when it suits them. If local councils set their own local tax, the problem of accommodation addresses would arise. It would be interesting to see how many people would appear to move from Lambeth, or Hammersmith and Fulham, to Wandsworth, at least for tax purposes. The local tax idea is fraught with problems and has huge prospects for unfair results. It should not be taken seriously.

6.24 pm

Mr. David Borrow (South Ribble) (Lab): In view of the time, I shall be brief. I should like to make a few general comments on issues around taxation and then specifically on the review of local funding.

In 1975, I started my career as a local taxation professional, and I declare an interest as a member of the Institute of Revenues, Rating and Valuation.

In 1976, the Layfield report came out, following the 1973 rating valuation. It raised issues similar to those that we are discussing. The report included all the sorts of issues that are currently being considered; it raised all the problems with local income tax—the nature of raising the money and all the other technical difficulties *[Interruption.]* If the Liberal Democrats will listen a little longer, I shall deal with certain issues and they may learn a little.

There is no truly fair tax. All a Government can do is try to put together a basket of taxes on different things in the right combination, in the hope that they can tax enough different things to achieve a fair basket. That means taxing property, wealth, income and expenditure. Those are the main sources of taxation on individuals. The way in which that combination is put together is crucial to whether the tax system is fair.

Income tax on its own is not fair, because it ignores wealth. It ignores the fact that, if there is only a tax on income, a working couple with kids, paying off a mortgage and struggling with all the expenses of starting out in life, may have a higher income and so pay more income tax, but not be as comfortably off as a wealthy retired couple with a low income, but £200,000 in the bank and their mortgage paid off. We must recognise that fairness in taxation means looking at it as a whole.

A property tax is essential in any basket of taxes. Because of its very nature—the fact that property does not move—such a tax is easy to collect. Not only in this country, but in many others across the world, it is seen as ideally suited for a local government tax, rather than a national Government tax. That is one reason why, whatever comes out of the review, a local property tax needs to be part of the system that we end up with. Whether it is the only local tax is a different matter, but it needs to be a part.

The existing council tax is unfair, because the bandings are not sufficient. There should be more bands at the top and the bottom. That can be dealt with when the revaluation takes place. We also need to ensure a proper balance between the different bands. At present, those in a low band pay more than they should, and those in a high band pay less than they should, taking the value of the property alone. There is quite a lot of scope to improve the existing system.

If we look at local government funding as a whole, we see that the reason for the current problem with council tax increases is the gearing system, which means that 75 to 80 per cent. of local government income is dependent

[Mr. David Borrow]

on the decisions of central Government. Of that chunk, about a quarter to a third is geared to the nationalised business rate, which is linked to inflation, and the remainder comes as Government grant. So the only bit that councils have any control over is the 20 to 25 per cent. That percentage is higher than it was 10 years ago, but it is a small percentage linked to the council tax. Replacing the council tax with a local income tax would not change that problem, because councils could still control only a small proportion of council income.

We need to increase local government's tax base. We need to look again at the localisation of the business rate and restore that to local authorities. One of the matters that Layfield looked at in 1976 was whether it was possible to introduce other forms of local tax in addition to the property tax.

Local income tax may be a possibility, but my view is that it would be complicated and difficult to introduce because of the existing structure of local government, with small shire districts of about 100,000 people such as those that I represent and the two-tier system. Local income tax is possible with a regional system or with much larger local authorities, as in the United States, where local income tax seems to work better.

I was reminded of my hon. Friend the Minister's constituency—Corby—when comments were made about the buoyancy of local income tax. Local income tax is all right when the economy is booming, living standards are increasing and income tax yield is going up every year. However, 10 or 15 years ago, when the steel industry collapsed in Corby and the town struggled for a number of years, those who were running the local authority had to try to deliver all the services although its tax base—the workers—was wiped out at a stroke. To an extent, that happened in my own authority, when Leyland Trucks got into difficulty in the early 1990s. If local income tax is the only tax that local authorities control, they are vulnerable to the ups and downs not just of the national economy but of the local economy. The smaller the local authority, the more vulnerable it is to those changes.

The Liberals need to think again about their policy. I can understand why it is viewed as sexy and the sort of thing that goes into "Focus" across the country, but people move away from it when they consider it. If the Liberals seriously felt that they had a chance of winning the next election, that commitment would disappear from their policy by the time the manifesto was written.

6.31 pm

Sir George Young (North-West Hampshire) (Con): It is pleasure to follow my hon. Friend the Member for Mole Valley (Sir Paul Beresford) and the hon. Member for South Ribble (Mr. Borrow), who have spoken with authority and brevity, and I will certainly seek to match them on brevity.

The Liberal Democrats, who have made this proposal, need to stand back and look at the overall structure of taxation. There are taxes on income, on expenditure and on capital or assets. They propose to abolish a tax on capital or assets—council tax is almost exclusively a tax on home ownership—and to replace it with a tax on income. They assert that that will be fairer, but I remain to be convinced.

A number of residential properties in my constituency are owned by companies or trusts and a substantial amount of council tax is levied on them at the moment. That could be lost, to be made good by a rise in income tax on the average punter. Other substantial properties are owned not by companies, but by individuals who are not domiciled in this country and may legitimately pay no tax in the UK. Their contribution would also be lost. Finally, some properties are owned by wealthy individuals who are domiciled in this country but have so arranged their affairs to make ingenious use of tax allowances that they pay little or no income tax. They live off their capital, and I am sure that they will be interested in the Liberal Democrat proposal to reduce their tax burden at the expense of those who are less well off.

I have looked at the website, and the Liberal Democrats make it clear that they want to abolish the council tax and replace it by Inland Revenue and pay-as-you-earn measures. That would not capture a range of people, and that lost income would have to be made good. So some arguments of principle need to be addressed before reducing taxes on capital and replacing them with taxes on income, and there are some important practical and distributional consequences, as well as possibly an impact on incentives. If 3p in the pound were added to the basic rate of income tax, it would help to make this country less competitive internationally and add to the incentive to take tax avoidance measures. I do not put too much emphasis on this, but related to that is the view of some economists that house prices will rise if a tax on houses is abolished. The Government have tried to damp down buoyancy in house prices by using stamp duty. It follows that, if the tax on houses is reduced, prices may go up, with consequences for marginal first-time buyers.

I have considered the impact of the proposals on my constituency. At the moment, the average council tax bill in Test Valley is £1,042 a year. To raise the same amount of money would require a local income tax of 4.3 per cent., yet a household with one person on average male earnings and another on average female earnings would end up paying a yearly local income tax bill of £1,670; so having got rid of the council tax, that couple would pay £628 a year more. I know that the Liberal Democrats keep saying, "We expect 70 per cent. of households to be better off", but I remember my Government saying that about the poll tax. The reality is that it is not households who vote, but voters. I do not believe that 70 per cent. of my constituents would be better off.

I shall touch on one or two specific issues in the time available. Let me start with what I call visibility. How visible would the new tax be? At the moment, I receive a bill in April from Test Valley borough council setting out how much I must pay. I have a standing order for 10 months, which I see on my statement, so I know exactly how much money has gone where. That keeps me focused on the cost of local government and allows me to compare my band with those in other local authorities. Under one of the Liberal Democrat proposals, there would simply be less visibility. A flat sum would be deducted from my pay each month, along with my national income tax, national insurance, contributions to the Members' fund, give-as-you-earn, and all the rest. The tax would be less visible, which

would reduce the accountability of local government and the transparency of its costs. It would get lost in my transactions with central Government, instead of being a stand-alone transaction with local government. There would be a complicated settling-up process at the end of the year, although which tax year's return would be used as the basis for the settling up is not quite clear.

There is a further point that has not been mentioned in the debate. How would my town hall know what the tax base would be when setting the rate at the beginning of the year? At the moment, it knows with some certainty how much in the pound a certain amount of council tax will raise—it has a fixed, immovable tax base. Under the Liberal Democrat proposal, it would not know how much it would raise from a specific rate of tax. I suspect that councils would aim high so that they would have a margin.

What percentage of the tax would be collected? Some 96 per cent. of council tax is collected at present. Do the Liberal Democrats really think that local authorities would get the same return from central Government?

Mr. Edward Davey: Will the right hon. Gentleman give way?

Sir George Young: I shall, but the time will come out of the hon. Gentleman's colleague's winding-up speech.

Mr. Davey: As in other countries, the Inland Revenue would tell local authorities their income tax bases at the beginning of the year and guarantee that from the Exchequer.

Sir George Young: But how would the Inland Revenue know whether I would stay in that area for the whole year? How would it know what my income would be? The Inland Revenue might have an idea about how much I will earn in the current year, but I have to tell the hon. Gentleman that it is quite often wrong. Under his proposal, the tax would not have the same fixed base on which it could be levied as the council tax. I listened attentively to his opening speech, but he did not begin to address that point. Under the system, there would be questions of where I lived and whether I would have to pay twice. At the moment, the Inland Revenue is relatively relaxed about the address from which I send off my tax return, as long as it gets one. Under the new system, it would be vital that the address was right.

The hon. Gentleman said that an advantage of his proposal was that it would provide a buoyant source of revenue. I am not sure that I want local government to have a buoyant source of revenue. [HON. MEMBERS: "Ah!"] No, I want authorities to have a threshold through which they must go each year before they put up the council tax. I want them to justify their increases year in, year out. The hon. Gentleman wants local government to have a buoyant source of tax revenue so that it does not have to answer the difficult questions that are asked at the moment. I consider what the Liberal Democrats see as an advantage to be a disadvantage.

The real problem at the moment is that too much weight is put on the council tax. It was invented some 14 years ago when the average amount paid was around £500. It could bear that amount of traffic without too much damage to its structure—it is like a bridge with a weight restriction. However, many of my constituents are now paying four-figure, not three-figure, amounts.

The hon. Member for Kingston and Surbiton (Mr. Davey) asked at the start of his speech what could be done. I would keep the council tax and complement it with another tax, perhaps a variable vehicle excise duty, for the sake of argument. That would be a much better response to the challenges facing local government than those that he proposed. The debate has shown that the House does not want to axe the tax; it wants to axe the Liberal Democrats.

6.39 pm

Matthew Green (Ludlow) (LD): This debate has shown that if the arguments used by Conservative and Government Members are the best that they can throw at us, we are on fairly firm ground. As to the comments by the Under-Secretary about the date of this debate, that was not in the gift of Liberal Democrats. I am sorry that the Minister for Local Government, Regional Governance and Fire could not be present for the start of the debate because he was in Committee. Originally, our Opposition day was Wednesday, but, quite rightly, it was moved because of the Hutton report. The Minister can make cheap jibes, but this debate was originally intended for the day on which the Hutton report was published.

The hon. Member for Brentwood and Ongar (Mr. Pickles) and others used as a theme how much a working couple would pay under our proposals and those of the Conservatives. Two weeks ago, one of my excellent local newspapers, the *Ludlow Journal*, published an article about a young couple named Charlotte and Scott Downes from Burford. Charlotte is 24 and Scott is 30. They both work and have a four-year-old daughter. They went to the press from choice—that was not down to me. The paper reported:

"Mrs. Downes said she and her husband were a couple who worked to pay their own way and didn't expect others to do it for them. 'We support ourselves but I can work only 20 hours a week and get £4.50 an hour. Scott works full time and gets just £5 an hour'."

Such wage levels are common in my constituency. Charlotte Downes went on to say:

"We have to pay around £3,500 a year in rent and we have to clothe and feed themselves. We don't get 10 and 20 per cent. increases in what we earn but that is the sort of increases we have been getting in Council Tax over recent years. We are already paying over £1,200 a year in Council Tax"—

presumably under band D—

"and now it's set to go up yet again."

As well as asking their permission to quote them, I did some calculations. On the basis of those figures, that couple's joint income is just over £16,000 a year, which is quite common in my constituency and puts them above council tax benefit levels. Currently, they pay £1,200—a hell of a chunk out of £16,000, on top of the other taxes that couple have to pay and their cost of living.

If we scrapped council tax and implemented our proposed local income tax bands with a national average of 3.75 per cent., that couple's local income tax bill as a household would be £260. They would be £900 a year better off than under the current proposals that are being defended. According to the information

[Matthew Green]

revealed by the right hon. Member for West Dorset (Mr. Letwin), under the Conservatives, the Downeses would pay £2,400 council tax. On the assumption that that was done by cutting national income tax—I will not claim that the Tories would increase the burden of taxation nationally—by 3.75 per cent across the bands, that would save the Downeses £260. Overall, they would be £900 a year worse off under the Conservative proposals—unless the Tories have another policy that they have not yet revealed. We would love to know.

At the other end of the scale, the local Member of Parliament—myself—earns £55,000 a year.

Mr. Hoyle: No, £56,000.

Matthew Green: I will work on £55,000 as a round figure.

My current council tax for my band E property is £1,400 a year. Under my party's proposals, I would pay local income tax on just over £50,000 of my income, taking the personal allowance into account, but council tax would be scrapped. My local income tax bill would be £1,900 but I would save £1,400 in council tax, so I would pay £500 more. I think that I should. Under the Conservative plans outlined by the right hon. Member for West Dorset, I would pay council tax of £2,800 but save £1,900 on my income tax bill, so I would be £500 better off under the Tories' current plans. I say that I should pay more and that the young working couple from Burford should pay less. Conservative proposals would reverse that. The Government may be trying to come up with new proposals, but they are going nowhere fast.

In the short time available, I shall tackle a few points that were made in our debate. The Minister cited some countries that used local income tax. He needs to go back to his officials because he did not mention Switzerland or Norway, both of which use local income tax, as do many other countries. He should ask his officials to take another look at countries that use such a system—Switzerland certainly does so. The hon. Member for Ogmore (Huw Irranca-Davies) made some well-argued points. He clearly favours a hybrid system, but the danger of that is that the cost of collection is likely to be greater. Council tax raises £19 billion a year, 4 per cent. of which—about £670 million—is the cost of collecting and administering benefits. If we added another tax system on top, it would be hard to escape the conclusion that administration costs would be higher. One or two other Labour Members found a hybrid system attractive, but they must consider how those administration costs would be met. More would be spent on bureaucracy, so the return would be smaller.

The hon. Member for Mole Valley (Sir Paul Beresford) said that local income tax would not be levied at 3.75 per cent. of earnings, but at 6 to 7 per cent. The figure of 3.75 per cent. is based on the local income tax rate for earnings between £5,000—the personal allowance—and £100,000, where we would set a cap. The figure of 3.75 per cent. is not just based on the standard rate. If the tax were based on that rate, 6 or 7 per cent would be a possible figure. However, because the tax is levied across the board, the figure is 3.75 per cent. We must therefore be careful to specify what portion of income the tax is based on.

The hon. Member for South Ribble (Mr. Borrow) mentioned the Layfield commission, and we got excited because we thought that he was going to tell us what its conclusion was. However, he swallowed his words and could not bring himself to say what it was. The Layfield commission pointed out that local income tax is not perfect—every tax has pros and cons—but it recommended it after assessing a range of local taxes. The hon. Gentleman could not bring himself to say that the Layfield commission recommended local income tax. He talked about buoyancy, and gave Corby as an example of a local community where our proposals would have a disastrous impact. At the moment, people without income receive council tax benefit and extra money from the Government kicks in. However, revenues can be affected if something happens that has a major impact on an area. I hope that that does not happen to communities, but if it does the authorities step in. I think that something similar would happen if a local tax system were introduced.

The right hon. Member for North-West Hampshire (Sir George Young) asked what we would do with a property owned by a business rather than an individual. That is a fair point—we would tax the owners as businesses, which would either pay uniform business rate or our replacement for UBR, details of which I shall not go into.

Sir George Young: How does the hon. Gentleman know which properties are involved?

Matthew Green: We would know at which property someone was registered for income tax purposes—*[Interruption.]* I am being reminded that capital gains tax exemption is another way of finding out.

Our debate has shown that the Tories are in denial. Council tax is an unfair tax—we cannot escape that conclusion. Labour Members have admitted that council tax is inherently unfair. The Conservatives introduced one unfair tax—the poll tax—only to replace it with an equally unfair tax. It is time for the unfair council tax to be scrapped and replaced with a tax that is based on ability to pay and is fair to the people who are paying it.

6.49 pm

The Minister for Local Government, Regional Governance and Fire (Mr. Nick Raynsford): I apologise for having been unable to attend the start of this important debate. As my hon. Friend the Under-Secretary explained, it has been difficult for us to cover this debate as well as the Committee on the Fire and Rescue Services Bill. However, I listened to all the points that hon. Members have made since my arrival. I shall respond to those, but I must first repeat some of the points made by my hon. Friend the Under-Secretary, because they are crucial, and the message seems not to be getting through in some quarters.

This Government have given continuing year-on-year increases in grant to local government, now totalling £46.1 billion—30 per cent. more in real terms than the figure that we inherited in 1997. This year, we increased formula grant by 5.5 per cent. and total grant by 7.3 per cent.—that includes specific and special grants. That represents a sustained growth of investment in our

public services, in stark contrast to the 7 per cent. real-terms cuts that applied between 1993 and 1997. I must also emphasise that those increases in grant have benefited all authorities, irrespective of political control—contrary to the impression that the right hon. Member for Skipton and Ripon (Mr. Curry) tried to convey last week, when, presumably prompted by Conservative central office, he uncharacteristically lapsed into the use of wholly spurious and bogus statistics. Conservative-controlled councils received on average slightly larger grant increases this year than Labour authorities—6.2 per cent. as against 5.9 per cent.—*[Interruption.]* My hon. Friends may not be happy about that, but it is important to put the record straight. Yet despite that, Conservative councils are threatening large council tax increases that will punish their unfortunate council tax payers. If the example of Conservative-controlled councils is bad enough, wait until we get to those that are under the control or influence of the Liberal Democrats, who seem to think that the sky is the limit for council tax rises.

There is absolutely no justification for unreasonably large council tax increases, given the generous Government grant increases that all authorities received this year. We have not only increased grant, but extended freedoms for local authorities, reversing the trend on ring-fencing—a point raised by my hon. Friend the Member for Ogmore (Huw Irranca-Davies). In the recent grant settlement, we unfenced £750 million-worth of grant—hardly a centralist measure—and the Local Government Act 2003, to which he also referred, contained several important freedoms for authorities, especially the new borrowing system and the rights to trade, to charge and to vary discounts.

Mr. Pickles: Will the Minister give way?

Mr. Raynsford: Very briefly, but the hon. Gentleman will know that my time is limited.

Mr. Pickles: The hon. Member for Ogmore (Huw Irranca-Davies) was kind enough to acknowledge that the level of ring-fencing is now roughly three times the rate that the Government inherited. Will the Minister confirm that?

Mr. Raynsford: I will confirm that the trend in ring-fencing is going down—it has gone down to 11 per cent. from 13 per cent. last year, and we are on target to reduce it, as we pledged, to below 10 per cent. next year.

Given the good grant increases and the additional freedoms, there is no excuse for unreasonable council tax increases. That is why we have made it clear that if necessary we will use our capping powers. The public are unhappy about the unreasonably large council tax increases of recent years, and we share their concern. We will not stand aside or duck the issue when councils levy, year on year, continued unsustainable increases in council tax. Given the generous grant settlement for 2004–05 and the scope for efficiency improvements, our view is that local authorities can and should deliver council tax increases in low single figures.

I have already written to 65 authorities to express concern at reported increases in excess of 5 per cent., and I am pleased to say that many have written back to me to make clear their intention to restrict increases to low single figures. Some indicated that the press reports about larger increases were incorrect; others have clearly acted to bring down their originally higher estimates. That is very welcome. Some, however, have not, and I therefore plan to call in some authorities that did not provide satisfactory replies. We would much prefer not to use our capping powers, but it appears inevitable that we will have to do so this year.

Let me consider the points that were made in the debate. The hon. Member for Brentwood and Ongar (Mr. Pickles) gave us an amusing tour of Liberal Democrat operations, but he was painfully silent about the Conservative alternative. That is a comment on the party of the poll tax. Perhaps on this occasion he is showing some discretion.

My hon. Friend the Member for Ogmore highlighted the complexity of local government finance and issued a warning about the unpredictable consequences of major changes such as the Liberal Democrats' local income tax. I entirely agree with him.

The hon. Member for Mole Valley (Sir Paul Beresford) claimed that the new grant system redistributes grant from the south to the north. I have some figures for him and I hope that he will listen because allegations of skewed allocation of grant are unfounded. The figures are averages for whole regions, not selective figures for individual councils, and they show the change in grant in 2004–05, compared with 2003–04. In the south-west, the average increase is 5.5 per cent.; in the south-east it is 5.6 per cent., and in London it is 5.4 per cent. That compares with a national average of 5.5 per cent.

Let us consider the increases in the three northern regions. In Yorkshire and the Humber it is 5.0 per cent.; in the north-east it is 4.8 per cent., and in the north-west it is 5.2 per cent. *[Interruption.]* I understand that some of my hon. Friends from northern regions are not happy with that, but I hope that the figures make it clear that there is no question of a shift in grant from the south to the north, as our political opponents allege.

My hon. Friend the Member for South Ribble (Mr. Borrow), who is an expert on the matter, highlighted the complexity of local taxation and the unfairness of simply taxing income. He emphasised that fairness requires a balance between different tax sources, including a property tax.

The right hon. Member for North-West Hampshire (Sir George Young) made a telling point about the impact of tax changes. He highlighted the Liberal Democrats' claim that 70 per cent. would be better off under local income tax and reminded hon. Members that the Conservative Government in which he served had promised the same of the poll tax. Not surprisingly, we all laughed.

The hon. Member for Ludlow (Matthew Green), who replied for the Liberal Democrats, alleged that the Government were going nowhere fast. He is wrong on both counts. We are not going fast because rushing into change is a recipe for disaster. Indeed, it led to the poll tax. The Liberal Democrats are in danger of rushing into change. We are going somewhere and considering the

[Mr. Raynsford]

issues carefully. We do not adopt the Liberal Democrats' approach. The only adage that I shall cite, with all modesty, is "Fools rush in". We do not intend to do that.

The focus of the debate has been the Liberal Democrats' proposal for a local income tax. They propose nothing less than the wholesale abolition of a property tax and its replacement with a local income tax, which local councils set at whatever level they believe that they need. As the Liberal Democrats put it, "Axe the tax" and "Scrap the cap". However, two slogans do not add up to a working local government finance system. If we did as the Liberal Democrats suggested, it would make us one of only a tiny number of countries in the world that have no property tax at all.

Local income tax would be a major departure and we need to examine its practicalities and implications carefully. The balance of funding review will do just that in early March when the Chartered Institute of Public Finance and Accountancy gives a presentation on the issue. However, the Liberal Democrats have been much more cavalier in their approach, brushing aside any voices that urge caution in their rush to produce a new slogan.

As anyone who has studied the complex subject of local government finance will testify, there are no quick and easy fixes. Those who pretend that there are simple and painless solutions—"Axe the tax"—are no more than peddlers of fantasies, snake oil salesmen who claim to offer a cheap and cheerful remedy.

We have given councils sustained, above-inflation increases in grant and more freedom from ring-fencing. We expect councils to budget prudently for low council tax increases. The public deserve nothing less. If they do not do so, we will have no option but to cap those councils that have imposed unreasonable council tax increases on their tax payers. In the longer term, we need to create a workable, widely accepted system. We are doing that by working through the balance of—

Mr. Andrew Stunell (Hazel Grove) (LD) *rose in his place and claimed to move*, That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put, That the original words stand part of the Question:—

The House divided: Ayes 53, Noes 435.

Division No. 51] **[6:59 pm**

AYES

Allan, Richard
Baker, Norman
Barrett, John
Beith, rh A. J.
Brake, Tom *(Carshalton)*
Breed, Colin
Brooke, Mrs Annette L.
Bruce, Malcolm
Burnett, John
Cable, Dr. Vincent
Calton, Mrs Patsy
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cotter, Brian
Davey, Edward *(Kingston)*
Doughty, Sue
Ewing, Annabelle
Foster, Don *(Bath)*
George, Andrew *(St. Ives)*
Gidley, Sandra
Green, Matthew *(Ludlow)*
Hancock, Mike
Hermon, Lady
Holmes, Paul
Hughes, Simon *(Southwark N)*
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Kirkwood, Sir Archy
Lamb, Norman
Laws, David *(Yeovil)*
Llwyd, Elfyn
Marsden, Paul *(Shrewsbury & Atcham)*
Oaten, Mark *(Winchester)*
Öpik, Lembit
Price, Adam *(E Carmarthen & Dinefwr)*
Pugh, Dr. John
Rendel, David
Robertson, Angus *(Moray)*
Russell, Bob *(Colchester)*
Salmond, Alex
Sanders, Adrian
Stunell, Andrew
Taylor, Matthew *(Truro)*
Teather, Sarah
Thomas, Simon *(Ceredigion)*
Thurso, John
Tyler, Paul *(N Cornwall)*
Weir, Michael
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wishart, Pete
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Alan Reid and
Sir Robert Smith

NOES

Abbott, Ms Diane
Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Ainsworth, Peter *(E Surrey)*
Alexander, Douglas
Allen, Graham
Ancram, rh Michael
Anderson, Janet *(Rossendale & Darwen)*
Arbuthnot, rh James
Armstrong, rh Ms Hilary
Atherton, Ms Candy
Atkins, Charlotte
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Bacon, Richard
Baird, Vera
Baldry, Tony
Banks, Tony
Barker, Gregory
Barnes, Harry
Baron, John *(Billericay)*
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Bellingham, Henry
Bennett, Andrew
Bercow, John
Beresford, Sir Paul
Berry, Roger
Best, Harold
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Blunkett, rh David
Boateng, rh Paul
Borrow, David
Boswell, Tim
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brady, Graham
Brazier, Julian
Brennan, Kevin
Brown, Russell *(Dumfries)*
Browne, Desmond
Browning, Mrs Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Burnside, David
Burt, Alistair
Butterfill, Sir John
Byers, rh Stephen
Caborn, rh Richard
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Gregory *(E Lond'y)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Casale, Roger
Cash, William
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Ben *(Wirral S)*
Chapman, Sir Sydney *(Chipping Barnet)*
Chaytor, David
Chope, Christopher
Clapham, Michael
Clappison, James
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Charles *(Norwich S)*
Clarke, rh Kenneth *(Rushcliffe)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clelland, David
Clifton-Brown, Geoffrey
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Connarty, Michael
Conway, Derek
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Corston, Jean
Cousins, Jim
Cranston, Ross
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, rh Dr. Jack *(Copeland)*
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, rh Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*

Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dhanda, Parmjit
Dismore, Andrew
Djanogly, Jonathan
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donaldson, Jeffrey M.
Donohoe, Brian H.
Doran, Frank
Dorrell, rh Stephen
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Duncan, Alan *(Rutland)*
Duncan, Peter *(Galloway)*
Duncan Smith, rh Iain
Dunwoody, Mrs Gwyneth
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Evans, Nigel
Farrelly, Paul
Field, rh Frank *(Birkenhead)*
Field, Mark *(Cities of London & Westminster)*
Fitzpatrick, Jim
Fitzsimons, Mrs Lorna
Flight, Howard
Flint, Caroline
Flook, Adrian
Follett, Barbara
Forth, rh Eric
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Foulkes, rh George
Francis, Dr. Hywel
Francois, Mark
Gale, Roger *(N Thanet)*
Gardiner, Barry
Garnier, Edward
Gerrard, Neil
Gibb, Nick *(Bognor Regis)*
Gibson, Dr. Ian
Gillan, Mrs Cheryl
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gummer, rh John
Hague, rh William
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hammond, Philip
Hanson, David
Harman, rh Ms Harriet
Harris, Tom *(Glasgow Cathcart)*
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Healey, John
Heathcoat-Amory, rh David
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hendry, Charles
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Heyes, David
Hill, Keith *(Streatham)*
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Horam, John *(Orpington)*
Howard, rh Michael
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hunter, Andrew
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Ingram, rh Adam
Irranca-Davies, Huw
Jack, rh Michael
Jackson, Helen *(Hillsborough)*
Jackson, Robert *(Wantage)*
Jamieson, David
Jenkin, Bernard
Jenkins, Brian
Johnson, Alan *(Hull W)*
Jones, Helen *(Warrington N)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joyce, Eric *(Falkirk W)*
Kaufman, rh Gerald
Keen, Alan *(Feltham)*
Keen, Ann *(Brentford)*
Kennedy, Jane *(Wavertree)*
Key, Robert *(Salisbury)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Kirkbride, Miss Julie
Knight, rh Greg *(E Yorkshire)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Leslie, Christopher
Letwin, rh Oliver
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Dr. Julian *(New Forest E)*
Liddell, rh Mrs Helen
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Linton, Martin
Lloyd, Tony *(Manchester C)*
Loughton, Tim
Love, Andrew
Lucas, Ian *(Wrexham)*
Luff, Peter *(M-Worcs)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGuire, Mrs Anne
McIntosh, Miss Anne
McIsaac, Shona
Mackay, rh Andrew
McKechin, Ann
McKenna, Rosemary
Mackinlay, Andrew
Maclean, rh David
McLoughlin, Patrick
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mahon, Mrs Alice
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Maples, John
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Mawhinney, rh Sir Brian
May, Mrs Theresa
Morron, Gillian
Michael, rh Alun
Miliband, David
Miller, Andrew
Mitchell, Andrew *(Sutton Coldfield)*
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Moonie, Dr. Lewis
Moran, Margaret
Moss, Malcolm
Mountford, Kali
Munn, Ms Meg
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murrison, Dr. Andrew
Norman, Archie
Norris, Dan *(Wansdyke)*
O'Brien, Bill *(Normanton)*
O'Brien, Stephen *(Eddisbury)*
O'Neill, Martin
Osborne, George *(Tatton)*
Owen, Albert
Page, Richard
Paice, James
Palmer, Dr. Nick
Pearson, Ian
Perham, Linda
Picking, Anne
Pickles, Eric
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Prisk, Mark *(Hertford)*
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quinn, Lawrie
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Redwood, rh John
Reed, Andy *(Loughborough)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Robathan, Andrew
Robertson, John *(Glasgow Anniesland)*
Robertson, Laurence *(Tewk'b'ry)*
Robinson, Geoffrey *(Coventry NW)*
Robinson, Mrs Iris *(Strangford)*
Roche, Mrs Barbara
Rooney, Terry
Rosindell, Andrew
Roy, Frank *(Motherwell)*
Ruane, Chris
Ruddock, Joan
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Selous, Andrew
Shaw, Jonathan
Sheerman, Barry
Shepherd, Richard
Short, rh Clare
Simmonds, Mark
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, rh Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Spring, Richard
Steen, Anthony
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Straw, rh Jack
Streeter, Gary
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, David *(NW Leics)*
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Sir Teddy
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Tredinnick, David
Trend, Michael
Trickett, Jon
Turner, Andrew *(Isle of Wight)*
Turner, Dennis *(Wolverh'ton SE)*

Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill *(Hamilton S)*
Tyrie, Andrew
Vaz, Keith *(Leicester E)*
Viggers, Peter
Walley, Ms Joan
Ward, Claire
Wareing, Robert N.
Waterson, Nigel
Watkinson, Angela
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Whittingdale, John
Wicks, Malcolm
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Wills, Michael
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Winterton, Ms Rosie *(Doncaster C)*
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, Tony *(Cannock)*
Wyatt, Derek
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Noes:
Mr. Fraser Kemp and Joan Ryan

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the current work of the Balance of Funding review of how local government in England is funded; notes that the review is receiving evidence on a number of possible reform options suggested in public consultation; awaits with interest the report of the review in summer 2004; and urges local authorities to set budgets for 2004–05 which deliver value for local taxpayers.

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Mr. Deputy Speaker. Can you confirm that, if there were a Division, it would be deferred?

Mr. Deputy Speaker (Sir Michael Lord): There are no deferred Divisions at the moment.

PETITION

Respiratory Disease and Ambulatory Oxygen

7.17 pm

Hugh Bayley (City of York) (Lab): I rise to speak on behalf of those of my constituents who suffer from respiratory diseases that require them to breathe oxygen artificially. They are greatly concerned that, although oxygen for use at home is provided by the national health service, portable or ambulatory oxygen is not, and can only be provided privately.

Those constituents have asked me to present a petition, which is signed by Mr. Tony Wilson, of Clifton, York, and by hundreds of other constituents. It reads as follows:

To the House of Commons

The Petition of members and supporters of Breathe Easy York declares that all people in Britain living with respiratory disease should get a comprehensive lung health service from the national health service.

The Petitioners therefore request that the House of Commons press for the NHS to provide ambulatory oxygen and pulmonary rehabilitation services for those who need them.

And your Petitioners remain, etc.

To lie upon the Table.

Nuisance Neighbours

Motion made, and Question proposed, That this House do now adjourn.—*[Margaret Moran.]*

7.19 pm

Vera Baird (Redcar) (Lab): It is a rare surgery in Redcar that does not bring to me people who are full of anxiety about nuisance neighbours. Last weekend, into the Saturday calm of Redcar library came a couple with a horror story about their community. About a year ago, my constituents' car was taken from outside their flat; they got a replacement and parked it in the only place they could—outside their flat. Two days later, the windows had been smashed with a brick.

Around that time, a couple of the flats on the estate started to be occupied by a pair or a group of 17 and 18-year-old lads, who seemed to congregate around them much larger groups of similar lads. A couple of them got into the habit of riding motorbikes—rather noisy and dilapidated ones—at night without lights and at speed, in and out of the alleys between the blocks of flats.

One day, the couple came home to find furniture from an unoccupied flat all over the green between the buildings. Since the new year, the female has clearly seen a knife in the hands of a young man in a gang, who were being followed around by a group of six or seven-year-old children. The next week, there was no knife, but there was an air rifle in similar hands and the female told me that if she looked at those people on the street, they poured abuse on her. She said that they all felt under threat and that she went home with her eyes cast down. One day in January a couple of them chewed a cake half up, spat it into their hands and threw the lumps at a middle-aged woman's windows, and when she came out to protest what must have sounded like an army of feet ran across the roof of the block of flats, pulling up the aerials like weeds as they went.

The police come. There are no complaints. The police talk to the lads and disperse them. "Yes, of course, officer, we will go", say the lads. The police go, the lads come back and the same happens again. No one in the community wants to be a witness for a prosecution, an antisocial behaviour order or an eviction. Not even the people who came to see me wanted that. They wanted to know how to move, but it is not easy to move.

Later that week, a 20-year-old with a baby girl who was housed on an estate at the other end of the constituency called me because she wanted to move. Next door to her lives a family that is noisy, rowdy and drinks a lot, often slamming doors late at night so that neither the woman nor the baby can sleep. She is worried about her baby's welfare. Across the road lives another family whose comings and goings, with streams of visitors at all times of the day and night, heavily suggest drug dealing. She is very scared.

The police came, as they should, about the noise. When she told them about the drugs, they asked her whether she was prepared to be a witness. Of course she was not prepared to be a witness: she is 20 and lives on her own. She has to be there when the police are not: she cannot be a witness.

Those are random examples of hundreds and I guess that every MP could list similar cases. Apart from the misery, fear and stress that people trapped in those situations experience, it seems to me that both the police and the people are trapped in a nuisance neighbours conundrum: the police cannot take action without witnesses and the people are too afraid to be witnesses.

There are some methods in force. Cleveland police have an acceptable behaviour contract campaign, which they now use for adults as well as children. They talk to people, keeping it as anonymous as possible. They take graded steps; they send graded letters, and it is pretty successful. There is a group of local authority wardens, and people can be seen talking to them, because they could be talking about grass cutting or a hole in the ground. Information can be given to the police on a reasonably anonymous basis.

I cannot praise the Government highly enough for their recent focus on antisocial behaviour. The Anti-social Behaviour Act 2003 allows the police to disperse gangs and provides for more parenting orders; and the Housing Bill will at last require landlords to co-operate in attempts to control antisocial tenants. There have also been witness protection measures since the Youth Justice and Criminal Evidence Act 1999 allowed people to give evidence from behind a screen without having their names revealed. I have even seen a piece of equipment designed to distort people's voices.

It is not easy, however, to have much faith in witness protection measures when the culprit lives only two doors away. The culprits will see someone going to court, check the time someone leaves home and recognise that the "plain clothes" police car outside is indeed a police car. They will recognise an incident when it is related in court, thereby recognising the person giving evidence. Someone might have a police alarm on the house, but how could the police get there in time when the neighbours live just up the street? I do not believe that the police could, in all conscience, guarantee to protect people who live so hugger-mugger with their tormentors.

Some of the methods work, and more ASBOs are being secured, but the conundrum continues to prevail. Policing methods must be upgraded to the levels of those used historically against serious crime. The police must take the primary responsibility for gathering evidence. They must launch antisocial behaviour surveillance operations, with cameras hidden in cars, empty houses and on the roofs of public buildings. They must be able to call on professional witnesses, such as other police officers, wardens, and community support officers. They must be able to move into empty houses, or wait outside in a series of different vehicles. In that way, they can make tape recordings and observations and notes of events, and recognise the people involved. In the end, officers can testify about what they have seen done and who they have seen doing it.

That sounds melodramatic, like cops and robbers. I am sure that the Government will think that it sounds very expensive for a response to what is antisocial behaviour and not armed robbery. However, it has become clear that antisocial neighbours can force ordinary families into real misery. The methods that I have outlined, and their costs, are justified.

I am aware that there are some green shoots by way of developments in this matter. A series of ASBOs was obtained in Leeds on the strength of professional evidence, and I know that Sunderland council, some 40

[Vera Baird]

miles north of Redcar, is a trailblazer for the "Together" antisocial behaviour campaign. It has been tasked with looking at ways to collect evidence.

I am also aware that ASBOs are issued under civil proceedings. Hearsay is acceptable, so it is possible for one officer to collect 10 accounts and deliver them to the court. Also, the Criminal Justice Act 2003 allows hearsay to be admitted in criminal proceedings. As long ago as 1988, a power was given to admit statements rather than oral evidence from people who were being kept away from court by fear. However, those tools are not being used. In addition to them, we need the other tools that I have described. We cannot leave people to act against antisocial behaviour on their own.

The methods that I have outlined may allow us to win some more prosecutions and ASBOs. More culprits will be evicted, and there will be great relief as people start again to want to live where they live, but what happens to the culprits then? They have to have somewhere to live. If they have children, they will need to be rehoused, often in an area of low housing demand that may not be far away from where they used to live. In such areas, there will be plenty of voids, and plenty of other people who, for similar reasons, will have been moved in from elsewhere. The neighbourhood will be in decline already.

It is well known that decent people can get trapped in such areas. For instance, owner-occupiers are unable to sell their properties because no one wants to buy them; even if they did sell them, they would not get enough money to buy another house. Other people to be affected would be the tenants of registered social landlords with no points to move or exchange. All that puts a new meaning on the much-used phrase, "Hello, I'm your new neighbour." Even in my surgery in Redcar—a very small microcosm of the area—we have dealt with a family that caused trouble at location A. It was moved away from there, to the relief of neighbours, and is now causing trouble again at location B.

It was not all that long ago—in 1996, in fact—that Dundee council realised that it was moving nuisance families and antisocial behaviour around the city at the same time. It set up the Dundee families project, with the aim of changing the behaviour of problem families so that they could live unobjectionably in mainstream housing.

An assessment by Glasgow university in 2001 said that the project was "a rare example" of an "intensive intervention" targeted at the sort of behaviour that I have described. Such projects remain rare even today, and that is the problem. The charity NCH joined the Dundee council project, because it understood how necessary it was. It knew that the children of problem families were likely to be the biggest casualties of eviction and of its aftermath—bed-and-breakfast accommodation, going into care, poor school attendance and the break-up of families.

The Dundee project had worked with 83 families by 2001, when the Glasgow university study stated that most of them had made real progress. Their decline had been stopped.

It is not my main point, but I want to tell the House that the project also saved money. The cost of even intensive rehabilitation is less than the cost of repeated evictions and of taking children into care. In addition, it obviously makes a strong contribution to maintaining the stability of the community. The point is that behaviour can be changed.

The Dundee project works in three ways. For the worst people, there are three flats in a block where there is 24-hour supervision and intervention; the average stay is nine months. Flats dispersed through town but owned by the project offer support at the next stage down, when people have moved on. An outreach arm tries to make early interventions before either of those two courses is required.

Behaviour is addressed by intensive work on a family group basis, with anger management, parenting and budgeting skills, alcohol and drug counselling or whatever is needed. The project is a success, although probably not with everybody; but for many families who realise that they are in the last chance saloon, it has been a success. Indeed, the project is so successful that it has been shortlisted for a national housing award. It must be good because it won a local government award for innovation in Scotland, presented by the Labour party.

Although such schemes are rare, there are similar projects in Manchester and Rochdale—the latter in partnership with Shelter. In its first year, the Rochdale scheme reported a high number of mental health issues among problem families and that, where children were part of the problem, 35 of the 50 heads of families were single mothers. Provisionally, Rochdale, like Dundee, reports that incidents of ASB among many of those households have been reduced or have stopped.

There is a scheme in Bolton, and Dundee has received inquiries from as far away as Devon and Middlesbrough—the next town to Redcar, where I started and where I briefly return, to finish my speech. Redcar is a little place, on the edge of the Teesside conurbation, and there are many extended families. That aggravates both elements of antisocial behaviour to which I have referred. It is doubly hard for a witness to have confidence when not only do they live in the same street as their adversary, but they know that his relations know where their relations live. Furthermore, moving problem families around a small place brings them more quickly back to where they started.

On behalf of the Redcar people who come to me so frequently with those problems, I ask the Government to consider the two policy developments that I have proposed. First, they need to understand more fully the burden of being an intimidated victim, and ease it by putting the primary responsibility for collecting and presenting evidence on to the public authorities. Secondly, there should be more local intervention schemes to change the behaviour of nuisance families, so that they are not evicted from next door to brother on one day only to move next door to sister on the next.

7.32 pm

The Minister for Crime Reduction, Policing and Community Safety (Ms Hazel Blears): I genuinely thank my hon. and learned Friend the Member for Redcar (Vera Baird) for securing the debate. Although attendance is sparse, the topic is probably the top issue in the surgeries and postbags of most Members and

councillors throughout the country. When I visit local communities, antisocial behaviour and quality of life issues are at the heart of people's concerns.

Dealing with antisocial behaviour is hugely important. In our recent assessment, under the British crime survey, one in three people nationally—a huge number—said that antisocial behaviour affected their quality of life. It is wholly unacceptable that people have to tolerate the kind of behaviour that my hon. and learned Friend has detailed. Disgusting and despicable acts are committed against very vulnerable people, some of whom have to live with such behaviour day in, day out, week in, week out. That incessant pressure on people's lives really has to be experienced to be understood.

The problems that many communities face cannot be tackled in isolation; they cannot simply be dealt with either by the police or the local authority and certainly not by communities on their own. It is vital that all the agencies work together—the police, local authority workers, neighbourhood wardens and social workers. Our schools are a vital element in tackling antisocial behaviour. Other officers, such as environmental health officers, are much undervalued in terms of the powers and analysis that they can bring to bear on some of the problems, especially in relation to housing.

I have heard of some devastating experiences over the past few weeks and months as I have visited areas to talk to local people. Recently, I visited the Little London area of Leeds where 66 antisocial behaviour orders were obtained by the local authority at the end of the summer in a period of only a few weeks. In that community, all control had been lost. Children as young as nine or 10 were running amok; many of them were acting as runners for drug dealers and the whole community was at a complete loss about what to do.

The fact that the authorities have now obtained the antisocial behaviour orders—35 of them are full orders and 30 are, at present, interim orders—has sent out a huge message to that local community. People have told me that for the first time in years they have been able to use the local play area and their children have been able to play out in peace and quiet. They have not been able to do something as simple as that, which most of us would take for granted, because of the behaviour of the minority who have made their lives an absolute misery.

Yesterday, I was in Nottingham, visiting a local community in the Stonebridge and St. Ann's area of the city. It suffers the problems of antisocial behaviour, vandalism and young people gathering in intimidating groups, much of it fuelled by drug addiction. The authorities in the area are beginning to get a grip on the antisocial behaviour, but they have some way to go before local communities will feel fully safe and protected.

For those reasons, my right hon. Friends the Prime Minister and the Home Secretary and I launched the antisocial behaviour action plan and campaign in November last year. We have backed the plan with £75 million of new money, to be distributed across the country with funding for every area. There will be an antisocial behaviour co-ordinator for every crime and disorder reduction partnership. Crucially, help and support will be provided for front-line practitioners.

My hon. and learned Friend is right: although the powers are on the statute book, tackling antisocial behaviour is a fairly new discipline and people have yet to come to terms with which powers they can use, how they can use the courts and how they can drive forward action at a local level. That is why we have set up the "Together" academy, which brings together a range of practitioners from the police, local government and the court system, and provides free training, delivered by expert practitioners who have already pushed forward the boundaries in the use of such powers. They have come across the problems before and solved them for themselves, and they are ready to share their expertise and good practice with others. The academy has now organised an event for every region of the country and, in the next six to eight weeks, it will train 3,000 people. There will be an academy event in my hon. and learned Friend's region and I urge her to get local people to take advantage of that training, so that they can be skilled up to use the new powers that the Government have put on the statute book.

Along with the "Together" academy will go the "Together" action line. Again, that is a practical way to try to help local communities. The action line will be staffed by expert practitioners, who will be at the end of a telephone line so that people can get in touch with them and say, "I've got a problem. I do not know how to get the evidence to obtain an order. The witnesses feel intimidated—what should I do to help them?" The expert practitioners stand ready to help at every opportunity. The action line, the website and the academy are practical ways to help people deal with these issues.

My hon. and learned Friend is right to say that antisocial behaviour spans a range of issues, including graffiti and fly-tipping, but the impact of nuisance neighbours can be enormous. We have examples from across the country of ordinary people's lives being ripped apart by the intimidation, harassment and criminal damage carried out by a small minority of families, who make life a misery for the majority. Such behaviour, as evidenced by my hon. and learned Friend, cannot go unchecked. It needs to be challenged and put under pressure, to the point where people want to change their behaviour. If they do want to change, we will be there to support them in doing so.

My hon. and learned Friend makes the important point that obtaining orders and moving the problem around does not resolve the underlying issues for some nuisance neighbours. It is key to our strategy to develop ways in which we can prevent the antisocial behaviour in the first place, rather than transferring it when we disperse those subject to an order.

We have set up 10 trailblazers across the country to deal with a range of antisocial behaviour, including nuisance families, but we have also set up a nuisance neighbour expert panel, which brings together people from social services, education, the police and various other agencies, to look at the hard cases with multiple problems. Those could include substance misuse, mental health problems and children with problems. The panel analyses the cases and determines exactly what support needs to be provided, alongside enforcement, to change the situation around. The first meeting of the nuisance neighbour expert panel was

[Ms Hazel Blears]

extremely interesting and if my hon. and learned Friend's local practitioners wish to key in to that panel, we would be delighted to provide that support.

My hon. and learned Friend cited some examples of good practice—the shelter inclusion project and the Dundee families project—where support is offered in various parts of the country to families who have been threatened with repossession, threatened with eviction, or against whom there are ASBOs. The projects are long term. The Dundee project has a residential element, with support offered 24 hours a day. Clearly, that is very intensive help for the families concerned. The projects are being evaluated, and so far the news is very encouraging, in that behaviour can be turned around.

It is vital that we have twin tracks to our strategy: support for those who are prepared to take it, but also very tough and swift enforcement, because the majority of people in this country have to know that we are on their side in dealing with the kind of horrific behaviour that my hon. and learned Friend has identified.

My hon. and learned Friend also raised the very important issue of witness intimidation, one of the most difficult and intractable matters with which we have to deal. As she rightly says, very often the victims of nuisance neighbours and antisocial behaviour will live in the same street, in the same community, and will have to face those who are perpetrating this behaviour day after day.

We are doing a great deal of work around witness support. It is vital that we support people, not just from when the matters get to court, but from when they first occur, and that we take them right through the process, supporting them at every point. My hon. and learned Friend is right that the ASBOs are civil orders, and therefore we can use hearsay evidence and professional witnesses. In many cases, police forces have been prepared to do surveillance and to put in different kinds of evidence. Where authorities have got used to using the powers, they have also adopted new ways of gathering evidence. We can share that best practice, concerning ways in which evidence can be gathered, through the academy.

At the end of the day the very best evidence is from the victims—those who have witnessed the behaviour themselves. Therefore, a key part of our strategy is to try to encourage them to come forward and to support them at every step. One of the key things that we have done is to launch "Taking a Stand" awards. Here in Parliament just a couple of months ago, we had people from all around the country who had been nominated by their local communities for their courage in taking a stand against antisocial behaviour. They were prepared to stand up and give evidence, with support. The message that that has sent to the rest of their communities is that if one stands up and is prepared to give evidence and get the ASBO, one really can transform the community in which one lives.

The overall winners of the awards were some extremely brave women from Failsworth who had suffered antisocial behaviour for three years. They had petrol poured through their letterboxes. Their children were bullied and harassed on the way to school. Their lives were an absolute misery. They finally decided that enough was enough. They came together, co-operated with the police, and obtained ASBOs. Now their community is a much better place to live in. They have recently obtained an empty house on their estate and turned it into a community drop-in centre. They have done something extremely positive with the anger, distress and hurt that they were feeling, and have been able to make a tremendous contribution to the local community.

It can be done. I do not underestimate the difficulties that people experience in tackling antisocial behaviour, but there are examples now, beacons up and down the country, of people having been able to make a difference by standing up in this way.

I commend to my hon. and learned Friend the "Together" campaign pack, produced to go with the academy and the action line. It contains details of all the powers available, when they come in and how they can be used. There is also a guide to running a local "Together" campaign. Perhaps we could have "Together Redcar", which would be a very good way of bringing people together.

There is thought of running local "Taking a Stand" awards. Again, my hon. and learned Friend might like to think about organising, perhaps with her local authority, nominations of local people who have made this kind of contribution, giving them a small reward for a community project and publicising the fact that people can come forward and make a difference in their communities.

My hon. and learned Friend has mentioned using housing powers, as well as the powers under the Anti-social Behaviour Act 2003, and I also remind her that a series of powers is being introduced in respect of housing. Demoted tenancies will be introduced from June this year. Where nuisance and antisocial behaviour occurs, demotion will remove the tenant's right to buy and security of tenure for a year, so it is a powerful weapon.

The Housing Bill, currently before Parliament, includes the prospect of introducing selective licensing and interim management orders for houses in the private sector. A big problem has been to try to ensure that unscrupulous private landlords do not simply let their properties to people without any vetting or supervision, allowing them to indulge in antisocial behaviour without any remedy. The prospect of being able to license private sector landlords will come as an enormous relief to those in many areas of the country that have been blighted by irresponsible private landlords. Of course, many good landlords are part of voluntary accreditation and licensing schemes and manage their properties properly, but far too often irresponsible landlords allow their tenants to make other people's lives an absolutely misery.

We will also introduce new powers in relation to noise nuisance, which, I understand, is a particular problem in my hon. and learned Friend's constituency. From 31 March, all local authorities will have the power to investigate complaints of excessive noise at night, to give warning notices in respect of that noise and, where it remains excessive after the issue of the notice, either prosecute or issue a fixed-penalty notice for £100, which is far more likely and should bring some people up pretty sharp, making them realise what their

irresponsible behaviour is doing to their neighbours. Noise pollution and noise nuisance are some of the most difficult things to deal with, and they cause people a huge amount of anguish in their own homes. So we now have a range of powers—from housing and managing noise to dealing with ASBOs—that are beginning to come on stream.

I also want to highlight to my hon. and learned Friend the fact that we will also introduce powers to deal with the some of the underlying causes of antisocial behaviour. That is as important as enforcement. We will introduce individual support orders to juveniles with ASBOs. When an ASBO is made on a young person, an individual support order will be directed to the causes of the antisocial behaviour, such as substance misuse, mental health problems and anger management, so that we can try to change that person's behaviour for the future. The real success—the real prize—for us is to try to ensure that we prevent the antisocial behaviour from getting any worse and causing more concern in the community.

Antisocial behaviour powers have been on the statute book for some years now, and we have recently tried to streamline them, to make them easier for people to use and to give them the tools to make a difference. I am delighted that there are now more than 1,600 ASBOs throughout the country. There are many more acceptable behaviour contracts, and they are now being used with adults, as well as juveniles. There are nearly 4,000 parenting orders. Again, they are a key part of our strategy to try to involve the whole family in dealing with such issues. There are about 18,000 drug treatment and testing orders. Many of these problems are driven by drug abuse and addiction.

On enforcement, we now have record numbers of police officers and community support officers, who are out there in communities, giving people some visible reassurance. For far too long, people have been crying out for that reassurance. My hon. and learned Friend will know that record numbers of police officers and community support officers are helping the community in her constituency.

I am delighted that my hon. and learned Friend has raised this extremely important issue. I hope that she is reassured that the Government have an intense focus on the issue and that we are absolutely determined to tackle antisocial behaviour wherever it may be and to support the decent majority against the actions of the loutish minority who have made some people's lives far too difficult for far too long.

Question put and agreed to.

Adjourned accordingly at eleven minutes to Eight o'clock.

House of Commons

Wednesday 11 February 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES BILL [*Lords*]. (*By Order*)

Order read for resuming adjourned debate on Question.

That the promoters of the London Local Authorities Bill [*Lords*] may, notwithstanding anything in the Standing Orders or practice of this House, proceed with the Bill in the present Session; and the Petition for the Bill shall be deemed to have been deposited and all Standing Orders applicable to it shall be deemed to have been complied with;

That, if the Bill is brought from the Lords in the present Session, a declaration signed by the agent shall be deposited in the Private Bill Office, stating that the Bill is the same in every respect as the Bill brought from the Lords in the last Session;

That the Clerk in the Private Bill Office shall lay upon the Table of the House a certificate, that such a declaration has been deposited;

That in the present session the Bill shall be deemed to have passed through every stage through which it passed in the last Session, and shall be recorded in the Journal of the House as having passed those stages;

That no further fees shall be charged to such stages.—*[The Chairman of Ways and Means.]*

Question again proposed.

Hon. Members: Object.

To be considered on Wednesday 25 February.

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Political Parties (Funding)

1. **Mr. Nigel Dodds** (Belfast, North) (DUP): If he will make a statement on the funding of political parties in Northern Ireland. [153155]

The Minister of State, Northern Ireland Office (Mr. John Spellar): We began a review last year of the rules governing funding arrangements of parties in Northern Ireland. I shall make a statement to the House shortly on its outcome. I assure the hon. Gentleman that the Government are aware of the concerns being voiced about funding arrangements for political parties in Northern Ireland.

Mr. Dodds: I thank the Minister for his reply. In the light of continuing revelations about the scale and extent of paramilitary and criminal activities carried out by the republican movement in support, in particular, of Sinn Fein, the Minister will be aware of the great need to reassure the public, to prevent further corruption of the political process and to ensure that all political parties in Northern Ireland operate by the same democratic methods. Can he assure us that his review will be conducted speedily and proposals brought forward as a matter of urgency?

Mr. Spellar: The hon. Gentleman will remember that the concerns he has just expressed were also expressed at the last Northern Ireland questions from all parts of the House, including the Front Bench. I will make my statement shortly, and we shall then receive representations from all political parties. I look forward to receiving representations from the hon. Gentleman's party and others. We recognise that there is widespread public concern, and we will engage in dialogue on it.

Mr. David Lidington (Aylesbury) (Con): Does the Minister accept that if Sinn Fein's protestations about party funding are to be accepted, the answer lies in that party subjecting itself to the same rules on donations and on the disclosure of donations that apply to the Minister's party and to mine? Will the Government acknowledge, with the benefit of hindsight, that it was a mistake to exempt political parties in Northern Ireland from the rules that apply to political parties in Great Britain? Will the Government look sympathetically at rescinding those exemptions so that political parties in Northern Ireland have to comply with the same rules as every other political party in the United Kingdom?

Mr. Spellar: I do not expect to receive representations only from Northern Ireland parties when I announce the review. The hon. Gentleman should perhaps note that there were major considerations regarding whether Northern Ireland should have legislation similar to that of the rest of the United Kingdom, not least the question of potential intimidation of donors and whether that would lead to disorder or discourage people from funding the political process. I accept that things have changed since then, both in the number of concerns expressed about funding in Northern Ireland and because of changes to legislation in the Republic of Ireland, which we will have to take into account. We will consider all the factors and I shall make a statement shortly. We will then receive representations and will go on to announce the outcome of the review. I shall take account of the points that the hon. Gentleman and others in the House have raised.

Belfast Agreement

2. **Mr. Gregory Campbell** (East Londonderry) (DUP): If he will make a statement on the review of the Belfast agreement. [153156]

The Secretary of State for Northern Ireland (Mr. Paul Murphy): The review of the operation of the agreement formally began, as the hon. Gentleman knows, in Belfast last Tuesday, and it has continued this week. It involves all parties in the Northern Ireland Assembly as well as the British and Irish Governments. Several parties, including the hon. Gentleman's own, have put

forward interesting proposals, which we welcome. We have proposed an indicative calendar for intensive discussion between now and Easter across the range of issues that parties wish to raise.

Mr. Campbell: Does the Secretary of State agree that it will be absolutely essential at the conclusion of the negotiations that each section of the community in Northern Ireland has confidence that its rights, culture, identity and future employment prospects are safeguarded, bearing in mind the Unionist community's concerns about the 1998 model?

Mr. Murphy: I agree that, clearly, the agreement and its review must achieve confidence in all parts of the community. That includes nationalists, republicans, loyalists and Unionists, and, indeed, those who do not describe themselves as anything. The fundamental purpose of the Good Friday agreement was to ensure parity of esteem between people in Northern Ireland, from different communities and with different ways, who felt aggrieved over the years about what had happened to them in their communities. Clearly, it is important to give the confidence for which the hon. Gentleman asks. I believe that the discussions in Belfast over the next few weeks will need to concentrate heavily on building confidence across the board.

Mr. Eddie McGrady (South Down) (SDLP): Will the Secretary of State reaffirm the Government's attitude and policy that the review is about the workings of the agreement, and not about the fundamental principles established and agreed to not only by the parties that participated in it, but by referendums, north and south, in Ireland? Will he confirm that it will be essential for a successful conclusion that all parties participating and agreeing will eventually participate in all strands—strands 1, 2, and 3? Documentation from the party of the hon. Member for East Londonderry (Mr. Campbell) deals only with strand 1. Will the Secretary of State say what is happening at the moment to the functioning of strand 2, which deals with north-south relationships?

Mr. Murphy: Yes, the Government still take the view that the Good Friday agreement is the basis on which progress can be made. We know that the agreement covers fundamental matters such as the principle of consent, power sharing between parties, parity of esteem, which I have mentioned, and proper arrangements both north and south on the island of Ireland. All those things must be discussed and agreed in, as the hon. Gentleman rightly points out, a review of the operation of the agreement. There are inevitably differing views on the fundamentals of the agreement, but I believe that I have covered them. There are certainly differing views on the details of the operation of the agreement, and the discussions, reviews and negotiations are about trying to agree a compromise between nationalists and Unionists.

Mr. David Trimble (Upper Bann) (UUP): The Secretary of State will recall that the Northern Ireland Assembly was suspended in October 2002. At that time, the Government said that the Assembly would not resume until republicans had clearly completed the transition from paramilitarism to exclusively peaceful means. Is that still their position, and if it is, what steps are they taking to pressure republicans to complete that transition or are they addressing that issue, as others, in a purely passive way?

Mr. Murphy: No. The right hon. Gentleman is of course right that the Assembly was suspended in 2002 because of the collapse of confidence among politicians in Northern Ireland. He rightly emphasises the fact that paramilitary activity, as defined in paragraph 13 of the joint declaration, was the reason why confidence collapsed. Both Governments take the view that we must resolve the issue, which is an important function of the review. Not only Governments but parties too must play their part in ensuring that paramilitary activity and violence are both things of the past.

Mr. Kevin McNamara (Hull, North) (Lab): My right hon. Friend rightly spoke about the need for confidence, but part of that is confidence in the good will of Her Majesty's Government. It is more than four months since the Government received the Cory report, and the Republic of Ireland Government have issued their two statements. There is a general feeling that the security forces are attempting to sanitise the report by Judge Cory and that they will deal with it in the same way as they tried to protract matters before the Saville inquiry. Can he give an undertaking to the House that the Government will publish the reports before the projected judicial review takes place? The courts have said that the Government have a case to answer in the Finucane family's case for not publishing them.

Mr. Murphy: I assure my hon. Friend that there is no question of trying to suppress the Cory report, which we hope to publish fairly soon. He knows that there are difficulties regarding the protection of individuals who might be named in those four reports, which is obviously a matter of safety and privacy, but there are other legal reasons that we must examine carefully. However, he may rest assured that the Government intend to publish the report.

Mr. David Lidington (Aylesbury) (Con): May I press the Secretary of State on the fundamentals of the agreement, and in particular the extent to which he sees power sharing as fundamental? If the Independent Monitoring Commission reports to him later this year that one or more parties in Northern Ireland have failed to comply with their commitment to exclusively peaceful and democratic means and failed to break their links with paramilitarism, would the Government be prepared to take the necessary action to exclude such a party from participation in government in the way in which the Taoiseach has said that it would be his policy south of the border?

Mr. Murphy: The hon. Gentleman will be aware that the Act that set up the Independent Monitoring Commission is clear about the process that must be followed. If the Assembly were up and running—I hope that it will be—it would have a role to play in the process, too. If the Assembly failed to agree on a method to deal with that situation, it would come before me. I cannot comment on what has not yet been reported, but the mechanisms for doing so are clear.

Maghaberry Prison

3. **Mr. Harry Barnes** (North-East Derbyshire) (Lab): What representations he has received on the separation of paramilitary prisoners from other prisoners at Maghaberry prison. [153157]

The Minister of State, Northern Ireland Office (Jane Kennedy): The closing date for responses to the consultation on separation was set as 22 January. By the end of the consultation exercise, 21 submissions had been received from a variety of sources. We are currently considering those representations and will publish our conclusions shortly.

Mr. Barnes: My right hon. Friend will be aware that today sees the publication of the report from the Northern Ireland Affairs Committee on the separation of paramilitary prisoners from ordinary prisoners in Maghaberry prison. It says that it was a dangerous decision for the public servants that had to implement it; that it was made for political reasons, following a campaign by dissidents; and that the trail seems to go back to 10 Downing street, where the decision may have been made by officials. May we have a guarantee that the line will now be drawn and we will not end up with the situation at Maghaberry that we used to have at the Maze, with the paramilitaries running their own areas?

Jane Kennedy: We will obviously study the report carefully and respond at the appropriate time. It is important to understand that the Steele review was of the safety of staff and prisoners at Maghaberry. On that basis, it was welcomed and endorsed by church leaders and political parties in Northern Ireland. Decisions were taken on that basis by Northern Ireland Ministers. I welcome the detail of the report, which shows how complex and dangerous it is to manage and run prisons in Northern Ireland. In accepting John Steele's recommendations, we have made it clear that there will be no return to Maze-style conditions. We are determined that prison staff must remain in control, and the physical security measures, together with the prisoner compact, are designed to achieve that.

Mr. Michael Mates (East Hampshire) (Con): When was the last time that the Secretary of State and his team took a decision contrary to all the advice received from every responsible agency in the Province, as happened over the prison issue?

Jane Kennedy: I can answer only for the decision that we took on this occasion. When we commissioned the Steele review, the terms of reference were clear: they were to examine options for improving conditions at Maghaberry prison, especially as they related to safety, for all prisoners and staff. Included in the terms of reference was the need to bear in mind the lessons of the past. I hope that that will reassure members of the Northern Ireland Affairs Committee.

Mr. Tony Clarke (Northampton, South) (Lab): The disturbances in summer 2003 were not instigated by paramilitaries, but by integrated prisoners—the ordinary, decent criminals, or ODCs as they are affectionately known. Since those disturbances, the best accommodation at Maghaberry has been put aside for separated paramilitary prisoners and integrated prisoners have had to double up. What assurances can my right hon. Friend give me that the facilities for the ordinary, decent criminal population will improve, thus preventing further disturbances this summer?

Jane Kennedy: I accept that there has been some reduction in the regime on offer to all prisoners in Maghaberry while we have been developing the arrangements for the separated prisoners. However, it is our intention that following establishment of the regime and the moving of the prisoners into their new accommodation, which we anticipate will take place at the end of this month, we will begin to put resources into the integrated regime that will continue to be offered in the rest of the prison.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): The Minister will be aware of the recent attacks on prison officers and their homes, which are linked to the whole issue of separation. Recently, the Secretary of State reached an agreement with the Prison Officers Association to appoint an independent person to assess the need for security measures at home for individual cases. Can the Minister assure me that resources will not be an issue and that if prison officers need protection in their homes it will be made available? Will she confirm that it will not be a case of a window here or there, but that she will comply with the security recommendations?

Jane Kennedy: I can give the hon. Gentleman that reassurance.

Security Situation

4. **Mr. Henry Bellingham** (North-West Norfolk) (Con): If he will make a statement on the security situation in Northern Ireland. [153158]

The Minister of State, Northern Ireland Office (Jane Kennedy): Dissident republicans remain a threat to the peace process, as evidenced by the recent device at Shackleton barracks in Ballykelly. For the most part their activities have been thwarted, intercepted or nullified by intelligence-led policing operations. Loyalist and republican paramilitaries continue to carry out attacks and acts of intimidation against their own communities. Apart from a few isolated incidents, however, interface areas have been quiet for the past 18 months.

Mr. Bellingham: Does the Minister agree that illegal shipments of arms from Libya to the IRA played a vital role in prolonging the terrorist campaign? Now that we are reopening diplomatic and other relations with Libya, and Libya is giving information about its weapons of mass destruction, surely Colonel Gaddafi owes it to us to give us details about those illegal shipments. Does the right hon. Lady agree that that would help the decommissioning process?

Jane Kennedy: Yes, I agree with the hon. Gentleman. I would expect that the subject of arms supplied by Libya to the IRA in the past would be part of the

Government's wide-ranging discussions with Libya. The hon. Gentleman is right; such information would be of great benefit.

Mr. Seamus Mallon (Newry and Armagh) (SDLP): The Minister will be aware that in recent years Northern Ireland Office Ministers have found it difficult, if not impossible, to decide when ceasefires had been broken. Can she give us some idea about how the international Independent Monitoring Commission will receive evidence that points to the breaking of ceasefires? Can she inform the House whether that evidence will come from police and security sources who could not give such assurances to previous Ministers?

Jane Kennedy: I am not quite sure about the point that my hon. Friend made in his last sentence, but I can assure him that the Independent Monitoring Commission will receive reports from all the areas that he identified and that it will present its reports to the two Governments.

Lembit Öpik (Montgomeryshire) (LD): Will the Minister comment on the extent of the intimidation directed both at Catholic members of district policing partnerships and at Catholics who apply to join the police? What steps are the Government taking to help the police to tackle that issue—for example, by commencing an active dialogue on it with Sinn Fein?

Jane Kennedy: The attacks upon members of the district policing partnerships are being undertaken by dissident republican groups. Obviously, we are interested in speaking to whoever might have influence to bring about an end to intimidation in Northern Ireland. However, the specific attacks to which the hon. Gentleman refers are being diverted and disrupted by intelligence-led policing operations, and the police are to be commended for the work that they are undertaking. Such attacks are deplorable and the people who carry them out have no place in a democratic society.

Mr. Andrew Dismore (Hendon) (Lab): May I ask my right hon. Friend about the security situation for minority ethnic communities in Northern Ireland, with particular reference to the Chinese community, which has suffered appalling violence and intimidation at the hands of racist thugs? Will my right hon. Friend tell us what is being done to protect the Chinese community in Northern Ireland, and will she meet the all-party Chinese in Britain group to discuss what we can do to try to help?

Jane Kennedy: I am grateful to my hon. Friend for raising that issue. New legislation is being developed that will enable the police to have more powers to deal with such attacks and will allow the courts to deal with them more rigorously. The police continue to do all that they can to divert such activity and my right hon. Friend the Minister of State is looking into the matter to see what more can be done on that front.

Mr. Peter Robinson (Belfast, East) (DUP): Does the right hon. Lady accept that there is a feeling of dread in Northern Ireland—given the kind of remarks that have been made in the Chamber today about the increasing likelihood of no-warning bomb attacks from the Real IRA, the race attacks that have been taking place and general issues of criminality—at the prospect of losing 1,600 members of the security forces with the removal of the police reserve? Will she ensure that no political pressure is applied to the Chief Constable that would lead to such a decision?

Jane Kennedy: I can give the hon. Gentleman that assurance. As he knows, the Chief Constable will review the security situation later this summer, and following that review final decisions will be taken.

Lady Hermon (North Down) (UUP): Given the lack of confidence in the security situation at present, and particularly in prior acts of decommissioning, has any thought been given to replacing de Chastelain at the head of the independent weapons decommissioning monitoring body?

Jane Kennedy: As I hope to have the opportunity to say later today, I commend the work of General de Chastelain and the Independent International Commission on Decommissioning. No thought has been given to the matter that the hon. Lady asked about. We are grateful for the commitment that the general has shown to the peace process in Northern Ireland, and I look forward to working with him in the future—*[Interruption.]*

Mr. Speaker: Order. I ask the House to come to order.

Mr. David Lidington (Aylesbury) (Con): A recent written answer that the Minister of State gave me showed that the full-time reserve of the Police Service of Northern Ireland accounts for roughly a quarter of all officers attached to district command units, and in the case of some local command units the proportion is much larger. In view of that, can the Government state categorically that the full-time reserve will not be sacrificed or disbanded for political reasons, and that it will be maintained for as long as its presence on the ground in Northern Ireland is necessary for the maintenance of effective local policing?

Jane Kennedy: As the hon. Gentleman will know, this is a decision that the Policing Board has in hand. Its decision will be very much informed by the advice of the Chief Constable once he has completed his review of security later this summer.

Arts (Promotion)

5. **Jim Knight** (South Dorset) (Lab): What discussions he has had with interested parties in Northern Ireland about the promotion of the arts. [153159]

The Parliamentary Under-Secretary of State for Northern Ireland (Angela Smith): I have had discussions about the promotion of the arts with a range of interested parties, including political representatives and those working in the statutory, community and voluntary sectors.

The Arts Council of Northern Ireland is the statutory body responsible for the promotion of the arts. Both my Department and the Arts Council engage on a regular basis with a wide range of stakeholders from the arts sector.

Jim Knight: I thank my hon. Friend for that reply. I know first hand from my work as a professional arts promoter the potential of the arts to heal, to educate and to strengthen communities. What use is my hon. Friend making of the arts in those capacities in Northern Ireland?

Angela Smith: I am grateful to my hon. Friend for his interest in the issue. The arts do indeed have the capacity to bring communities together. The work that I have seen of, for example, the Lyric theatre and the Community Circus school in Belfast and the Nerve centre and the Verbal Arts centre in the city of Derry shows that they can promote a far greater understanding and acceptance of different cultures and traditions.

Mr. Roy Beggs (East Antrim) (UUP): We are all aware of the growing culture of mural art in Northern Ireland. This is to be found in both communities—*[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman is asking a question.

Mr. Beggs: In fact, that mural art is a tourist attraction. Is the Minister aware of just how many properties in public ownership carry sectarian and political murals? Will she provide funding and harness the talent that exists in Northern Ireland to provide more attractive and more acceptable murals and give encouragement to that art?

Angela Smith: I thank the hon. Gentleman for his question. Murals can be divisive or unifying. As he knows, the Ulster-Scots Agency has looked at bringing in new murals and over-painting those that are sectarian. I will give further consideration to the hon. Gentleman's suggestion.

Schools (Christianity)

6. **Mr. Graham Allen** (Nottingham, North) (Lab): Whether the religious education core syllabus for grant-aided schools in Northern Ireland seeks to ensure that children understand both Catholic and Protestant versions of Christianity; and if he will make a statement. [153160]

The Minister of State, Northern Ireland Office (Jane Kennedy): The current core syllabus for religious education was developed jointly by the four main churches. It accounts for around half of teaching time in this subject. Schools can augment the core syllabus in accordance with their own ethos. The syllabus is currently being reviewed by a working party, whose advice I expect to receive shortly.

Mr. Allen: Will my right hon. Friend do everything possible to undermine the religious bigotry that exists in schools in Northern Ireland, and give young people the broadest possible understanding of both religious and secular value systems, so that the inter-generational problems that we see in Northern Ireland can begin to be tackled where it really counts—at home and in the early years at school?

Jane Kennedy: I agree with the broad thrust of my hon. Friend's comments. It is already open to schools to provide opportunities for pupils to look at the beliefs of other Christian denominations and at other world religions, and I encourage them to do so.

David Burnside (South Antrim) (UUP): The Minister could help with this problem a great deal. If I were a young man applying to become a police officer in Northern Ireland, I would be referred to as a non-Catholic, not a Protestant, so could the Minister give a commitment that all future legislation in Northern Ireland will refer to Protestants who are members of the Holy Catholic and Apostolic Church and that all those who are not Protestants will be referred to correctly as Roman Catholics?

Jane Kennedy: No, I am not prepared to give any such assurance.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [154044] **Mr. Alistair Carmichael (Orkney and Shetland)** (LD): If he will list his official engagements for Wednesday 11 February.

The Prime Minister (Mr. Tony Blair): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

Mr. Carmichael: Next week, I shall visit Kenny Richey—a British citizen who has been held on death row in Ohio for the past 17 years. Amnesty International describes his case as

"one of the most compelling cases of innocence"

that it has ever seen. Will the Prime Minister undertake to make direct and personal representations to the Governor of Ohio at the appropriate time to prevent the killing of that innocent man?

The Prime Minister: First, I thank the hon. Gentleman for giving some notice of that question. I can give him the following information: I understand that Mr. Richey is awaiting the decision on an appeal for his retrial, and that decision is expected soon. We are continuing to monitor the case closely and will see what the result of Mr. Richey's appeal is before deciding what further representations we need to make. The Foreign Office is in touch directly with Mr. Richey's lawyers, both in the United States and in the United Kingdom, and with Ohio state officials, so we will continue to

monitor this closely, and, as a result of the hon. Gentleman's question, I shall obviously make inquiries about it myself.

Geraldine Smith (Morecambe and Lunesdale) (Lab): Nineteen young people drowned in Morecambe bay last Thursday—the victims not only of the sea but of greed and exploitation. Does the Prime Minister agree that the slave-labour practices of some gangmasters put a stain on the character of Britain throughout the world? Does he also agree that it is an affront to every decent person in Britain? Can he therefore tell me whether the Government are willing to support and give time to the private Member's Bill that is being proposed to license the operation of gangmasters? Can he also tell me what regulations will be put in place for the operation of public fisheries such as Morecambe bay?

The Prime Minister: First, I think that the whole House would want to express its sorrow at what happened in that terrible tragedy and our deep sympathy for the victims and their families. As my hon. Friend will realise, a criminal investigation is under way, and it would be inappropriate therefore to comment at this stage, but there is no doubt that a number of issues arise out of this, and I can tell her that we certainly support the objectives set out in the private Member's Bill proposed by my hon. Friend the Member for West Renfrewshire (Jim Sheridan). The detail must be got right, and we are working with him and Departments to ensure that it is.

The current asylum Bill will make it a criminal offence to traffic people in or out of the UK for the purposes of exploitation. The cockle fishing industry is regulated by sea fisheries committees, and they are actively looking at what further steps they can take, but I want to stress one point that she makes: there are firms that operate in a reputable way, but where people are operating for the purposes of greed or exploitation, it is absolutely right that we take action—if necessary, legal action, by changing the law. That is why I can assure the House that we will examine what the private Member's Bill proposed by my hon. Friend says, and if we can find the right way to meet its objectives, we will do so.

Mr. Michael Howard (Folkestone and Hythe) (Con): May I join the Prime Minister in expressing my sympathy to the families of the victims of the tragedy at Morecambe bay?

Last week, the Prime Minister said that the Government were looking at imposing transitional controls on immigration from the accession countries of eastern Europe, as other member states have done. The Home Secretary says that they are not. Who speaks for the Government?

The Prime Minister: What I said—and what we are doing—is that before the regulations that will grant the concession of free movement of workers are laid before Parliament, we have to make sure that any potential basis for the exploitation of any loopholes in the rules is closed off. That is what we are looking at now, and that includes looking in particular at the benefits regime.

Mr. Howard: No, no. The Prime Minister was not referring last week only to the benefits regime. I put it to him last Wednesday that most other European Union countries had imposed transitional controls, and he replied:

> "It is precisely for that reason that we are examining doing that now."

The Prime Minister repeated that several times. He also said that "eligibility for benefits" was an additional issue at which the Government were looking, and said:

> "That is why we are looking at both issues."—[*Official Report*, 4 February 2004; Vol. 417, c. 753.]

Is he now changing his mind?

The Prime Minister: I am not changing my mind. The free movement of people is guaranteed throughout the European Union after accession. The free— *[Interruption.]* Yes, the free movement of people is guaranteed; the free movement of workers, however, is not. In respect of that, we are looking at both the benefits system and whatever other measures are necessary to make sure that if that concession is granted—and we have not yet laid the regulations that will grant it—that is done in a way that prevents it from being exploited. We are not against people coming here to work properly; we will not, however, allow our system to be exploited or abused.

Mr. Howard: We are hearing one thing from the Prime Minister at the Dispatch Box and completely different things from others in his own Government. The Prime Minister said one thing last Wednesday, and was contradicted that very afternoon by his own official spokesman. He was contradicted at the weekend by the Home Secretary, contradicted again by another official spokesman, then contradicted again by the Home Secretary on Monday. Last week, we saw a bold statement on Wednesday, good headlines on Thursday, a climbdown on Friday and total confusion by the weekend—a familiar pattern from this Prime Minister. Will he now give us a clear answer? Will the Government do what other countries are doing, and what the Prime Minister said he was looking at? Will he impose transitional controls on immigration from the accession countries or not?

The Prime Minister: I am afraid that the right hon. and learned Gentleman read out his last question without paying any attention to the answers that he had already been given. The position, as I have set it out, is quite simply this. There will be free movement of people after 1 May this year. Free movement of workers, however, is a concession that we are prepared to grant, but not in circumstances in which it can be abused. We are therefore looking at the benefits system and considering any other measures necessary to ensure that that concession is not abused. I do not see what is so complicated about that.

Dr. Nick Palmer (Broxtowe) (Lab): I understand that Ministers will shortly be deciding on the central rail project for roll-on/roll-off trains to transport lorries from north to south, which will halve the north-south traffic on the M1. That is not only supported by people in Broxtowe because of the potential for jobs; it is the only project in human history that has support from

employers, unions, green groups and the Freight Transport Association—*[Interruption.]* Will my right hon. Friend give it a warm welcome?

The Prime Minister: I think, as was fairly obvious just then, that that proposal is not without controversy in certain quarters. All that I can say to my hon. Friend on the project is this. It clearly has the potential to offer significant environmental and congestion benefits, and we are therefore considering it carefully, but we will want to make sure that the claimed environmental and congestion benefits are real. In addition, the issue of the financing of the proposal is very important. However, we will look at it with an open mind.

Mr. Charles Kennedy (Ross, Skye and Inverness, West) (LD): Can the Prime Minister clarify the current state of negotiations between the British Government and the American Administration over the British citizens who are being held captive at Guantanamo bay?

The Prime Minister: Yes, I can. We are continuing to negotiate over whether those people should be tried by the US commission, or whether they should be returned. There is an option, in the end, over which of those courses is pursued. I am sorry—I have to say this—that the process is taking time, but it is taking time, as I hope the House understands, for very good reasons. We want to make sure that if people are brought back here—I say this without any disrespect to those people—that does not in any shape or form endanger the security of this country.

Mr. Kennedy: On that very important latter point, given the recent comments of the Home Secretary about lowering the burden of proof in terrorist cases, will the Prime Minister give the House an absolute assurance that we will not undermine the fundamental principles of British justice if these people are brought back to these shores and are then made to stand trial? Has he set a deadline with the American Government for this issue to be resolved once and for all?

The Prime Minister: No, there is not a deadline for that, and in a sense, it is for us ultimately to decide, if we cannot reach agreement, that we bring them back here. In relation to civil liberties and issues to do with legislation, we shall not do anything—indeed, I do not believe that we have done anything—to undermine essential civil liberties in this country. But there are real issues and dangers to do with terrorism. That is why we took exceptional measures, which were passed through the House, to allow us to detain people who were not British nationals in circumstances in which they would not be convicted in a court of law beyond reasonable doubt. We took those powers in respect of people who are not British nationals because of the danger that terrorism poses to this country. We will continue to keep the law under review, as my right hon. Friend the Home Secretary was saying, but I would say to the right hon. Gentleman and to the House that the dangers of terrorism are real. There are groups of people in this country and right round the world at the moment who would have no compunction at all in killing large numbers of innocent people; we saw that happen in Moscow last week. I know that, while this type of legislation is before the House, people worry about civil liberties. I can promise the right hon. Gentleman that if some terrible terrorist event occurred, their worry would be about security.

Mr. Tam Dalyell (Linlithgow) (Lab): In the Prime Minister's welcome talks with Mr. Shalgam yesterday, what was said about the prisoner in Barlinnie jail in Glasgow, Mr. Megrahi? Was that matter discussed?

The Prime Minister: That particular individual was not discussed at all, but the issue to do with Libyan and British relations arising out of Lockerbie obviously was. But, no, that particular individual was not mentioned in the conversation.

Q2. [154045] **Sir Peter Tapsell** (Louth and Horncastle) (Con): What steps are being taken to persuade Israel to give up her weapons of mass destruction?

The Prime Minister: I would like to see the whole of the middle east free from the threat of weapons of mass destruction, but I hope that the hon. Gentleman will recognise the particular worries that Israel has about security, given that it is surrounded by many countries, some of whose stated objective is still to get rid of the state of Israel altogether. I have my criticisms of Israeli policy, but I would remind the hon. Gentleman that it is a democracy, whose Governments are elected by its people. At the same time as we try to strive for a region free of weapons of mass destruction, in whatever country, we must recognise that it is important to respect the security of Israel.

Q3. [154046] **Mr. Peter Pike** (Burnley) (Lab): My right hon. Friend will know that there was a tragic fire in Padiham in my constituency at the weekend in which three young children died, despite the heroic efforts of their mother and of the emergency services. He will also know that a review of building regulations is currently taking place. The chief fire officer of Lancashire, Peter Holland, and the *News of the World* are campaigning for sprinklers to be included in the new building regulations, starting with those affecting new build properties for vulnerable people. Will the Government support those moves, recognising that sprinklers can save lives?

The Prime Minister: Our thoughts are with the family and friends of the three young victims of that horrific tragedy in Padiham in Lancashire. At the moment, investigations into that fire, and into whether it could have been avoided if the home had been fitted with a sprinkler, are still continuing. We have, however, been actively investigating the effectiveness of sprinkler systems in tackling fires in residential properties. The results of that work, which is being undertaken on our behalf by the Building Research Establishment, are to be published this week. They will be fed into the review of the fire safety aspects of the building regulations that is currently under way. We are going to have a look at this issue; we can take forward any lessons, and any indications that we receive from local people in the fire service as to what they think. My hon. Friend has put his finger on the nub of this issue, which is that there may well be a case for altering the provisions in respect of

properties where particularly vulnerable people are housed. Whether that means that we extend the provisions even further is a more difficult question, but I understand the point that he has raised.

Mr. Michael Howard (Folkestone and Hythe) (Con): Can the Prime Minister confirm that the Government plan to give £10 million of taxpayer's money to the trade unions?

The Prime Minister: Somewhere in the region of £5 million to £10 million will be given to trade unions over—

Mr. Dennis Skinner (Bolsover) (Lab): Higher, higher.

The Prime Minister: Only around £5 million to £10 million will be given to trade unions over the next few years, to encourage the process of modernisation in the trade union movement. *[Interruption.]* Unlike the Opposition, we think that good industrial relations between employers and trade unions are good for British business, and for Britain.

Mr. Howard: I have here the relevant Government new clause to the Employment Relations Bill, and it is very widely drawn. It states:

"The Secretary of State may provide money to a trade union . . . to improve the carrying out of any of its functions"

or

"to carry out any new functions."

That could have been written by Bob Crow. The trade unions gave more than £6 million to the Labour party last year. Why can they not use that money for modernisation?

The Prime Minister: I doubt very much whether Mr. Bob Crow is in favour of the money being used for the modernisation of trade unions. I totally disagree with the right hon. and learned Gentleman: it is right to spend the money because it is right to help trade unions modernise. However, I can give another example that involves the Government spending rather more than £5 million to £10 million extra—the Short money that we have given to the Conservative party. I have to say, though, that the signs of modernisation there do not yet show that we are getting value for money

Mr. Howard: The deal that the Prime Minister is offering to the unions is that the Labour party gets £6 million from the trade unions, and the unions get £10 million from taxpayers in return. That is not a bad deal. Is that what the Prime Minister meant when he said that the trade unions would get "fairness but no favours" from a Labour Government?

The Prime Minister: I am glad to see that the right hon. and learned Gentleman's attitude to trade unions has changed not one whit. After all, when in government, he opposed the minimum wage, the social chapter and the right of people to join a trade union, even when they wanted to. I am sorry that he is still stuck in the same old groove. *[Interruption.]*

Mr. Speaker: Order, Mr. Skinner. I heard booing in the Chamber. I will not tolerate that, even if it means suspending the House during Prime Minister's Question Time.

Social Behaviour

Q4. [154047] **Mr. Graham Allen (Nottingham, North)** (Lab): If he will visit Nottingham, North to discuss social behaviour.

The Prime Minister: I have no current plans to do so, but I remember well my last visit to my hon. Friend's constituency.

Mr. Allen: Does the Prime Minister accept that the House and the Government have attacked antisocial behaviour very effectively? That is certainly the case in my constituency, but does he agree that there is another side to that coin—that as well as attacking antisocial behaviour we should promote social behaviour in our youngsters? Will he consider the possibility of including social behaviour as a core activity in the national curriculum, so that we can prepare youngsters to take best advantage of the schooling that is on offer? In that way, we could do for social behaviour what we have done so effectively for literacy and numeracy.

The Prime Minister: My hon. Friend raises an important point. Citizenship education became a statutory part of the national curriculum in September 2002. That framework gives us our best chance to teach young people about responsibility, but he is also right to draw attention to our measures on antisocial behaviour. One thing that we know is that the more we invest in young people at the earliest possible age, the better chance we have of making sure that they become responsible adults—hence the importance of programmes such as Sure Start. That is why it is important that, as well as acting to clamp down on antisocial behaviour, we should continue to invest in the education of our young people. That education, of which citizenship is a part, is the best way to ensure a more secure society in the future.

Peter Bottomley (Worthing, West) (Con): Will the Prime Minister thank the Foreign Office for its continuing interest in the case of Krishna Maharaj in Florida, and could he suggest—

Mr. Speaker: Order. The question must be on social behaviour.

Engagements

Q5. [154048] **Mr. David Chaytor** (Bury, North) (Lab): The Government have rightly attached great importance to the question of fair access to universities through their proposal for the Office for Fair Access, but given that 43 per cent. of young people go to universities yet 100 per cent. go to secondary school, and considering the importance of secondary education in the prospects of young people of continuing to university, is there not an even more powerful case for an office for fair access to secondary schools?

The Prime Minister: My hon. Friend's point is partly met by the independent schools adjudicators, who oversee complaints and disputes about admission arrangements. I think the other thing I would say to him is that the more we can encourage, especially in the

poorest parts of our country, the development of really good quality secondary schools—the specialist schools and the city academies are an attempt to do this, and excellence in cities is another—the best chance our young people will have in those schools of getting good quality education, irrespective of their wealth. It is certainly important that we keep under review how we develop that programme to ensure that access is indeed fair.

Q6. [154049] **David Burnside** (South Antrim) (UUP): May I ask the Prime Minister what is in the best interest of the United Kingdom: the re-election of pro-war President Bush, or the election of anti-war Senator Kerry?

The Prime Minister: Can I just say to the hon. Gentleman that I have learned enough in my six or seven years as Prime Minister not to interfere in the American presidential election? That decision is, and should be, for the American people alone.

Mr. Wayne David (Caerphilly) (Lab): The Prime Minister will be aware that the International Monetary Fund has recently revised its growth predictions for the British economy in 2004. Instead of a growth figure of 2.4 per cent., it now estimates growth of 3.1 per cent. Does he agree that that is eloquent testimony to the success of the British economy?

The Prime Minister: Yes, it is. It comes on a day when unemployment has yet again fallen. We now have more than 1.5 million more jobs in the economy than in 1997, when some people said that we would lose 1 million jobs in the British economy. We have actually got record levels of employment, and unemployment is now at its lowest level for well over 25 years and almost 30 years. That is a result of the stable economic policies pursued by the Chancellor, the new deal and the measures that we have taken to ensure that opportunity is not the privilege of a few, but open to the many.

Q7. [154050] **Matthew Taylor** (Truro and St. Austell) (LD): Is the Prime Minister comfortable with the fact that because the council tax is unrelated to ability to pay, he pays the same council tax, earning £175,000 a year, as the security guards who provide security in the House of Commons and are paid less than £17,000?

The Prime Minister: There is a debate about how local government is best financed, but I must say to the hon. Gentleman that when one actually looks at the different systems of local government finance, the first starting point on which everyone should agree is that there is no perfect system. One can point to anomalies in respect of any system, but I do not myself think—although of course we look at this with an open mind—that local people would like to have their income tax decided by local authorities. If that is the Liberal Democrats' policy, I think that they would be as well to conceal it pretty carefully.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): The Government have been extremely successful, especially in introducing programmes that are targeted at young people who are at risk of offending. Does the Prime Minister therefore understand the disappointment of a number of projects in my constituency that at this late stage of the year are facing significant reductions in their funding under the children's fund? Will he agree, at least, to go back and look again at the children's fund because although investment is important, consistency is important too? The programme has not been running for long and it is important that we give such programmes the benefit of the doubt.

Hon. Members: Spot on.

The Prime Minister: Opposition Members say, "Spot on," but as I recall, they opposed the financing. The point that my hon. Friend makes is important. There is a danger for some of the programmes that are not financed on a recurrent basis that funding comes to an end. I will look into the situation in her constituency. Obviously, there is always a limit on the amount of money that can be spent, and we are investing a considerable amount in the children's fund, neighbourhood renewal projects, and so forth. There is a particular issue of what happens when those projects are up and running and doing well and funding is suddenly cut short. That is precisely what we are looking at now, which will obviously form part not just of deliberations on the Budget but of the comprehensive spending review.

Q8. [154051] **Mr. Michael Jack** (Fylde) (Con): The events in Morecombe bay were both tragic and unpardonable, but further to the Prime Minister's answer to the hon. Member for Morecambe and Lunesdale (Geraldine Smith), does he recognise that also at the heart of the matter is the pool of illegal immigrants in this country who fall easy prey to the despicable activities of illegal gangmasters? In the light of that tragedy, what action will the Prime Minister take to remove those people from this country?

The Prime Minister: It is precisely for that reason that we do remove illegal immigrants from this country—actually, thousands and thousands a year. That problem faces this Government as it did the previous Government and Governments right around the western world. This goes far wider than the particular tragedy and is not in a sense to be connected with that, but the debate that we have been having on the subject of identity cards is a very relevant question for the future because we will not be able to control the problem with the old methods.

Mr. Russell Brown (Dumfries) (Lab): My right hon. Friend referred to a decrease once again in unemployment, but there is still growing concern about the number of people on disability benefits who are not getting the opportunities and choices that others receive. What more can the Government do to give people on incapacity benefit and disability living allowance the opportunity to take part in constructive society?

The Prime Minister: There are two measures in place: there is a tax credit that is available for disabled people to ensure that work pays for them; and there is also, of course, the new deal, which specifically targets some of

those who are disabled or on incapacity benefit. My hon. Friend's point is absolutely right; there are still far too many people on incapacity benefit who could be brought off benefit and into work. One thing that we must do is ensure that they understand the opportunities that are now available and the support through the tax credit system, which will in many instances give them the opportunity to work and make them considerably better off.

Q9. [154052] **Ann Winterton** (Congleton) (Con): With the inclusion of the 10 new countries in the European Union, the United Kingdom is set to lose £3 billion of European regional funding for 2007 to 2013. Do the Government intend to supplement that shortfall to present levels, and will they do so by taxing the hard-pressed British taxpayer even more?

The Prime Minister: I cannot entirely work out what angle the hon. Lady is coming from. Is she asking us to support the programmes or to ditch them? I thought that it was a matter of common cause across the House that we supported the accession countries entering the European Union. Obviously, as that happens, unless we increase dramatically the overall amount of the EU budget, there will be less for those countries that are already in the EU and are wealthier. Of course we look at specific programmes and whether we need to bridge the funding for them, but it is important to recognise that the alternative is either not having those countries in the EU—that would be a huge mistake for Europe—or pushing up the European budget, which we have made clear, as the Chancellor did again yesterday, we do not favour.

Q10. [154053] **Chris Bryant** (Rhondda) (Lab): Last year, one in four deaths in England and Wales led to an autopsy, as opposed to one in eight in Scotland and to one in 12 in Northern Ireland. Does the Prime Minister agree that many of those 121,000 autopsies caused unnecessary distress and delay to already grieving families? Is it not time that the coroner service was urgently reformed to ensure consistency across the UK—not least in the reporting of drugs-related deaths?

The Prime Minister: I understand from my right hon. Friend that proposals on the reform of the coroner service will be published shortly. It may be as well to wait for the outcome of that.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): After months of trying, my constituents, Mr. and Mrs. Keys, secured a meeting with the Secretary of State for Defence last week to receive a briefing about the current state of the investigation by the special investigation branch into the death of their son, Lance Corporal Tom Keys and five other military policemen last June. In that meeting, not a word was said about the military policemen having to return ammunition rounds before going on duty or, indeed, losing essential medical supplies, apparently for audit purposes. The Ministry of Defence liaison officer rang late on Friday evening to tell them about that, because it was being broken in the press on Sunday. Mr. and Mrs. Keys, through me, are asking the Prime Minister when they can ever expect to learn the truth about the death of their son.

The Prime Minister: First, I express once again my condolences and sympathy to the family of the hon. Gentleman's constituent. May I tell them, through him, that I understand their anxiety, and that it is the reason why there is an inquiry? Once it has completed its work, and we know exactly what happened to those six members of the Royal Military Police, we will obviously be in a better position to communicate with the families on the basis of precise details. However, those six people died in the course of their duty in circumstances in which they demonstrated enormous courage and bravery—*[Interruption.]* The hon. Gentleman has asked about medals, but it has already been made clear that we will look at that later when the inquiry is complete.

May I simply tell the hon. Gentleman that those people died with immense bravery, trying to make Iraq better? No matter what is going on in Iraq at the moment—these terrible terrorist attacks were almost certainly instigated by people outside Iraq and are directed against Iraqi people—it is crucial to the security of the region and the world that Iraq is helped to achieve stability, prosperity and democracy in the long term. That is precisely what those people, including the hon. Gentleman's constituent, were doing, which is why the House, while it should answer the questions that the hon. Gentleman has quite properly asked, should thank that person and all those who have died in the service of their country doing something very important for the future of the world.

Mr. Eric Forth (Bromley and Chislehurst) (Con): On a point of order, Mr. Speaker.

Mr. Speaker: I will take points of order after the statements.

Parliament and the EU

12.32 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Jack Straw): With permission, Mr. Speaker, I should like to make a statement on the Government's plans for enhancing the role of Parliament in European Union matters and in respect of other developments in the European Union. This is set to be an important year for the EU. Ten new members join on 1 May, and the elections for a new European Parliament take place in June. We also have the initial proposals on the financing of the European Union after 2006, the continuing efforts to reform the European economy so that it can better deliver jobs and prosperity, and the outstanding matter of the intergovernmental conference. By the end of this year, we hope to conclude accession negotiations with Romania and Bulgaria, and make a decision on whether to launch such negotiations with Turkey. Meanwhile, discussions began yesterday in New York on the scope for a reunited Cyprus joining the EU in May.

Those and other EU developments are of profound importance to Britain and British interests. It is therefore vital that the House, and Parliament as a whole, have an integral role in debating, influencing and agreeing the policies of the British Government. Together with my right hon. Friend the Leader of the House and other colleagues, I was concerned to ensure that there was regular and rigorous parliamentary discussion of the intergovernmental conference following the publication of the draft constitutional treaty last summer. We therefore laid a White Paper on the draft treaty before the House last September. Ministers and officials attended a total of 13 sessions with Committees in this House and the Lords on the Convention on the Future of Europe and the IGC, and responded to 16 Select Committee reports. From last May onwards, when the successive parts of the Convention text of the draft treaty were published, we had more than a dozen debates on EU issues on the Floors of both Houses and three sittings of the Standing Committee on the Intergovernmental Conference.

That parliamentary engagement in the IGC process helped to develop a better understanding of the issues at stake, and strengthened our negotiating position at the EU table. On energy, to take just one example, the strength of opinion in Parliament helped us to secure an acceptable amendment from the Italian EU presidency. This level of scrutiny and debate on the IGC should, in my view, become the norm for providing Parliament with the opportunity to oversee the work of the European Union and the British Government's role in it. Indeed, given the range of issues that the EU now covers—from trade to the environment, from cross-border crime to consumer protection—it is vital that we enhance national democratic scrutiny in this way.

I greatly applaud the diligent and valuable work of the scrutiny Committees in both Houses. However, I am sure that they would agree that we need a broader and earlier focus, across Parliament as a whole, on the forthcoming plans of the Commission and the European Council, sufficiently in advance that all Members of the House and of the other place have an opportunity to raise concerns and to influence policy before it is set in stone.

First, therefore, starting in April this year, then each January thereafter, the Government will lay before Parliament a White Paper looking at the year ahead for the EU's legislative and other activities. The paper will set out the Government's priorities in the light of the European Commission's legislative and work programme for the year ahead, as well as the operational programme for the forthcoming EU presidencies agreed each December by the European Council. At the same time, subject to your agreement, Mr. Speaker, I plan to make an oral statement to the House summarising the White Paper's main themes. In addition, each July we will publish as a Command Paper an interim report to take stock of progress and to look ahead to the second six-month presidency of the year. Those papers will subsume our existing retrospective reviews of developments in the European Union.

Secondly, to build on the Standing Committee that was set up to look at the Convention, then at the IGC, the Government favour creating a successor Committee whose remit would be extended to cover the whole of the EU's work. To that end, my right hon. Friend the Leader of the House hopes shortly to present proposals to the Modernisation Committee for its consideration. Our aim is that the new Committee would be open to Members of both Houses, and that Ministers involved in EU work, from the Foreign and Commonwealth Office and from other Departments, would give statements, respond to questions and participate in debates. I hope that the House might also consider whether ways might be found to allow European Commissioners to make statements and answer questions before the new body, and perhaps for UK Members of the European Parliament to attend. I look forward to the Modernisation Committee's findings, and hope that it might include in its inquiry the operation of the European Standing Committees A, B and C, which, if I may express a purely personal view, seem never to have worked fully as intended.

Decisions on any new Committees are of course a matter for the House, with the other place. My right hon. Friend the Leader of the House and I have discussed the idea informally with the Chairman of the European Scrutiny Committee; indeed, it reflects much of the thinking contained in that Committee's report of 22 May 2002, "European Scrutiny in the Commons". I have also raised the idea with the Chairman of the Foreign Affairs Committee and discussed it informally with the Chairman of the European Union Committee in the Lords.

Let me turn to a number of other proposals. The first is a more strategic approach to EU business in the form of the three-year strategic programme that was adopted by the European Council last December, which we have made available to the Chairmen of the scrutiny Committees of both Houses. That is designed to overcome the inherent difficulties posed by the existing system of six-month EU presidencies by setting out agreed objectives and priorities for the EU, and time frames for their implementation.

Planning for the British EU presidency in the second half of next year is already well under way. That will give us a valuable chance to keep the EU agenda focused on delivering economic reform, jobs and growth. As he announced in the House on 10 December last year, my right hon. Friend the Chancellor of the Exchequer is

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already working with his Irish, Dutch and Luxembourg colleagues, as those countries have the next presidencies, to achieve better regulation in the EU. For Europe to remain competitive, we must make faster progress on deregulation and more flexible labour, capital and product markets. According to the International Monetary Fund, an improved EU regulatory framework could deliver as much as a 7 per cent. increase in the EU's gross domestic product and a 3 per cent. increase in productivity in the longer term.

Transposition of EU legislation into national law also needs attention. The risk of gold-plating the original texts, thereby imposing on British businesses more stringent conditions than those that their competitors in other member states face, is real. With that in mind, 18 months ago I commissioned the distinguished European lawyer, Robin Bellis, to prepare a report on our implementation of EU legislation and I published it on 24 November last year. In December I held a seminar to discuss its recommendations with representatives from across Government, the House, the EU institutions and the Confederation of British Industry. I have asked the relevant Departments to report back to me in six months on the steps that they have taken to implement the recommendations. Of course, I also welcome the views of the House.

Britain's national interests are best served by an active engagement with our partners in the European Union. However, just as issues such as trade, the environment and organised crime require effective cross-border action throughout the EU, it is imperative that national democratic bodies are fully engaged on those issues. I therefore hope that the proposals that I have set out today will go some way towards ensuring that the House and Parliament can be more effective in doing that.

Mr. Michael Ancram (Devizes) (Con): I thank the Foreign Secretary for his statement, and for advanced sight of it. I, too, welcome the discussions in New York on the reunification of Cyprus, and we wish them every success.

We welcome the concept of enhancing the role of Parliament in European Union matters. However, overall, the Foreign Secretary's statement is gravely disappointing, not so much for what it says but for what it fails to say. The context is not new. The backdrop is the constantly increasing flood of directives and regulations from Brussels, with which Parliament is increasingly unable to cope.

In 2002–03, the European Scrutiny Committee considered 1,327 documents, of which only 3.5 per cent. were referred to the European Standing Committees that the Foreign Secretary mentioned, and only five were debated on the Floor of the House. The test of today's statement is therefore twofold. First, will the measures do anything to stem the tide of European regulations and directives that are imposed on the United Kingdom? Secondly, will they do anything to increase our national Parliament's powers to stop or change them? I fear that, as is so often the case with the Government, despite the fine language, the answer to both questions is no.

We welcome the promise of an annual White Paper. I hope that it will keep Parliament more fully informed of the Government's and the Commission's intentions. However, will it give Parliament any more influence? Will it in any way echo the Danish principle of seeking Parliament's approval before decisions are made in the Council? Again, the answer appears to be no.

We welcome, as far as it goes, the proposed new Standing Committee, which, from reading between the lines, appears to be some sort of Grand Committee, rather in the old style. Of course increased debating and questioning is desirable, but will the Committee have the power to alter or stop anything? Once again, the answer appears to be no. We all want an end to gold-plating. Although I appreciate the need to take account of our laws, I cannot for the life of me understand why it is taking so long to end an unfair and unsatisfactory practice. Why should action take another six months?

The genuine significance of the statement is the dogs that have not barked. Why did it not include a response to the conclusions of last June's European Scrutiny Committee's report? They are relevant to the subject of the statement, which is greater parliamentary involvement in EU work. Why did the Foreign Secretary say nothing about the need to tighten up the scrutiny reserve procedure against the abuses that continue to undermine Parliament's authority? Why was there no mention of strengthening Parliament's rights, not only to seek a review of EU legislation that offends against the principles of subsidiarity—the so-called yellow card—but to block such legislation under a red card procedure, which the Foreign Secretary has previously said that he favours?

Why is there no move to ensure that major European issues are dealt with on the Floor of the House? Should not at least the European Court of Auditors report and all budgetary matters be dealt with in this way? Why does the Foreign Secretary not address the serious undermining of the authority of Parliament through what is known as the comitology process?

There is a serious and growing democratic deficit in relation to the flood of European legislation. The European Parliament alone cannot fill that deficit. This statement does far too little to enable this national Parliament to do so better. It is an opportunity regrettably missed—even more regrettably in the light of the threat of the constitution, which will make the deficit worse.

The Foreign Secretary's statement is a finger in the dyke when the floodwaters are rising. I cannot help wondering whether its timing has anything to do with the fact that the Prime Minister is about to embark, with France and Germany, on another round of old-fashioned integrationist planning. I am reminded of the saying, "The more they talk of their honour, the more we count the spoons," and I advise my hon. Friends to regard the statement in that light.

Mr. Straw: The statement was about what it said it was about: strengthening the role of Parliament in the European Union. I point out to the right hon. and learned Gentleman that at any stage between 1979 and 1997, he and his colleagues in the then Government could have introduced changes of this kind. They wholly failed to do so. I also point out that as a result of a lack of proper engagement in the European Union when his party was in power, we have ended up with some really serious difficulties with the drafting of directives and regulations.

For example, the problems with the Data Protection Act 1998, with which I had to deal in relation to implementation, were caused by what the right hon. and learned Gentleman and his colleagues in government had signed up to lock, stock and barrel between 1990 and 1997, and we are still facing those problems. The same applies to the inadequate drafting and consideration of aspects of the working time directive. The Conservative Government could and should have dealt with those matters, and they failed to do so. I therefore greatly regret the grudging and churlish tone of the right hon. and learned Gentleman's remarks about proposals that are designed to increase the role and effectiveness of this House and the other place in dealing with EU business.

Let me deal with some of the right hon. and learned Gentleman's specific questions. He asked whether Parliament should have a greater role than it does now. I very much hope so, and we are open to proposals to strengthen the role of Parliament further. It is for Ministers to propose, and for Parliament to dispose. I referred to the problems with European Standing Committees A, B and C, which were introduced with all-party support in the early 1990s. The idea was that they should better scrutinise European regulations, and I attended them when I was in opposition. The truth, however, is that they are not working, and they do not get proper attendance. We therefore need to look at ways in which the scrutiny of such documents can be enhanced.

I have no fear whatever about Parliament being involved much earlier, not just in the scrutiny of documents but in establishing policy in advance. It strengthens our hand when we go to Brussels or Luxembourg if we know what Parliament wants and what it does not want. That was our experience in respect of both the Convention and, above all, the IGC. I mention just one example of that among many: energy policy. The express strength of sentiment on both sides of the House about the inadequacy of the articles relating to energy in the draft Convention enabled me simply to say to my colleagues in the European Union that we could not tolerate those proposals and that we must have something different, and we ended up with something different. That is the approach that I want for the future.

One of the key proposals that I am announcing today is to extend back in time the point at which Parliament gets involved in the development of EU policy. The European Scrutiny Committees play an important role, but that happens when draft legislation is brought forward. Often, by that stage, issues are set in stone. In relation to the White Paper, the reason why I want a long prospective look to be taken at the European Union equivalent of the Queen's Speech is so that Parliament as a whole can better help us get a grip on issues. We can therefore intervene when policy decisions can properly be influenced, rather than after they have been taken.

Sir Menzies Campbell (North-East Fife) (LD): I should have thought that no one could do other than endorse, in principle, proposals for better parliamentary scrutiny of European affairs, and a more strategic approach on the part of the United Kingdom Government. The Modernisation Committee will no doubt seek representations from political parties in the House, and we shall of course respond in detail in due course.

The statement made no express mention of the Prime Minister. Is it expected that he will be an active participant in the procedures outlined by the Foreign Secretary? On Cyprus and Turkey, the Foreign Secretary enjoys my support and that of my colleagues. Turkey's accession will of course have to be subject to its fulfilling all the necessary criteria, including the Copenhagen criteria, but that seems to us to be an effort well worth making.

The Foreign Secretary's proposals doubtless allow for better scrutiny of constitutional change in Europe. I thought he was uncharacteristically coy in saying nothing about the progress of the constitution. Perhaps he could say what discussions he has had recently with the Irish Government, and what progress, if any, he anticipates.

I hope the proposals also allow for greater scrutiny of the European Union's budget, but there was no particular reference to that in the statement. We are at one with the Government in believing that there should be no increase in the central budget, and that Britain's rebate should be maintained; but does the Foreign Secretary agree that the fundamental issue—the issue at the heart of financial considerations of the European Union—remains the unreformed common agricultural policy? Until that is dealt with properly, discussions of the kind that the Chancellor of the Exchequer has been having over the last two or three days are likely to continue.

Mr. Straw: I thank the right hon. and learned Gentleman for what he has said. He asked whether it was expected that the Prime Minister would attend the Grand Committee; the answer is no.

Sir Menzies Campbell: Why?

Mr. Straw: I was about to explain. The Prime Minister—this is unusual for Ministers involved in EU business—routinely makes an oral statement to the House the day after, or two days after, every European Council; I refer to the key European Union sessions. He attends those, unlike other members of the Cabinet, who go back and forth to and from Brussels and Luxembourg much more regularly.

The negotiations on Cyprus and Turkey began in New York yesterday. They are likely to prove difficult because the issue is difficult, but I am grateful for the support that has been given by Members throughout the House. We have actively supported Turkey and the start of its negotiations. It should be recognised that Turkey has made significant strides towards ensuring that it can meet the Copenhagen criteria. We will continue to work with our colleagues in the EU 15, and subsequently the 25, towards a date for the start of the negotiations being set by the European Council at the end of this year. I happen to think that that is very important.

The right hon. and learned Gentleman said that I had been coy about the IGC, and I plead guilty. The reason is that it is impossible to say whether the IGC negotiations will or will not be reopened. I have had many discussions with my Irish counterpart, as the

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Prime Minister has with the Taoiseach, Bertie Ahern, and with many other colleagues across Europe. The Irish Presidency is collecting voices on the issue—[HON. MEMBERS: "What?"] Collecting voices, that is what they say they are doing. [HON. MEMBERS: "A big conversation?"] No, I think it is a series of small conversations. Having collected these voices and digested them, they intend then to come forward, with either a sense that the IGC can be reopened or a sense that it cannot. All I can say to any Members on either side of the House who are of this tendency is that I would not put any money on either result. That is why I was being coy. I hope that that explanation helps.

As for the budget, I am glad to have the Liberal Democrats' support for the position taken by my right hon. Friend the Chancellor. The right hon. and learned Member for North-East Fife (Sir Menzies Campbell) is right about the state of the common agricultural policy, apart from the fact that some important changes in principle have been made to detach subsidy from production. Over time, they will make a difference. However, there is also the issue of the distribution of the cohesion and structural funds, which is bound to have to be considered if we are going to keep the budget down to 1 per cent. of EU GDP, as I believe we should.

Mr. Kevin McNamara (Hull, North) (Lab): In welcoming my right hon. Friend's statement, may I say that I hope that there will be a satisfactory conclusion to the Cyprus problem, which is a blot on our country too, because we were one of the guaranteeing powers for the first Republic of Cyprus? With regard to my right hon. Friend's statements about control for the House, I strongly welcome his decision to have a new strong Standing Committee. Too often, Back Benchers have complained that decisions have been made without their being able to influence policy. The fact that programmes are going to be brought before us that we will be able to discuss, and, we hope, to amend—we hope to change the Government's position on that—is important for our role in Parliament, and strengthens our position particularly. It will also be an opportunity for people to discuss events in Europe properly, so that we will not see the hysteria that we have seen in the past few weeks about entrants from new countries, particularly the vicious and nasty statements in the tabloid press about our fellow European citizens, the Roma.

Mr. Straw: I agree with my hon. Friend's sentiments, and I am grateful for his support. As he will not mind me saying, he is an assiduous attender of all the Committees of which he is a member. We have our responsibilities to involve Parliament better, but Parliament has its responsibilities too. It is a matter for regret that many right hon. and hon. Members on both sides of the House have failed to attend relevant Standing Committees, even when the business that they were dealing with has been important. I want to make it clear that we regard the role of the House, including this Chamber, and its Committees in EU business as extremely important but I hope that as we get this going, that is reciprocated by better attendance at such Committees.

Mr. William Cash (Stone) (Con): Does the Foreign Secretary accept that one of the reasons why the European Standing Committees have not received the enthusiastic support that was originally anticipated is that when votes are taken and a Standing Committee decision goes against what the Government want, it is reversed on the Floor of the House? That has been the regular pattern. Does he accept that in the Standing Committee on the Intergovernmental Conference, which he and I attended regularly, there were no votes? Can he therefore, in the context of what he has just announced, assure us that decisions can be taken and votes will be cast in respect of decisions that come before the new Committee? Will he reaffirm what the Minister for Europe said to me on 15 December in a written answer—that Parliament is guaranteed its supremacy, so we can and will continue to reject proposals from the European Union in this Parliament, and to amend or to repeal European legislation, because that is the prerogative of this House?

Mr. Straw: It is almost an oxymoron—sorry, I mean that it is an obvious point—to say that Parliament is sovereign. Of course that is true. Parliament can pass any legislation that it wants, but that legislation may have consequences; we have had that discussion before. On the issue of votes, the procedure is a matter for the Modernisation Committee, not for me—I am making proposals—but if the hon. Gentleman thinks about it, I do not think that he would propose that what happens in Standing Committees should be the last word on votes. It would be very odd if Governments of any party were not able to reverse the vote in a Standing Committee on the Floor of the House. The Standing Committee on the Intergovernmental Conference and the Standing Committee on the Convention worked, not least because there were no votes. However, there was an expression of sentiment, which we took away and dealt with.

The hon. Gentleman said that he and I were assiduous attenders of that Committee. He is right. It is a matter of regret that as far as I recall, the right hon. and learned Member for Devizes (Mr. Ancram), the shadow Foreign Secretary, never turned up to one of the sittings of the Standing Committee on the Convention or the Standing Committee on the Intergovernmental Conference, notwithstanding his rather grandiloquent remarks earlier.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) (Lab/Co-op): May I ask the Foreign Secretary to ignore the churlish remarks of the shadow Foreign Secretary? Not only did he do nothing when he was in office, but he did not even call for the statement. I greatly welcome my right hon. Friend's statement. As so much now, right across the board, is decided in Europe, it is important that we have accountability. However, if this Committee is to have the importance that it deserves, it is imperative that Members can attend it and attend this Chamber. Will my right hon. Friend therefore draw the issue to the attention of the Leader of the House, in the light of the possible revision of the House's sitting hours? If we go on as we are, trying to pack everything into the mornings and afternoons, the Committee will not enjoy the attendance that it deserves.

Mr. Straw: I entirely agree with my right hon. Friend, but, of course, this is a House matter, and in that regard I speak for myself, not the Government.

Mr. McNamara: Do not spoil it, Jack.

Mr. Straw: I think that my views are well known.

This matter will come before the House, and my right hon. Friend the Leader of the House knows my opinion and those of many other Members. It is a matter of record that the decision to sit on Tuesday between 11.30 am and 7 pm was passed by only seven votes, and I know of at least eight Members who have changed their minds since then.

Mr. David Heathcoat-Amory (Wells) (Con): As a new member of the European Scrutiny Committee, I am horrified at the volume of EU proposals pouring through it each week. A fraction of them are examined, and they cannot be amended in any respect. Since the problem of over-regulation and excessive legislation exists higher up the food chain—in the EU itself—why are the Government arguing in the constitution for more powers for the EU and for more majority voting, which would increase the volume of legislation that the House has to deal with? Will the right hon. Gentleman explain the extra powers of the Committee that he is setting up? Otherwise, we shall simply debate again proposals that we cannot block or amend in any respect. What additional powers is he Foreign Secretary proposing for the Committee to reject proposals that the House does not want?

Mr. Straw: I am concerned about the volume of EU proposals and so is my right hon. Friend the Chancellor of the Exchequer. That is why, in the pre-Budget report of 10 December, he announced an important initiative, taken with the other forthcoming presidencies, through which we will try to get a grip on the volume of regulations coming out of Brussels. I should point out that the Commission is becoming increasingly aware of this issue, and it is one of the reasons why support for the EU is diminishing across Europe. We must also deal with gold-plating and drafting. Conservatives may want to excise the memory of this, but I should repeat for the right hon. Gentleman's benefit that, when they were in government for 18 years, they did nothing at all about the volume of legislation. However, we are trying to deal with it.

The European Scrutiny Committee does a very good job, and as the right hon. Gentleman knows, I have taken the trouble to attend its meetings and give evidence; indeed, I am told that I am the first Foreign Secretary to do so. However, the Committee is—to use his analogy—too far down the food chain. We want proposals to be discussed when they are in draft form. Because such proposals are, by definition, simply draft proposals, they are unlikely to be subject to a vote. However, if Parliament is alerted to them, it is possible to call for debates on them in Government or Opposition time. In any event, my ministerial colleagues and I see our role in Europe as representing not just the British Government, but the British Parliament and the British people. If we get early warning of the fact that the British Parliament and the British people are not going to stand for something, we can go in and deal with it at an early stage.

Keith Vaz (Leicester, East) (Lab): I warmly welcome the excellent proposals that the Foreign Secretary has introduced today. They are a response to what Members on both sides of the House have been calling for, and they refocus the Government's European policy on the reform agenda. As he has attended many summits, he will know that it is not just a question of going to the summit and getting the conclusions; what matters is how they are implemented. What is the current status of the proposed second chamber for the European Parliament that the Prime Minister raised the possibility of in a speech in Warsaw three years ago? Does that still form part of the discussion, or is it no longer on the agenda?

Mr. Straw: I thank my hon. Friend for that helpful last question. The proposals for a second chamber were overtaken by those in the Convention.

Angus Robertson (Moray) (SNP): I thank the Foreign Secretary for giving us advance notice of his statement, and I declare an interest, like others, as a member of the European Scrutiny Committee. On behalf of the Scottish National party and Plaid Cymru, I warmly welcome measures that will improve scrutiny and accountability. However, why has no commitment been made to ending the secrecy of relations between the UK Government and devolved Administrations, as outlined in the concordats? That would surely be a good first step towards assisting scrutiny in the House, the Scottish Parliament, the National Assembly for Wales and, in due time, the Northern Ireland Assembly.

In the absence of complete details about the workings of the planned Committee, will the Foreign Secretary give an assurance that the plans are not a cover to diminish the attendance of Ministers at detailed evidence sessions of the European Scrutiny Committee? Does he agree that the Conservatives, who were quick to criticise much of his statement, would have more credibility on the issue if they had a better attendance record at the Standing Committee on the Intergovernmental Conference?

Mr. Straw: On the last point, I entirely agree. The attendance record of the Conservative Front-Bench spokesmen at the Standing Committee on the Intergovernmental Conference was lamentable, showing that they were not interested in securing significant change and were simply trying to score points.

On the effectiveness of the body, I can say to my hon. Friend the Member for Leicester, East (Keith Vaz) that I very much hope to be able to make arrangements for EU Commissioners to attend and to make statements of the kind that I am making today. While speaking informally with commissioners about the body, I have made the point that they have a job to do simply in explaining to the British Parliament and people what their job is. If there is a great deal more communication, some of the things that come out of Brussels that cause us concern may be less likely to do so.

[Mr. Straw]

On the point about relations between the UK Government and the devolved Administrations, it is a matter not quite of secrecy but of maintaining confidences in our relationships. That is important, and is similar to, if not quite the same as, the way in which we maintain confidences with other nation states. I chair a Cabinet Committee that includes members of the devolved Administrations. It is important that they should be fully involved in the decisions that we make on their behalf as well as on our own, and that requires confidence. The hon. Member for Moray (Angus Robertson) will know from my work with the European Scrutiny Committee that we are trying to be as open as possible about the work of the British Government, and the Welsh Assembly and Scottish Parliament are trying to do the same.

Mr. Malcolm Savidge (Aberdeen, North) (Lab): I warmly welcome my right hon. Friend's proposals, which should improve the depth, quality and effectiveness of parliamentary scrutiny on European issues. The fact that the possible significance of the energy chapter of the proposed European constitution was fully recognised only as a result of the diligence of my hon. Friend the Member for Waveney (Mr. Blizzard) and others is an example of why such improved scrutiny is desirable.

Mr. Straw: I agree, and I am happy to endorse my hon. Friend's compliment to my hon. Friend the Member for Waveney (Mr. Blizzard). One effect of increasing Parliament's role in the process will be to ensure that the level at which EU matters are dealt with inside Government is also raised. Anyone who has been a Minister will know that the fact of having to give evidence to a Select Committee or any other body of the House, or having to taking part in a debate, raises the level and quality of consideration by their Departments. That will be an important side effect.

Mr. David Trimble (Upper Bann) (UUP): The Foreign Secretary referred with approval to how energy was handled at the recent IGC. He said that the views expressed in Parliament greatly strengthened his hand. Would not his hand be immeasurably stronger if there were a clear arrangement, similar to that in Denmark, whereby the Government did not, in the Council of Ministers, commit the UK to any position without the prior approval of Parliament? We have a structural problem in handling these matters. It is welcome to see changes in committees, but we will not change our experience unless the structural problem is dealt with. That problem is that this Parliament is not involved in the decision-making process. Until that is changed, we will not change our experience.

Mr. Straw: I am genuinely open to proposals on that matter. I have seen how the Danish and Finnish systems operate, and Ministers from those countries have a clearer idea of what their Parliaments are, or are not, willing to accept. At the same time, those Ministers must have a degree of discretion because they actively participate in negotiations in the room in the same way as us. I repeat that the more that Parliament is involved, and the more that we can work out how it can endorse in advance the broad positions to be taken by the Government while still allowing sufficient negotiating room, the happier I will be.

Mr. Tony McWalter (Hemel Hempstead) (Lab/Co-op): In welcoming these excellent proposals, and following the question from the right hon. Member for Upper Bann (Mr. Trimble), is there scope in the new arrangements for European policy to be initiated here? I am thinking of issues such as animal welfare. There is a wide perception in the House that our standards on, for example, pig welfare are much higher than those in the rest of Europe. It would be welcome if the new arrangements allowed us to initiate processes to obtain wider European agreement on such matters.

Mr. Straw: Yes, there is. The earlier there are proposals, the earlier we can get them into draft programmes—for example, into the conclusions of sectoral councils and then into the European Council, and then that can form part of the work programme.

On animal welfare, my hon. Friend may like to know that, with our encouragement, the reference to animal welfare in the draft convention has been significantly upgraded. I was trying to find the exact text and failed to do so, but I will ensure that it is sent to him.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Will the Foreign Secretary ensure that every Member of this House receives a copy of a draft of every regulation, directive or other legislative instrument that will ultimately come into force and bear on our constituents? Although we can do nothing about such regulations, that would allow us to know their scale and nature. Will he confirm that it is currently impossible to obtain those documents, although I receive a copy of every statutory instrument issued by the Government? Indeed, even the European Scrutiny Committee must consider such regulations in private. If I am wrong, will he tell me how to obtain copies of the regulations? If I am right, will he confirm that that reflects the fundamentally undemocratic nature of our supranational masters?

Mr. Straw: I am sure that the right hon. Gentleman does not mean that such regulations should routinely be sent to all hon. Members.

Mr. Lilley: Yes I do. We should know what we have given away.

Mr. Straw: The right hon. Gentleman's party invited the House to join the European Union, and the basic legislative system under which we joined is still there today. Unless there is a good reason for regulations to be confidential, they should be available to all hon. Members in the same way as other draft regulations, and I shall examine his point.

Ms Joan Walley (Stoke-on-Trent, North) (Lab): I congratulate my right hon. Friend on bringing the proposals to the House. Europe will be a very different place after EU enlargement, and we must ensure that we match such changes with changes in our parliamentary proceedings. What specific talks has he had with the Secretary of State for Environment, Food and Rural

Affairs about factoring in sustainability and the environment in the same way as we factor in human rights issues? How will the new Committee deal with those issues?

Mr. Straw: I have not had specific discussions on that point, but I am happy to talk to my hon. Friend and to my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs to try to follow through on those proposals.

Mr. Nigel Dodds (Belfast, North) (DUP): I welcome the Foreign Secretary's statement as an important step forward, although we believe that scrutiny by and accountability to Parliament must be further strengthened and deepened. May I press him on the membership of the new Standing Committee? How will members be appointed? Can he assure the House that there will be adequate representation for smaller parties to allow them proper input in this important area?

Mr. Straw: Let me reassure the hon. Gentleman. The proposal—this is a matter for the House and the other place—is that there should be a Standing Grand Committee on Europe. It will be open to any hon. Member to attend and take part in proceedings, so minority parties will be fully represented if they want to be.

Mr. Wayne David (Caerphilly) (Lab): I warmly welcome the Foreign Secretary's statement. He has been a long-standing and consistent advocate of the greater involvement of this House in the affairs of the European Union. In particular, I welcome the proposed Grand Committee, and I am pleased that he has mentioned the possible involvement of Members of the European Parliament. Will he consider whether Members of the devolved institutions could also be involved? That point is important because much European legislation is implemented by the devolved Administrations.

Mr. Straw: I am grateful to my hon. Friend for his welcome. The argument for Members of the European Parliament attending the Standing Grand Committee is stronger than that for Members of the devolved Administrations, but the matter is one for the Modernisation Committee and the Procedure Committee, not for me.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I put a specific suggestion to the Foreign Secretary with regard to gold-plating? I think that he would agree that one of the problems with gold-plating is that it is very difficult for Ministers to spot the degree to which the officials are proposing implementation in the UK that goes beyond what is proposed in Europe. I therefore suggest to him what I put into practice when I was Minister of Agriculture, Fisheries and Food, namely that every set of proposals for regulations coming to Ministers should carry with regard to each of the counterpart proposals a statement made by the officials as to the extent to which what we are proposing in the UK differs from the main proposals from within Europe, so that Ministers can pick up the discrepancy and judge whether the difference is worth having.

Mr. Straw: The right hon. and learned Gentleman's observation is accurate; it is impossible for a busy Minister to check on such matters. I commend the report to him if he has not seen it: one of the issues that Robin Bellis examined was the practice in some other countries of "copying out". That practice would involve simply copying out the directives, and if there were an argument it would be resolved by the interpretation of the British courts and the European Court of Justice. His idea is good and, with his permission, I will take the details of how he operated it when he was a Minister and do my best to take it forward.

Mr. John Bercow (Buckingham) (Con): Given that the Prime Minister said on 18 June 1997 that the subsidiarity and proportionality protocol of the Amsterdam treaty had real teeth and that nearly six years later the Foreign Secretary told the House on 21 May last year that the protocol had in fact not proved satisfactory and that the proposal on the subject in the draft European constitution was pitifully weak, what exactly does the Foreign Secretary intend to do to ensure that in the future subsidiarity is a safeguard of national self-government and not a thin cover for the continuing legislative imperialism of the European Union?

Mr. Straw: My right hon. Friend the Prime Minister was absolutely right when he made that statement on 18 June 1997 about the proposals having real teeth. The only problem—this is not his responsibility—is that the jaw attached to the teeth has not closed sufficiently often. Although the proposals on subsidiarity in the draft convention are not perfect, they would go some way to assisting in the matter. Meanwhile, we have a responsibility as a key member state in Europe—my right hon. Friends the Prime Minister and the Chancellor of the Exchequer share this view—to get to grips with deregulation in Europe. Obviously, some regulations are very important, but British people and British business would welcome lighter touch regulation to try to turn round not malign forces in Brussels but the engine that produces unnecessary regulation without looking more imaginatively at how the particular task in hand could better be achieved.

Special Educational Needs

1.19 pm

The Secretary of State for Education and Skills (Mr. Charles Clarke): Today the Government will publish "Removing Barriers to Achievement". This is our long-term strategy to give children with special educational needs the opportunity to succeed. The strategy, which I promised to the House last September in the Green Paper "Every Child Matters", sets out the Government's proposals for working together with local authorities, schools, early years settings, the health service and the voluntary and private sectors to enable children and young people with special educational needs to achieve their potential.

The strategy builds on the current statutory framework for SEN. We propose no changes to that legal framework, but our strategy sets out the ways in which we will give real effect to it. I believe that in recent years we have made good progress in improving provision for children with special educational needs. However, there is much further to go. The Audit Commission's report, "Special Educational Needs—a mainstream issue", which was published in 2002, highlighted a number of real concerns. That report stated that too many children wait for too long to have their needs met; children who should be able to be taught in mainstream settings are sometimes turned away and too many staff feel ill equipped to meet the wide range of pupil needs; many special schools feel uncertain of their future role; and that there are unacceptable variations in the level of support available to families from their school, local authority or local health service. Our strategy seeks to address those legitimate concerns.

We have discussed the matters with a wide range of practitioners and policy makers, as well as with children and young people themselves. We have listened to what they say and I believe that our strategy provides clear national leadership, supported by an ambitious programme of sustained action, nationally and locally, in four key areas.

The first key area is early intervention. We want to ensure that children with learning difficulties receive the help that they need as soon as possible and that parents of children with special educational needs have access to suitable child care. Our strategy therefore seeks to embed in practice nationally the principles of the early support pilot programme; to implement a new strategy for child care for children with SEN; to work with voluntary organisations to establish a national early intervention centre of excellence to raise quality; to encourage delegation of funds to schools; and to cut bureaucracy in SEN provision.

The second key area is the removal of barriers to learning. We recognise that a child's learning difficulties often arise because the learning environment is not suitable. Our aim is to develop inclusive practices to meet the needs of every child so that they have the chance to succeed. Special schools are and will be an important part of our specialist programme and we will encourage them to become part of local communities of schools and to play a key role as centres of excellence and expertise. We seek to remove barriers to learning by, for example, creating a new inclusion development programme to bring together education, health, social care and the voluntary sector to develop effective approaches to provision for children with SEN.

Initially, the programme will focus on autistic spectrum disorder; behavioural, emotional and social difficulties; speech, language and communication difficulties; and moderate learning difficulties. We will develop practical tools and materials for schools and local authorities, working with the Disability Rights Commission and voluntary sector partners. We will make proposals to improve the quality of education for children with more severe behavioural, emotional and social difficulties. We will improve regional planning of provision and provide practical guidance on reducing reliance on high-cost placements. We will also establish minimum standards for SEN advisory and support services.

The third key area is the raising of expectations and achievement. We will develop teachers' skills to meet the needs of children with SEN and help them to move successfully into adult life. Our strategy puts children with SEN at the heart of personalised learning; delivers practical teaching and learning resources to raise the achievement of all children with SEN; works with the Teacher Training Agency and teacher training providers to deliver initial and continuous professional development, which provides a good grounding in the knowledge of SEN; will measure the progress made by those pupils working below level 1 and collect data nationally from 2005; and will work across Government to improve the quality of transition planning for young people with SEN and expand their opportunities for education, training and work.

The fourth and final key area is delivering improvements in partnership. We intend to build partnership working between education, health, social care and the voluntary sector. We will develop the common assessment framework, multi-disciplinary teams and children's trusts, to deliver joined-up services for children and families. We will align the SEN strategy with the national service framework for children. Above all, we want parents to be confident that their child will get the education they need, wherever they live. There is great variation in the provision made by local authorities for children with SEN, and so we think that there is a need for greater consistency across the country. We will promote that through our network of SEN regional partnerships.

All children should enjoy education that enables them to fulfil their talents and provides a firm foundation for adult life. "Removing Barriers to Achievement" reaffirms our commitment to working in partnership to unlock the potential of the many children who may have difficulty learning but whose life chances depend upon high-quality education. I commend the statement to the House.

Mr. Tim Collins (Westmorland and Lonsdale) (Con): I thank the Secretary of State for his statement and for his courtesy in providing an advance copy. I welcome both his statement on this important topic and many of the specifics of what he has announced today. What he said about the priority that we should all give to children with special educational needs will unite all hon. Members on both sides of the House.

I wish to press the Secretary of State on a few of the specific proposals. I am sure that those who have campaigned long and hard for the interests of parents of children with SEN will welcome what he said about the need to iron out the sometimes large differences between local education authorities. Given that the Independent Panel for Special Education Advice has made it clear that local education authorities of all political colours—Conservative, Labour and Liberal Democrat—have, at times, not been sufficiently generous or speedy in responding to SEN requests, does he agree that any action that he can take to level up, rather than level down, will be much welcomed?

Does the Secretary of State stand by the letter that the head of his Department's SEN division sent in July last year to all LEAs, warning them not to apply blanket policies of never quantifying special education provision in children's statements? Does he anticipate that the national guidance that he seeks will be consistent with the judgment made by Lady Justice Hale in the Court of Appeal some time ago, which is regarded by many parents as an important legal statement on the issue?

I welcome the fact that the Secretary of State had warm words to say about special schools. I am sure that hon. Members on both sides of the House agree that many children with SEN are most appropriately looked after in mainstream schools, but that some would benefit enormously from special schools. Does he share our regret that 79 special schools have closed since 1997, and would it be consistent with the approach that he set out today to consider the case for a moratorium on further closures? My hon. Friend the Member for Epping Forest (Mrs. Laing) has been calling for such a moratorium for some time.

Will the Secretary of State also consider the case that many parents have made that greater co-ordination between the various responsibilities of different authorities would be welcome if it provided a one-stop shop for parents? There are merits and advantages in those authorities co-operating in greater partnership, as he specified, but a one-stop shop for parents would be very welcome. In that context, I also wish to press him on an issue raised in the other place by Baroness Warnock—I am sure that he recalls that she was largely responsible for setting up the statementing process—that it is now time for a comprehensive review of the process, because it is too combative. He will know that many parents say that they have to fight for the interests of their children. There must be a better approach.If the Secretary of State can clarify those points, I am sure that his overall approach will be welcomed by all hon. Members.

Mr. Clarke: I appreciate the general welcome given by the hon. Member for Westmorland and Lonsdale (Mr. Collins) and I confirm his view that the subject is not a matter of party political difference, whether at local government level or across the Chamber. As far as I am aware, politicians and people from all parties are committed to broadly the same approach.

On the three specific points that the hon. Gentleman raised, I agree that the process of improving services must be a question of levelling up, not down. That has to be the right approach. I focus on quality because we must improve professional practice, so that people can see what good practice consists of and how they may apply it in particular areas. The regional networks to which I referred will help us to do that in a variety of ways.

I stand by the letter from my Department last July, which stated that there should be no blanket policies. A critical point—I emphasise it—is the importance of judgment. To go down to the position where everybody either is or is not in a special school is a hopeless way of going about things. We talk too much in terms of categories when we are talking about people with special educational needs. The point behind the philosophy that every child matters is that each individual, with their particular special need, is a special person who needs to be taken into account. Obviously, that is difficult to achieve—the task is massive in respect of resources and in other terms—but that must be the right approach, rather than saying that everybody in one category should be treated in way X and everybody in another should be treated in way Y. The point I want to stress is that such an approach requires high-quality judgment in each locality, which is why we wrote the letter about no blanket policies.

On the hon. Gentleman's third point about a co-ordinating one-stop shop, it is critical that that judgment is made in co-ordination with the health and education professionals concerned, voluntary organisations and parents, too. Sometimes, parents feel isolated from the process that involves their child. That is not best practice, but it happens. I am sure that we have all experienced situations in which both individual parents, concerned about their child, and groups of parents, concerned, for example, about the closure of a special school, are passionately engaged but are left outside a decision-making process from which they feel alienated. The answer is to ensure that there is co-ordination and judgment.

That is why I cannot give the hon. Gentleman the assurance for which he asked in his second question, that we would have a moratorium on all closures of special schools. We should not adopt that type of blanket position, but should say that in every locality people must look at the particular circumstances and decide what to do. The great shift in the document that we published today is that we talk about special schools as part of a local network of collaboration, through liaison both with the specialist schools' programmes and as centres of excellence working with local schools. The more that we see a special school not simply as serving the children within it but as part of the local educational provision, the better the basis for taking the decisions that have to be taken.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): May I, too, thank the Secretary of State for advance notice of the statement? Like the hon. Member for Westmorland and Lonsdale (Mr. Collins), we are at one with the right hon. Gentleman in trying to improve special educational needs. Both the previous Government and the present Government have good records on tackling some of the key issues.

I am a little disappointed that there will be no changes to the legal framework, because although the Education Act 1981, pioneered by Baroness Warnock, which introduced the idea of statements, was a major step forward, it is now a hurdle that many schools, and many parents, find it difficult to get over, so I hope that the Secretary of State will revisit that issue.

[Mr. Phil Willis]

May I put on record my praise for teachers, in both mainstream and special schools, who work with some of the most difficult youngsters in some of the most difficult circumstances? They do a brilliant job and no one doing such work should regard the statement as suggesting that they do other than an excellent job.

We all found the Audit Commission's 2002 report an incredibly chilling document. Questions must be asked about why Ofsted did not pick up some of the major concerns earlier—I hope that the Secretary of State can respond. What role will Ofsted play to ensure that in future we do not have the Audit Commission reporting that things are difficult?

I am surprised that the right hon. Gentleman has not tackled some of the obvious barriers. He referred to the specialist school movement and to church schools. Will he examine how many such schools have children with special educational needs? How many of the children attending those schools receive free school meals and how many of them are in care? Many special needs children throughout the education system come under those three categories and are disappearing from the specialist schools. That is a challenge. These comments are not party political, but we must address the issue.

On early identification, there is no doubt that the first six months are crucial. Will the Secretary of State work with the Secretary of State for Health to expand birth-to-six screening, especially for cognitive and sensory development? Will he commission research, which could probably be undertaken by the research council being set up under the Higher Education Bill—*[Interruption.]* You never know. Will the Secretary of State commission research into low birthweight and families at risk? There is a correlation between low birthweight and later special needs problems, and adequate research has not been carried out.

On funding, will the right hon. Gentleman consider following the Dutch model in which children are funded from six months onwards according to their need? That would avoid a bureaucratic process later on and children could get support where and when they need it.

On the inclusion development programme, will the Secretary of State ensure that there is a key worker for any child who is diagnosed at six months with a cognitive, sensory or physical impairment, so that there is a one-stop shop for the parents as well as for the professionals working with the child? Will he consider taking appropriate regulatory action to ensure that adults in non-regulated early-years settings also have a duty of care for children with special educational needs? At present, they are excluded from that requirement.

Will the Secretary of State consider guaranteeing that when children enter school—be it at five or at any other key stage—teachers and classroom assistants have appropriate training? Far too often, children with special needs are dealt with by classroom assistants who have no specific training. We would not do that with A-level students and we should not do it with children with special needs.

Will the right hon. Gentleman pay special attention to the issue of children with behavioural difficulties? There is a growing incidence in our schools of children with attention deficit disorders, dyspraxia and autism, which causes major problems in terms of the inclusion programme, not only for the children themselves but for other children at the school. We have not given sufficient attention to that aspect of the programme, yet it is one of the greatest barriers and threats to inclusion. The Government should play a special role in dealing with that problem.

I agree that special schools have a specialist role, but I urge the Secretary of State to look at the American model, whereby special schools are linked to research departments in higher education institutes. Research excellence is thus developed locally and practice can spread to other schools, especially in mainstream settings.

Respite care is a massive issue for parents of children with dyspraxia, autism and some of the behavioural disorders, but there is a postcode lottery for its provision. Will the Secretary of State pay special attention to resolving that problem?

We very much support the statement, but in the end resources will make a huge difference in ensuring that children who are born with cognitive or other difficulties receive the best that we can give them. I urge the Secretary of State to ensure that, in the new comprehensive spending review, this programme, together with higher education, receives special attention.

Mr. Clarke: I am not sure whether that was another claim on the Lib Dem 50 per cent. tax rate, but I shall generously assume that it was not.

The hon. Gentleman made a series of points. First, we thought carefully about changing the legal framework. To be blunt, we came to the view that we cannot take that route until we have really developed the approach set out in the strategy, especially early intervention, in a way that gives parents confidence in the robustness of the current system. The existing statementing process is seen by many parents as a means to give them some assurance about the future of their child. To remove that process, or to fiddle with it, would not be appropriate until we have gone a considerable way down the line in implementing the approach that we have taken. That is the reason for our decision.

On the inspection regime, there is a new inspection framework. We have of course looked at the Audit Commission report in the context of Ofsted's comments, and we shall take it further. There is much dialogue about those matters.

On specialist schools, there is one point on which the hon. Gentleman is not right. Many of the specialist school bids that I have seen include a partnership with a special school in the locality. For example, I remember going to a languages specialist school that had a class from a local special school in the language lab, going through the process. We are seeing much more engagement between specialist schools and special schools, in a variety of different ways, which is a very positive thing.

I come on to the hon. Gentleman's point about EBD—emotional and behavioural difficulties—and attention deficit syndromes of various descriptions. It is important to build a better relationship between special schools and mainstream schooling with professional staff and so on.

I agree with what the hon. Gentleman says about birth-to-six screening, birth weight and the need for research. My view is that we have had a problem with joined-up government, which we are trying to put right. There are three main players: the Department for Education and Skills, the Department of Health and the voluntary organisations dealing with the particular area concerned, many of which raise large amounts of money for research. We must get effective co-ordination. We can say that we have been doing that over the past two or three years, but there is still a long way to go. I am in constant dialogue with my right hon. Friend the Secretary of State for Health about precisely that.

I shall look at the hon. Gentleman's point about funding in relation to the child.

The hon. Gentleman is right that the key worker is very important. We shall give that priority.

With regard to adults' duty of care more generally and the question of training, I have to concede that the hon. Gentleman is right. It is a massive issue involving both initial training for teachers and those in other professions, and in-service training and continuous professional development. We highlight this in the document. There is a great deal of work to be done, and we must make steady progress to raise standards across the whole range.

I shall look at the hon. Gentleman's interesting idea of a link with university research departments. There is much to be said for it, and I am grateful to him for the suggestion.

I agree with the hon. Gentleman about respite care, too. We are developing a programme with foster respite carers, if I may put it like that, to be able to do work in that field, which will relieve some of the pressures that the hon. Gentleman rightly described.

Resources are always an issue—there are never enough. It is important, first, to secure the best use of resources, which is one of the reasons why the partnership between the different agencies is very important, and, secondly, to intervene as early as possible, because the more we can sort out problems early, the fewer the resource implications further down the line. It is worth investing early in a child's life to make a difference later on, quite apart from the social benefit.

I am grateful to the hon. Gentleman for the general support that he has given to the document.

Ms Joan Walley (Stoke-on-Trent, North) (Lab): May I give a warm welcome to the proposals that have been outlined to the House? We need to take action to end the postcode lottery and make sure that there is proper provision across the board.

In terms of awareness, I suggest that when my right hon. Friend makes his forthcoming visit to north Staffordshire with my right hon. Friend the Minister for Children, he should discuss the statement in further detail with the local voluntary sector in order that it may be properly understood.

What account does today's statement take of people with dyslexia? Is that factored into the statement? Is it part of the proposal?

Mr. Clarke: Yes, dyslexia is taken into account. I have discussed this with the two national organisations dealing with these issues and dyslexia. Serious investment in training and in information and communication technology can make a difference to special needs education, and I have seen some exciting projects in schools funded by voluntary organisations.

Of course, I shall be delighted to discuss these issues with my hon. Friend's colleagues when I visit Stoke and north Staffordshire.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): I, too, welcome the right hon. Gentleman's statement and any measures that can be introduced to help the group of parents and children concerned, who evoke sympathy across the House.

Is the right hon. Gentleman aware that in my experience most parents seem to feel that, in addition to the inherent problems of bringing up children with severe special educational needs, they seem to have to fight battles the whole time to get the help that in theory is available, and certainly should be available, to them? Will he respond a little more fully to the point raised by my hon. Friend the Member for Westmorland and Lonsdale (Mr. Collins) about the sense that one is having to fight a battle to get a child statement, because behind it lie limited resources, which those who dish out the statements are effectively rationing? Is that a correct perception? Does the right hon. Gentleman propose to change the nature of the process or increase the resources available?

Mr. Clarke: I think that there is a great deal of substance in the right hon. Gentleman's perception. The truth is that, as medicine advances, parents, who are desperately keen to do right by their child, see what is being done elsewhere—in America or wherever—and ask "Can we have that for our child?", and they look to the state to pay for it. There are substantial issues here, as the right hon. Gentleman, with his financial experience, will know. It is not an easy matter to resolve.

Nevertheless, I have two points to make on this matter. First, we must engage parents right at the outset with top-quality professional advice and the best possible experience, working as a team. I emphasise the teamwork aspect. Many of the feelings described by the right hon. Gentleman and his hon. Friend the Member for Westmorland and Lonsdale (Mr. Collins) come from people thinking that they have been messed about early on, with people taking Gradgrind decisions purely on grounds of money, without looking at the welfare of their child. That may or may not be true, but it is the perception. In my opinion, it can be dealt with only by honest and open discussion at the outset and good advice—and, to be quite honest, also by enabling people to make genuine assessments of the position of their child and the possibilities for the child in the real world. That is very hard.

The second way of addressing the problem that the right hon. Gentleman raises is early intervention. I come back to it again and again, for the simple reason that the earlier one can obtain clarity about this matter, the better one can resolve the problem. People understandably feel terribly upset about the situation that their child is in, quite apart from the genuine pressures. They feel that it is their obligation to fight for their child, and they do it as best they can. Our

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obligation is to respect that and try to work with the parents as best we can. That is the only way through that I can see.

Mr. Jim Cousins (Newcastle upon Tyne, Central) (Lab): I congratulate my right hon. Friend on his statement and the thrust of his proposals, and on his very prompt response to the Audit Commission's findings of roughly two years ago. But I wish to draw attention to the very complex needs of a very small handful of children for whom no proper planning mechanism exists to provide services. In that respect, I draw to my right hon. Friend's attention the difficulties of Northern Counties school, an independent special school in my constituency, which has not a single fee-paid child attending, with 80 children drawn from Scotland, Wales and the south of England. They are children with very special and difficult needs, such as cerebral palsy and all its related conditions. Because of the lack of any kind of planning mechanism to guarantee provision of the services for those children, and finance for those services, the school is now faced with closure. In his statement my right hon. Friend mentioned strengthening regional planning mechanisms, but far more needs to be done in that direction.

Mr. Deputy Speaker (Sir Michael Lord): Order. I am trying to call as many hon. Members as possible. Shorter questions, and perhaps shorter answers from the Secretary of State, would be a great help.

Mr. Clarke: I shall try to be very brief, Mr. Deputy Speaker.

First, I shall look into the school that my hon. Friend mentioned. Secondly, I agree with him about planning, at both the regional and the national level. The way to tackle the issue, as I said earlier, is through the joint work of the Department of Health, the Department for Education and Skills and the voluntary organisations concerned with the particular type of special need, to establish what needs to be done right across the country.

Mr. Roy Beggs (East Antrim) (UUP): I broadly welcome the statement, and I am delighted that for the first time there will be a focus on the special needs of all our children.

Will the Secretary of State consider training more specialist teachers, in addition to raising the skills of the very committed band in our special schools at present? May we have an assurance that this strategy will be applied to Northern Ireland as soon as possible? Has the right hon. Gentleman given any consideration to further provision for those children with special needs who are no longer in the group requiring compulsory education?

Mr. Clarke: We have thought about the last point. It is a very difficult problem, which is why we refer throughout the document to the need for proper transition planning. The fact is that many people of school age have a reasonable degree of support, which suddenly goes away when they exceed that age. I take that point completely, and we focus on it in the document.

Secondly, I am ready to discuss with colleagues from Northern Ireland how to establish the principles in the document for Northern Ireland.

Thirdly, I agree with the hon. Gentleman about training specialists, but I would make one point in qualification. I have seen much evidence that for many special needs a substantial way to attack the problem is to achieve a much wider range of understanding about how to deal with them, both in teachers and non-teaching staff in schools. That is a question not just of the specialist, important though it is; it is a question of getting some level of general understanding of the issue among everyone who works with children with special needs.

Clive Efford (Eltham) (Lab): I warmly welcome my right hon. Friend's statement, but does he agree that it will only have an effect if it not only involves parents but informs them about their children's rights, thereby empowering them? Many teachers throughout the country are coping with children with mild forms of educational disability, with few resources at their disposal. By directing resources to those areas, especially to early intervention, the bigger problems that can develop, which can be more costly and more time-consuming to deal with later on, can be alleviated or completely avoided. Not only should we put resources into the classroom to assist those teachers, but we should address the skills shortage. Many people with language and learning disability skills are much needed in those schools to help the teachers to address those problems at an early stage.

Mr. Clarke: I very much agree with my hon. Friend about three things: first, the parent relationship is crucial—it requires more work all the time, which is what we have to establish; secondly, the partnership between the professions is crucial—for example, between speech therapists, teachers and so on; and, thirdly, a general higher level of skills across the whole work force is very important.

By the way, I associate myself with the remarks of the hon. Member for Harrogate and Knaresborough (Mr. Willis) in praising the work done by those who work in this area, but they would be the first to say that the more support they can have, the better they can fulfil their responsibilities.

Andrew Selous (South-West Bedfordshire) (Con): May I ask the Secretary of State to share with the House the views and experience of his Department about the appropriateness of caring for children with special educational needs in very small schools? I speak particularly of primary and lower schools. Is it his view or experience that there is sometimes a critical mass of numbers of children in a school whereby children with special educational needs receive more appropriate care?

Mr. Clarke: I do not think that I do agree. I have seen some very small schools that have done very well for children with special educational needs, and one cannot generalise about this issue. I certainly accept that some needs might be so difficult for a school to deal with that one has to look at them differently. So I come back to my remarks to the hon. Member for Westmorland and

Lonsdale in saying that there is a question of local judgment about what is available and how to deal with it, but I would not seek to be prescriptive in any way, by saying that certain types of school cannot handle it or that a certain type of school has to do things in a certain way. Local judgment, based on real professionalism, has to be used.

Roger Casale (Wimbledon) (Lab): I welcome the statement and my right hon. Friend's determination to root out inconsistency in service provision between different local authorities. Will he confirm that one of the services that he will look at is the provision of safe transportation between home and school for children with special educational needs? I have drawn attention to such shortcomings in my area that may be widespread. Will he also ensure that effective remedial action will be taken where his own Department's guidelines or standards that he lays down are not being met, and that he will have powers to ensure that services improve, so that safe transportation can be provided in the future?

Mr. Clarke: My hon. Friend has worked very hard on that issue, and I pay respect to him. The fact is that a very high proportion—sometimes as high as two thirds—of a local authority school transport budget goes on transport for children with special educational needs, so very big issues need to be addressed. I agree that we need efficiency in that area. I hope that the draft Bill that we are talking about will enable people to consider more carefully how to get high-quality transport, but I take the point.

Mr. Henry Bellingham (North-West Norfolk) (Con): The Secretary of State mentioned early intervention and involvement with voluntary organisations. Is he aware of West Norfolk Dyspraxia, which is doing an excellent job, especially with early intervention? However, because of recent cuts in Norfolk Children's Fund, it will either have to close completely or greatly reduce the help that it can give to those children. What advice can he give to West Norfolk Dyspraxia and the many other groups that are helping with autistic, dyspraxic and Aspergic children, who will be hit very hard by those cuts?

Mr. Clarke: I am familiar with that organisation; it has written to me directly as another Norfolk Member of Parliament. My right hon. Friend the Minister for Children and I are looking very closely at children's fund issues because we acknowledge that they are of a type that the hon. Gentleman describes, and I hope that we will be able shortly to say things that will be of assistance.

Mr. Kevin McNamara (Hull, North) (Lab): May I join in the general welcome for the statement and particularly in the congratulations given to all the teachers and assistants involved in that world? I have the good fortune to have a particularly fine school in my constituency: Northcote—a beacon school for training and teaching children. However, one of the things that has come out in all the exchanges is parents' sense that they are coming up against a brick wall. They feel that they are not told the truth by officials, who are curbed by financial constraints that they are not prepared to talk about and they therefore find excuses. Very often, parents arrange private consultations with psychiatrists and psychologists, putting them to a great deal of expense, but that affects only those who can afford to do so. A lot of people simply do not understand, and there is a real need for some sort of independent advice outside the administration of special educational needs, so that parents can feel that they are properly considered and that time is being given. Some parents see their children only getting an hour of speech therapy, when they feel that they need far more than that, as well as better training and so on.

Mr. Clarke: My hon. Friend is right in the concerns that he expresses. He is also right that the people who have the resources to do so will pursue whatever avenue they can to get the advice that sets up what they feel is the right course of action. I also agree that an independent source of advice is needed, although the tribunal system offers that to an extent at the moment. That is perhaps a last resort, but I will consider how we might improve things. I come back to my earlier answers: the relationships with parents must involve candour at the beginning and early intervention as quickly as possible to deal with the issues. That is the best way forward in my view.

Sandra Gidley (Romsey) (LD): I welcome the Secretary of State's desire to raise expectations and achievement because, for far too long, we have been faced with the attitude of local education authorities saying "This will do", rather than "How can we do the best for our children?" Does he share my concern that the biggest barrier locally to pupils achieving is the lack of speech therapists and occupational therapists? What is he doing and what conversations is he having with his colleagues in the Department of Health to address that problem?

Mr. Clarke: As I said in my statement, the position across the country both on the professions, such as the therapists whom the hon. Lady describes, and on other things is very variable and patchy. So we are seeking, with my right hon. Friend the Secretary of State for Health, with whom we are talking about the issue, to analyse precisely where the shortages are, what needs to be done and how to develop programmes to move in that direction, and we will continue to do that jointly.

Mrs. Betty Williams (Conwy) (Lab): I, too, warmly welcome today's statement. Does my right hon. Friend accept, however, that when a mother gives birth to a child with a handicap, it is crucial that the first professional person to advise that mother gives the correct advice? At the time of birth, the degree of the handicap is not known. There have been examples throughout the country where professional advice has been given to a mother when the degree of handicap is not known and the mother has been guided to send the child to mainstream education, although at the end of the day a special school is the only answer to meet that child's need.

Mr. Clarke: I completely agree with my hon. Friend. That is why the document that we published today

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focuses on the need to raise standards of professionalism at all levels. The quality of the advice that mothers and fathers get in such circumstances is critical. Of course, a lot is unknown at any given point, but what is needed is the best advice on the basis of what is known. We must work to improve the quality of that advice. Again, that is a question of the joined-up approach that I am describing between health and education. We need to ensure also that parents receive consistent advice from different sources that is genuinely high quality throughout. That is exactly what the document is designed to encourage.

Mrs. Eleanor Laing (Epping Forest) (Con): I greatly welcome the Secretary of State's good intentions this afternoon, particularly his recognition of the importance of early intervention. Given that recognition, will he take steps to ensure that teacher-training colleges give at least basic minimum training in special needs to every teacher? Often, it is in the early years at primary school that problems are identified, and if a primary school teacher does not have that ability, the problem is left too late, whereas it could be dealt with much earlier. The Secretary of State recognises Baroness Warnock's criticism of the system that she helped to set up many years ago. Will he also undertake to come back and look at this matter in perhaps a year's time, when the system that he talks about today has bedded down, as he wants it to do?

Mr. Clarke: To respond to the hon. Lady's second point first, I will undertake to keep on looking at that matter as necessary, but I do not want to put a time scale on the process. I think that she will acknowledge that establishing the kind of ambitious system that we have outlined will take some time. As I said in answer to the hon. Member for Harrogate and Knaresborough (Mr. Willis) earlier, parental confidence is critical in reviewing the matter to which the hon. Lady referred. We need to be sure that parents feel confident in the system as it is now, before we start to review people's entitlements.

On the hon. Lady's first point, I can confirm, as I said in my statement, that the Teacher Training Agency and teaching providers are considering initial teacher training and continuing professional development to see how we can improve the general quality of the professionalism that teachers have from the outset.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I welcome today's statement. Does my right hon. Friend agree that the role of special educational needs co-ordinators is vital in delivering special education provision in every school in this country? How will today's statement assist SENCOs in that key role?

Mr. Clarke: I strongly agree with my hon. Friend, who is absolutely right to say that the role of SENCOs is essential. We plan to assist them in three different ways. First, SENCOs should have better access than exists now to a network of professionals working in different fields, including social services, health, mental health and educational resources. Secondly, SENCOs should be able to access better quality material of various kinds, as I announced in my statement, so that they can point the teachers in their school to the resources that they need to deal with the issues that they are involved in. Thirdly, as I have described, SENCOs must be able to liaise more effectively with other schools, through the schools' collaboration, to see how progress is being made. On that matter more than any other, everyone will benefit from a strong cross-fertilisation of professionalism and advice. That is precisely what we seek to encourage.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): I welcome the publication of the strategy, but echo the comments that other hon. Members have made about the lack of therapy support for children with special needs. There can be nothing more frustrating for a parent than to have a statement that suggests the level of therapy support that is required, when that support is not available. Will the Secretary of State co-operate with his colleagues in other parts of the United Kingdom, including Northern Ireland, to develop a national strategy for the recruitment of more occupational therapists, physiotherapists and speech and language therapists, to ensure that those children receive the level of therapy support that they require, and that that is consistent throughout the United Kingdom?

Mr. Clarke: I have two points on that. First, the Minister in the Northern Ireland Office, my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy) will be participating in the discussion, and she is committed, as is the Northern Ireland Government, to establishing the kind of coherent approach that the hon. Gentleman has set out. I am sure that she will discuss with political colleagues in Northern Ireland how that can best be done. Secondly, I understand the hon. Gentleman's point about therapy, but I want to emphasise one point that I have not emphasised before. Teachers and teaching assistants can play a therapeutic role, even if not to a full professional level, if we can provide them with more training and support. That is precisely what we are doing. We need to improve the skills and increase the amount of support that adults can offer to children in those circumstances, at all levels. That is not a full answer to the hon. Gentleman's question, but it should help a little.

Mr. Andrew Turner (Isle of Wight) (Con): The Secretary of State's aspirations are laudable and I share them entirely. Does he agree, however, that autistic children, in particular, need continuity of contact with carers and classroom assistants, and that chopping and changing does not do?

In an isolated community such as mine, which has to provide economically from a base of only 130,000 people, many more children have to board to get special educational needs support than in most constituencies. Will he look at the additional costs of that provision for my local authority?

Mr. Clarke: I shall look at that latter point. I am not aware of anything that I can say on it now, but I am prepared to commit to looking at it.

On the hon. Gentleman's general point, I agree that consistency is absolutely vital in this matter. I hope that this strategy will enable better consistency, in terms of both a consistent approach among different professions and, as he implied, consistency over time.

Dr. John Pugh (Southport) (LD): I should like to press the Minister on the part of his statement that mentioned improving the regional planning of provision and reducing reliance on high-cost, often private, placements. There is nothing in the statement about consortiums of local authorities seeking to collaborate to bring down the costs of provision on an area basis. Is that an omission, or is such collaboration implied in the statement?

Mr. Clarke: I am subject to correction on this, but I think that that is in the document. It is certainly implied, and we are in favour of developing the kind of co-operation that the hon. Gentleman describes. That returns us to the point made by my hon. Friend the Member for Newcastle upon Tyne, Central (Mr. Cousins) earlier. We need a planned approach, and must look at particular special needs and how we deal with them on a regional and national basis. The framework that we have set out in the document enables us to address such questions.

BILL PRESENTED

PENSIONS

Mr. Secretary Smith, supported by the Prime Minister, Mr. Secretary Prescott, Mr. Chancellor of the Exchequer, Mr. Secretary Blunkett, Mr. Secretary Darling, Mr. Secretary Murphy, Ms Secretary Hewitt, Malcolm Wicks and Mr. Chris Pond, presented a Bill to make provision relating to pensions and financial planning for retirement and provision relating to entitlement to bereavement payments, and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Thursday 12 February, and to be printed. Explanatory notes to be printed [Bill 57].

Regulatory Impact Assessments (Audits)

2.6 pm

Mr. Archie Norman (Tunbridge Wells) (Con): I beg to move,

That leave be given to bring in a Bill to make provision in respect of the audits of regulatory impact assessments.

Last week, my hon. Friend the Member for Huntingdon (Mr. Djanogly) made an admirable proposal, which was designed to address the problem of the gold-plating of European directives and legislation as they affect small businesses, charities and voluntary organisations in this country. That proposal was to provide those organisations with a right of appeal where legislation goes beyond the requirements of the original directive. This week, I propose to address a different aspect of the same problem, which is widely recognised on both sides of the House: the over-regulation, including burdensome regulation and regulation accumulated over time, that affects not only businesses but charities and voluntary organisations.

My proposal is to provide for regulatory impact assessments to be externally audited to ensure that they are objective, properly prepared and rigorously analysed, and to ensure that, under some circumstances, they can be post-audited once the legislation is in place and operating, to assess whether the original assessment of cost and benefit was accurate. My proposals have the support of the Institute of Directors, the British Chambers of Commerce, many voluntary organisations and many right hon. and hon. Members.

It is generally accepted that there is a problem with the accumulation of regulation in this country. There is not necessarily a problem with each individual piece of regulation; it is very hard to find items of regulation that need to be repealed. However, it is a chronic difficulty of government that we have a machine that produces more and more legislation and an archaeology of decades of legislation that are never removed. As a consequence, the burden on small businesses, organisations and individuals grows and never diminishes. All the efforts of successive better regulation taskforces have failed to do anything other than toothpick away at an effective avalanche of new controls.

The British Chambers of Commerce has estimated, based on calculations using RIAs, that £20 billion of extra cost was placed on organisations in this country between 1998 and 2003. That is not a wild overestimate; it is probably a wild underestimate, because the figure is arrived at by simply adding up the Government's own estimates of cost. Their estimate of the cost is £20 billion, but it is almost universally accepted, including in many quarters of the Government, that on some occasions those costs have been underestimated. It is also true that there may sometimes have been an underestimate of benefits. For example, environmental organisations would claim that many of the benefits of environmental legislation are not properly understood.

They may well have a fair point. However, the point is that regulatory impact assessments are the profit and loss accounts—the budget—for legislation.

[Mr. Archie Norman]

Regulatory impact assessments assess, in so far as it is possible to quantify such matters, the cost and the benefit of any legislation. They provide information that should be relied on by Ministers and policy makers in assessing whether the legislation is warranted and what form it should take. Indeed, the Prime Minister himself has addressed this problem in a foreword to a glossy pamphlet that I have, in which he says:

"In particular, I want to stress that a regulatory impact assessment is not an add-on to the policy process. It is an integral part of the advice that goes to Ministers."

He is right, but it is also fair to say that it forms an integral part of the advice that comes to the House. Members are entitled to rely on a regulatory impact assessment when assessing the costs and benefits of a Bill, and entitled to believe that it has been rigorously and objectively prepared, without bias and without fear or favour.

The reality, however, is that regulatory impact assessments are notoriously superficial. They are prepared by the same officials who cooked up the legislation in the first place, and the tensions that will arise from that are obvious to anyone. Let us imagine a situation in which a Bill is put forward in the Queen's Speech and a regulatory impact assessment is subsequently prepared—this happens in many cases—that turns out to be unfavourable. It is inconceivable that the assessment would go forward, signed by Ministers, in that form.

There is therefore pressure on everyone to prepare a calculation that ignores many of the costs involved and exaggerates the benefits. That is exactly what will happen under a Government of any complexion. It is the history of these matters. In consequence, regulatory impact assessments lack credibility in the House—it is remarkable how rarely they are referred to in the course of debates—and in the outside world they are regarded with total cynicism. That can be added to the cynicism with which small businesses and voluntary organisations view the whole process of legislation and the activities of the House.

I do not seek to make this a partisan issue, but it is true that the Conservatives probably place greater weight on it than do those on the Labour Benches. However, the Government have made efforts to improve the quality of regulatory impact assessments. The problem has been recognised on both sides of the House. The Cabinet Office has produced a nice glossy brochure on how to prepare a regulatory impact assessment. It is rather like a DIY manual. I welcome it; it is full of good, sensible advice and nice flow charts showing when to start, and so on. That is entirely reasonable. We have also had seminars on regulatory impact assessments for parliamentarians. It is a perfectly reasonable idea to educate everyone in the House—as though it were somehow our fault—as to what regulatory impact assessments are meant to do and how they are produced. Unfortunately, this has not made any difference.

The Social Market Foundation says exactly that. It states that

"there is little evidence that quality has improved."

It goes on to say something that I think will ring true for both the Government and the Opposition, which is that

"in the UK and Brussels they"—

regulatory impact assessments—

"are regarded as a chore".

I have no doubt that that is the case for both Ministers and officials. It goes on to say that regulatory impact assessments are

"in most cases to be produced grudgingly, once a decision has already been taken, and therefore crafted with as little information as possible and as narrowly as possible."

That rings true every time we scrutinise the way in which a regulatory impact assessment has been prepared and who has been consulted. That is why purported consultees say that they were not properly consulted, and that they do not support the legislation as a result. It is therefore not surprising that we have a chronic problem. The British Chambers of Commerce has said that the quantification of costs and benefits is patchy, and that 60 per cent. of respondents to its survey believe that the consultation process operates poorly.

I want to refer to two examples in the brief time available to me. The Care Standards Act 2000 had a regulatory impact assessment of £116 million. However, industry estimates conservatively put the cost at £400 million, because many of the costs involved were not taken into account, including the incremental costs—not least to the health service—of the closure of care homes. It is quite clear that that underestimate involved a quantum leap. The estimate relating to the legislation extending the working time directive for junior doctors was ludicrously set under the regulatory impact assessment at £23 million. The NHS pilot schemes alone have already cost £63 million, according to the Government. The total cost to the NHS will run to hundreds of millions. That estimate was therefore born of total negligence. It is a complete misrepresentation of the effects of the provisions, and that must have been apparent at the time.

That is why we need to introduce a form of external validation of regulatory impact assessments to restore confidence in the process. We need to apply to Government the same standards of rigour as we would expect private organisations to apply when dealing with their shareholders and customers. We need to restore objectivity and ensure that both the benefits and the costs are properly assessed. We also need to ensure that a thorough and fair view is given to Members in the House and to the public at large, regardless of the nature of the legislation and of the time required or the extent of the political pressures involved.

The external audit need not be an onerous requirement. Of course it will cost some money, but it will be a matter of spending millions of pounds that could save hundreds of millions subsequently. Such measures would bring back credibility, honesty and transparency to the system, and restore the faith of small businesses, charities and voluntary organisations in the Government and in Parliament.

Question put and agreed to.

Bill ordered to be brought in by Mr. Archie Norman, Mr. John Maples, Mr. Andrew Tyrie, Mr. Francis Maude, Sir George Young, Mr. Stephen Dorrell, Mr. Oliver Letwin, Mr. Stephen O'Brien, Mr. Edward Garnier, Mr. William Hague, Mr. David Heathcoat-Amory and Mr. James Arbuthnot.

REGULATORY IMPACT ASSESSMENTS (AUDITS) BILL

Mr. Archie Norman accordingly presented a Bill to make provision in respect of the audits of regulatory impact assessments: And the same was read the First time; and ordered to be read a Second time on Friday 18 June, and to be printed [Bill 54].

Northern Ireland

2.17 pm

The Minister of State, Northern Ireland Office (Jane Kennedy): I beg to move,

That the draft Northern Ireland Arms Decommissioning Act 1997 (Amnesty Period) Order 2004, which was laid before this House on 14 January, be approved.

The order appoints 25 February 2005 as the date before which the amnesty period must end. The amnesty period is the time during which firearms, ammunition and explosives can be decommissioned in accordance with the scheme. The amnesty provides immunity from prosecution for the offences that might be committed during the decommissioning process. Most of the offences set out in the 1997 Act relate to possession, but others concern offences which may stem from a person's participation in decommissioning, not necessarily centred on the weapons involved, but on the behaviour which may accompany participation, such as the withholding of information, or making arrangements with terrorists.

Section 2 of the 1997 Act, as amended by the Northern Ireland Arms Decommissioning (Amendment) Act 2002, requires that a scheme must identify the amnesty period and that it must end before 27 February 2007. The purpose of this order is to extend that period until midnight on 24 February next year. The Government want to see the decommissioning of all paramilitary weapons as soon as possible. This order is a vital part of the process of delivering on that.

Mr. Andrew Robathan (Blaby) (Con): We have been sitting here since 1997 waiting for the decommissioning of arms. Will the Minister explain exactly why we now need another year? Is there any evidence of good faith from any terrorist organisation, be it loyalist or republican?

Jane Kennedy: The decommissioning process was established under the hon. Gentleman's Government in 1995. Indeed, General de Chastelain has been committed to working on it all through that time. It is clear that we must continue to encourage decommissioning. If we are serious about paramilitaries giving up their weapons, we need to will the means to make that happen. The order does that.

Since the amnesty provisions were renewed last spring, there has been a further act of decommissioning by the provisional IRA. We debated at length the veracity of that act. On 21 October last year, the Independent International Commission on Decommissioning reported witnessing that third IRA decommissioning event, in which weapons were put beyond use. The commission reported that the arms comprised light, medium and heavy ordnance and associated munitions, and included automatic weapons, ammunition, explosives and explosive matériel. It also stated that the quantity of arms involved was larger than what was put beyond use in the previous event. That would not have been possible without these amnesty provisions.

David Burnside (South Antrim) (UUP): At the time of that act of decommissioning, the Prime Minister appeared to have information about the amount of arms, ammunition and explosives that was handed over. Will the Minister tell the House what that information was?

Jane Kennedy: I dealt with that repeatedly at the time. I shall not go back over old ground—we have had that debate. The fact is that arms were put aside, and General de Chastelain and Andrew Sens made it clear that the weapons that were decommissioned were significant, and that many lives were saved when they were put aside. That is important, and it is something that the House should encourage.

Naturally, the Government regret that it is necessary to continue to have such provisions at all. We understand the concerns that have been raised, but it is absolutely clear that, without them, the process of decommissioning that we all want would not be possible.

Lady Hermon (North Down) (UUP): I am most grateful to the Minister for taking another intervention so quickly. Would she accept that no matter how often General de Chastelain tells the community in Northern Ireland how significant an act of decommissioning is, such acts are rendered meaningless for many people by the anonymity and confidentiality clauses? What can she say about ensuring that no confidentiality provision should be invoked for a further act of decommissioning? *[Interruption.]* I apologise for the interruptions from the sidelines on this Bench.

Jane Kennedy: I acknowledged at the time of the previous decommissioning event that it was not sufficient to sustain confidence that the provisional IRA was committed to entirely peaceful means. In a way, we have almost moved beyond the question of arms decommissioning. We now demand of paramilitary organisations that they must put an end to many other activities. Those activities have been listed many times, and the hon. Lady will be aware of them. Training, the procurement of weapons and the targeting of individuals still go on, as do so-called paramilitary-style beatings and shootings of young men in and around Northern Ireland. People continue to be exiled by paramilitary organisations. All those activities must come to an end, and it is right to say that the debate has moved on and now focuses on them.

As I have said, the decommissioning of paramilitary weapons is only one element—although a vital one—in the process of taking violence out of politics in Northern Ireland for good. The Government remain committed to securing genuine acts of completion from all paramilitary organisations, so that we can see the restoration of confidence, and thereby of stable and inclusive Government in Northern Ireland, as soon as possible.

I emphasise that we want decommissioning to be undertaken by all paramilitary groups, both loyalist and republican. We also call on those groups outside the peace process to engage with the decommissioning body to bring about full decommissioning, because we want to see an end to all paramilitary activity and to stem the rise of the mafia-like culture that threatens to replace it.

Several hon. Members *rose—*

Jane Kennedy: I thought that that might prompt one or two responses. I give way first to the hon. Member for Orkney and Shetland (Mr. Carmichael).

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Does the Minister agree that, at this stage of the process, it might be useful to establish some sort of hierarchy of acts of completion? Would not decommissioning be pretty near the bottom of that hierarchy, compared with the beatings and exiles enforced by paramilitaries?

Jane Kennedy: It would be difficult to draw up a hierarchy such as that, and to tell people targeted by a paramilitary organisation that that was less unacceptable than any other form of paramilitary activity. The fact is that all paramilitary organisations should desist and disband: there is no room for them in a democratic Northern Ireland.

Mr. Nigel Dodds (Belfast, North) (DUP): The Minister said that paramilitary and terrorist groups should engage with the international decommissioning body. Will she say which paramilitary organisations are engaged with that body at the moment?

Jane Kennedy: I do not want to give the wrong figures on this. The decommissioning body is engaged with some paramilitary organisations, but not all—or enough—of them. However, I shall come back to the question later, as I do not want to get the details wrong.

Mr. Hugo Swire (East Devon) (Con): Decommissioning is one half of the equation, and the other is commissioning. Does the Minister have any evidence that the acquisition of weapons from other countries by paramilitary organisations has ceased totally? Have she or her colleagues had any discussions with the Libyan Government about the traditional link between that country and the IRA?

Jane Kennedy: First, it is clear that paramilitary organisations continue to arm themselves. They do so by a variety of means, and they use the weapons that they procure for a range of activities—for terrorist purposes, for controlling their communities, and for criminal activity. There is therefore evidence that they continue to be well armed.

On the second point raised by the hon. Member for East Devon (Mr. Swire), I refer him to the answer that I gave at Northern Ireland questions earlier. I said that I expected that the discussions between the British and Libyan Governments would touch on the supply in the past of weapons to the IRA. I am sure that any information that we were able to obtain from that source would be enormously helpful to all of us.

I want to take this opportunity to pay tribute to the commitment, perseverance and integrity of General John de Chastelain and his colleagues at the IICD. It is sobering to note that the general's personal commitment

to the process dates back to 1995, when the original group was established under the previous, Conservative Government. I want to express my thanks to them all for what they have achieved in the process to date.

The decommissioning process has begun. It may not be swift enough, but it has begun. We want it to continue and we want it to be completed, so it is essential that we continue to provide immunity from prosecution for those involved.

Mr. Peter Robinson (Belfast, East) (DUP): I do not expect the Minister to have the answer to my question at her fingertips, but I hope that an answer can be given later in the debate. There is a feeling in the community that the existence of provisions such as this order allows the police to stand back from doing the job of seizing weapons and of having them decommissioned in that way. What amount of weaponry has been seized by the security forces as a result of searches since the Belfast agreement process got under way? How does that figure compare with the amount seized in a similar period before the agreement was reached?

Jane Kennedy: I am grateful to the hon. Gentleman for saying that I might not have the relevant information to hand. I shall see what I can produce before the debate ends. However, I strongly refute the notion that the police are holding back from looking for and seizing illegal weapons. I know that they have had success as recently as last week or the week before, when they stopped a vehicle in Belfast that contained a rifle and other ammunition. They are to be commended for the actions that they take, because they are dealing with organised, well resourced and disciplined groups of dangerous people. The police undertake a difficult and dangerous task, and I know that all hon. Members support them in that.

Let me quickly answer the question asked by the hon. Member for Belfast, North (Mr. Dodds). I remind him that I have been talking about the involvement of the Provisional IRA and the decommissioning event that took place on 21 October, so there is engagement with the commission by the Provisional IRA. Indeed, last year, the Loyalist Commission, along with Ulster Defence Association representatives, met the IICD, so there continues to be engagement. It is not as rigorous as we would want, and the process is not as swift as we would want, but there is engagement.

I remind the House that if decommissioning is to take place, we need to provide immunity from prosecution for those involved. We do that through the order, and I thus commend it to the House.

2.29 pm

Mr. David Lidington (Aylesbury) (Con): I regret the necessity to have the debate and to renew the order because, as the Minister pointed out, that very fact means that the decommissioning process is still far from complete despite all the high hopes on both sides of the House back in 1997 and 1998. I believe, as I shall enlarge upon later, that the Government cannot escape a share of the blame for the failure to complete the work of decommissioning. However, I must accept where we are. In making a judgment about the order, it is better to have a decommissioning system—however imperfect it is—than for no such system to be available. For that reason, I shall not seek to divide the House at the conclusion of the debate.

We are nearly six years on from a referendum in Northern Ireland during which people believed, and were encouraged to believe, that decommissioning would start in that year and be completed at some stage during 2000. It is nearly four years since the Provisional IRA made a statement on 7 May 2000 in which that terrorist organisation promised to put its weapons completely and verifiably beyond use, and to do so in such a way as to maximise public confidence. The pledge was pretty clear, but it has not been kept. Although I am not uncritical of some decisions that Ministers have taken, I make it clear that the official Opposition's view is that responsibility for the failure to decommission weapons and explosives clearly lies with the terrorist and paramilitary groups that hold those stocks of weapons and maintain private armies.

I acknowledge the difficulties faced by Ministers and the uncertainty of the information on which they have had to base judgments about their policies in Northern Ireland over the past few years. However, Ministers have at times thrown away some of the strongest cards that they had available to achieve the decommissioning of weapons and to bring about an end to paramilitary activity. The most obvious example was the early release of terrorist prisoners. My right hon. Friend the Member for Bracknell (Mr. Mackay), the then Conservative spokesman on Northern Ireland, moved amendments to the Bill that became the Northern Ireland (Sentences) Act 1998 that would have linked prisoner releases explicitly to the terms of the promises that the Prime Minister made to the people of Northern Ireland during the referendum campaign in 1998.

That was perhaps the most egregious example of Government misjudgment, but a further example is the special status given in Westminster to Members from Sinn Fein who refuse to take their seats. We had the proposed amnesty, which at least is now held in abeyance, for terrorists who were on the run. However, where do we go from here?

Lembit Öpik (Montgomeryshire) (LD): I know the views that the hon. Gentleman holds and respect his right to differ from my position. However, would he at least entertain the possibility that many of those events were matters of judgment, rather than principle? For example, when it came to giving office space in Parliament, my feeling was that bringing Sinn Fein closely into the peaceful parliamentary process would put increasing pressure on it to ensure that the paramilitaries would stay in line.

Mr. Lidington: I accept that those were matters for judgment, as the hon. Gentleman said. My argument to him and others is that, at the time the decisions were taken, there was considerable debate and a division of opinion in the House over the merits of the judgment that the Government, with the hon. Gentleman's support, made. I would argue with no sense of glee but with deep regret that what has happened has vindicated the judgment of those of us who felt at the time that we were granting concessions to republican militants without any certainty that they would deliver on the

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pledges to disarm and to end paramilitary activity that they entered into at the time of the Good Friday agreement.

The Northern Ireland Arms Decommissioning Act 1997 established a framework for decommissioning before either the democratic parties in Northern Ireland or the paramilitary organisations had agreed to any targets or timetables. Those targets came in later, following the Belfast agreement and the establishment of the two-year time frame. So, first, we need a firm sense from the Government that there will be targets and timetables, and that the Government will exert all the pressure they can on paramilitary organisations—republican and loyalist alike—not just to decommission their weapons within a clear time scale, but to cease all paramilitary activity and to dismantle the organisations of terrorism. If those bodies or their political representatives are being honest with us all in saying that they are now committed to constitutional politics and to exclusively democratic and peaceful means, they have no need of private armies or stocks of weapons and explosives.

Secondly, we need greater transparency. I do not propose to revisit in detail what happened in October, but it is clear that the absence of transparency has led to very widespread mistrust among the majority community in Northern Ireland of the good faith of the republican organisations. I do not know whether the three acts of decommissioning by the IRA so far have diminished its net stock of weaponry, because we do not know to what extent it has been adding to its armouries at the same time. The requirement for confidentiality is not written into primary legislation. My understanding is that that is part of the subsequent decommissioning scheme—the terms of which were negotiated between the present Government and their counterparts in the Irish Republic. It is time that the terms of that scheme, at least in respect of confidentiality, were reviewed. I would be interested to know whether the Minister has such action in mind, and what her assessment is of the views of the Dublin Government about the prospect of greater transparency in the decommissioning process.

Thirdly and finally, we must explicitly link participation in the government of Northern Ireland with the cessation of paramilitary activity and organisation. The Taoiseach, Mr. Ahern, has said trenchantly and repeatedly that political parties that are linked to private armies are not fit to serve in a governing coalition in the Irish Republic. We should adopt the same principle in the United Kingdom as that already followed by our European neighbours. That principle, which is good enough for Dublin, should apply in Belfast as well.

2.39 pm

Mr. Eddie McGrady (South Down) (SDLP): There will be very few in the House—in fact, none—who would not welcome the total decommissioning of weaponry and the disbandment of paramilitary organisations in Northern Ireland. Indeed, the same sentiment would apply to the people of Northern Ireland, except to those who have the weapons. There are two reasons for the political stalemate in Northern Ireland. First, attempts to end paramilitarism, both loyalist and republican, have failed and, secondly, some parties have failed to commit themselves unambiguously to the democratic power-sharing institutions endorsed by the referendums of 1998.

Decommissioning was negotiated into the Good Friday agreement, and was agreed by the parties and endorsed by the public. It is therefore an essential part of that agreement and is important to those participating under its auspices. It is not an optional extra that democracy or the people can afford to lose. At this stage of our political evolution, decommissioning is a demonstrably significant part of the required commitment to peaceful politics that, in turn, are necessary to secure trust between participating parties and communities so that we can achieve progress and make our institutions and Administration permanent. The problem with decommissioning is that, however we legislate for it, it is voluntary. It cannot be compelled under the terms of the agreement, but the police retain powers to seize illegal arms and weaponry.

In response to the hon. Member for Belfast, East (Mr. Robinson), there is a feeling, without any evidence or proof, that people are going soft on taking weapons and ammunition out of circulation. Either that is the case or there is a severe lack of intelligence—that point must be underscored. None the less, decommissioning is a voluntary exercise, and it is difficult to enforce. The Northern Ireland Arms Decommissioning Act 1997 provided a mechanism to facilitate decommissioning that was independent of Government and had such a standing that it was accepted by the public, who had confidence in it. Reference has been made to the Independent International Commission on Decommissioning under the leadership of General de Chastelain and the need for more transparency and less secrecy. The purpose of that body was to secure the trust of Government and the community in an independent international body, as it was known full well that decommissioning was not possible in practice if the people who were decommissioning weapons were exposed to the public eye—decommissioning under those conditions is just an idle wish. My party therefore had every confidence that the commission would act on our behalf and ensure that there was proper and meaningful decommissioning.

The primary responsibility remains, as I have said, with those who hold the weapons, although they have not excelled themselves in the five or six years since the agreement. In fact, their contribution, as we have just heard, has consisted of three acts of decommissioning, although the Minister will assure us that the last one in October was a substantive, meaningful decommissioning of light and heavy armaments. Decommissioning must be conducted in such a way that a report by the international commission can be produced to end the mistrust that has arisen. Such decommissioning can only be done by the paramilitaries, both loyalist and republican, who have the bombs, guns and weapons, and know where they are. We need meaningful dialogue to make such decommissioning imperative under the terms of the 1997 Act.

It is important that the process to re-establish the institutions in Northern Ireland, whether in the north, south, east or west, takes place as quickly as possible.

That is the only way in which to pressurise the voluntary—much as I hate using that word—act that decommissioning has to be. It must be made imperative, for credibility purposes, that the paramilitaries do it. There is an obscene situation on the island of Ireland, both north and south, whereby two sovereign Governments have in their midst a paramilitary army that is fully equipped and operating within their jurisdictions. That cannot, and never should be, acceptable in any democratic institution. It behoves both Governments to pay a great deal more attention to, and thereby to place pressure on, these paramilitaries to perform to normal civilised democratic standards.

The Minister referred not only to decommissioning, but to the other elements of paramilitary activity—extortion, protection rackets, drugs and all the rest of it. She will need to take into consideration a new element—what are euphemistically called the agencies of restorative justice, which is another name for thugs carrying out kangaroo court action in our communities. It is surprising that elected Assembly Members of other parties are now instructing victims of crime in my community, including old people, not to report them to the police under any circumstances, but instead to address the issue to so-called restorative justice bodies. If that becomes endemic, we will, as I have warned time and again in this House, have fascism exploding in our community. I should like to think that the Minister who is responsible for security and justice would pay more careful attention to what is happening on the ground as regards so-called punishment beatings and so-called restorative justice.

For those reasons, and to support the political process, my party will endorse the continuation of the order.

2.47 pm

Lembit Öpik (Montgomeryshire) (LD): On 11 February 2003, the Minister said:

> "We cannot now carry on with the IRA being half in and half out of the process towards peaceful and normal society in Northern Ireland. If there is real movement, however, we can move quickly to implement the outstanding parts of the Belfast agreement, including the provisions on normalisation. We can implement the provisions in their entirety—not in stages, but together. If we can do that, it is my fervent hope that I shall not be standing here at the Dispatch Box this time next year speaking to the same motion."—[*Official Report*, 11 February 2003; Vol. 399, c. 832.]

We are here 12 months to the day after she made those remarks. Others, including me, made similar hopeful comments, but sadly we seem to be living in a groundhog day environment where we discuss this same piece of legislation every year.

In the euphoria following the Good Friday agreement, there was clearly an expectation that decommissioning could occur by the latest date set down in the Northern Ireland Arms Decommissioning Act 1997. However, as it has taken almost that long to achieve the beginning of decommissioning, it will take longer to achieve total decommissioning. Logically, therefore, the amnesty must be extended.

It is worth remembering that this process goes all the way back to 27 February 1997, before this Government were even in office. It is not a failure—perhaps that is too strong a word—of a party, but a failing of our Parliament as a whole that we have not found a way to cause the paramilitaries to feel the need to decommission.

The step of decommissioning weapons was a long time coming, and it is impossible to overestimate the significance of the moves that have already taken place. It has always been recognised that decommissioning is a process—no one ever expected the IRA to decommission all its weapons at once. We had some almost comical debates as we imagined large articulated lorries turning up with massive amounts of munitions all in one go. That was not going to happen, so we always expected the process to be staged. However, the Good Friday agreement mentions the total disarmament of all paramilitary groups, for which we obviously aim.

Although the decommissioning that took place before the elections last year was welcome and significant, as yet we are nowhere near the total decommissioning that we all support. At the time, it felt to me—and, I am sure, to others—that some decommissioning was prompted by political expediency because Sinn Fein felt compromised by other matters around the world and revelations about the IRA, and that it responded to the pressure through acts of decommissioning. Nevertheless, the IRA must recognise that, by holding on to its weapons, it is holding matters up in Northern Ireland and working against the interests of the communities for which it claims to fight. The same must also be said of loyalist paramilitaries. We cannot focus solely on the IRA.

That leads to my first question. Has contact taken place between the Independent International Commission on Decommissioning and any of the loyalist paramilitary groups? Incidences of loyalist violence are increasing and we cannot expect genuine dialogue on loyalist decommissioning while such violence continues. However, we are aiming to achieve the total decommissioning of all paramilitary weapons.

Secondly, if the interaction between the IICD and the paramilitary organisations is unsatisfactory, what leverage can the Minister apply to the paramilitary organisations and some of their political representatives to make them understand that they are harming their self-interest by not participating actively or more actively with the commission?

David Burnside: Does the hon. Gentleman agree that the result of the recent Assembly elections sent a clear and unambiguous message from the Unionist community in that only one Unionist representative linked to a terrorist paramilitary organisation was elected? The Unionist community said, "We don't want you on our backs; we don't want terrorism and we don't want paramilitary organisations." Unfortunately, a large section of the republican community voted for Sinn Fein, which still has its private army.

Lembit Öpik: The hon. Gentleman makes an interesting point. Without going into a detailed analysis of the outcome of the election, support for the Democratic Unionist party suggested some frustration with the process among former Ulster Unionist party voters, some of whom probably switched. The Government's postponement of the elections was

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counter-productive if they had hoped to assist one party or another. I do not believe that they had a strategy overtly to help the DUP to increase its numbers in the Assembly, though I stand to be corrected if that view is cynical.

Lady Hermon: I am most grateful to the hon. Gentleman for taking a second intervention so quickly. Does he accept that the Government threw away their major leverage over the republican movement by granting the elections last October? It is a great shame that his party and its sister party in Northern Ireland accepted that decision. [HON. MEMBERS: "It is democracy."] With the greatest respect to others who sit on this Bench, could I please finish? *[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. We must not have sedentary interventions when an hon. Member is addressing the House.

Lady Hermon: I am most grateful to you, Mr. Deputy Speaker, for being rescued.

How does the hon. Gentleman believe that the Government can now pressurise or apply any leverage to the republican movement to decommission its weapons? I am sorry that his party supported holding elections last autumn.

Lembit Öpik: One word comes to mind in defence of holding the elections: democracy. However much we may like or dislike an outcome, using the date of an election in Northern Ireland to try to achieve a specific result is an unsatisfactory strategy. I sometimes also find it frustrating that the Prime Minister can choose the date of general elections. We must clarify whether the Government achieved the opposite of what they hoped by postponing the elections. I said just that in this Chamber when the postponement was announced early in 2003.

My second point, which brings me back to what I wanted to say, is that the biggest pressure in favour of decommissioning by the paramilitary organisations is the political opportunity presented to Sinn Fein, republicans and loyalist paramilitaries through their political representatives. It is perfectly obvious that were there a significant resumption of violence, for example, by the IRA, Sinn Fein would pay a heavy price for it, and the same is true on the loyalist paramilitary side.

Mrs. Iris Robinson (Strangford) (DUP): Does the hon. Gentleman agree that since the Democratic Unionist party became the largest party in our democracy on 26 November, no concessions have been given to Sinn Fein-IRA?

Lembit Öpik: I can see where the hon. Lady is going with that comment, and I accuse her of being a little cheeky in trying to take the credit for her party on that basis. I shall leave it to her and her colleagues to explain why they feel that that they have had such a significant influence.

Mr. Peter Robinson: The cupboard was bare.

Lembit Öpik: I hear what the hon. Gentleman says from a sedentary position. The Government's cupboard of creativity, however, is almost infinite when they put their mind to it, so there may also be other reasons at play.

I am encouraged by the strategic approach taken by the Democratic Unionist party, because I believe and I certainly hope that the expanded DUP will now live up to the opportunity that it has in a democratic context to participate in the resumed Assembly in Northern Ireland. Although it may find it uncomfortable to consider that it may ultimately need to negotiate some kind of arrangement with Sinn Fein, in the context of today's discussion, that kind of dialogue increases significantly our chances of getting the kind of decommissioning that we want. As has been said previously, jaw-jaw is better than war-war. If people feel that genuine concessions have been made in the past, and they are frustrated by that, I simply point out that to a large extent the fortunes of Northern Ireland lie in the hands of the elected representatives.

Clearly decommissioning is therefore in part a consequence rather than a cause of what goes on in the democratic institutions in Northern Ireland. It is therefore all the more frustrating that things are not in place and operational at the moment, not least because I seem to spend half my life in Statutory Instrument Committees. I enjoy the company of Ministers and Northern Ireland Members, but 8.55 in the morning is not my preferred time to sit discussing details of orders and so forth. I would prefer to be in my office preparing for government.

The hon. Member for South Antrim (David Burnside), who intervened on me previously, also made an interesting comment on 11 February last year, when he intervened on the hon. Member for Grantham and Stamford (Mr. Davies), who is sorely missed from the Conservative Front Bench, and asked:

> "Does the hon. Gentleman agree that the problem is verification? What does decommissioning or disbandment mean when there is no trust in the political atmosphere in Northern Ireland?"—[*Official Report*, 11 February 2003; Vol. 399, c. 815.]

That will be an ongoing issue. I have flagged this up before, and I shall mention it again: one of the problems is that we will never know when full decommissioning has taken place unless we trust the word of the people who have the weapons. Even within that quotation, the lack of trust is evident. One imponderable for a Government of any colour is the fact that the decommissioning process requires a degree of trust that currently does not exist. That points once again to the need to have an effective political structure in which that trust is enhanced.

To respond briefly to what the hon. Member for Aylesbury (Mr. Lidington) said on behalf of the Conservatives, I ask myself the question: what would I do to try to generate trust? In the round, we must recognise that providing Sinn Fein with office space and some of the other changes that have been made were an effort to try to build trust between this place and those who probably exert significant influence on at least some paramilitary groups.

In fairness to the hon. Member for Aylesbury, I should say that he agreed with me that whether those changes should be made was a matter of judgment; but as Secretary of State for Northern Ireland I would probably have made similar decisions. The good news

for the hon. Gentleman is that when he becomes Secretary of State in, say, 2035, he will not be faced with the same problems, because I will have solved them in the preceding Liberal Democrat Administration.

Mr. Peter Robinson: Surely we are not to be left to trust the paramilitary organisations on what they say their inventory of weapons and explosives may have been. We have intelligence services. The Prime Minister now has a new friend in Colonel Gaddafi, who I am sure will give him a full and frank disclosure of all the weaponry that he handed over to the IRA. *Jane's Intelligence Review* and a number of our leading quality newspapers have published details of the weaponry that is believed to be available to the Provisional IRA and the loyalist paramilitary groups. We do not have to sit back and take their word for it when it comes to what their stockpile may constitute.

Lembit Öpik: I realise that dossiers on weapons are a sensitive issue for the Government, and the whole Iraq business has shown us that there will always be questions about what weapons are owned; but the hon. Gentleman has made a promising observation. If it transpires that the Democratic Unionist party and others could accept a baseline for what exists now, we may indeed have a better opportunity to determine when all that has gone. The hon. Gentleman may want to comment on that when he makes his own speech.

We do not believe that there is any place for illegally held weapons in a democratic society, and we have always called for full decommissioning by both loyalist and republican paramilitary groups. We have supported the progress made so far, but we always hoped that we would be further down the road to total decommissioning than we are now. We recognise that decommissioning is a process and that no paramilitary group will decommission all at once, but now that we have embarked on that process we cannot give the IRA, in particular, any reason not to decommission its weapons. That is why we will support the order.

3.2 pm

Mr. Frank Field (Birkenhead) (Lab): I speak as an English Member representing an English seat, who has never been subjected to the pressure to which Northern Ireland Members on both sides of the House are regularly subjected, both on a personal level and in representing constituents. They have been shot at and had bombs aimed at them; they have lost relatives and loved ones. For that reason I will speak briefly. I will say, however, that I noted that the Liberal Democrats were preparing for government. Given that their contribution today lasted longer than those from the two main Front Benches, I think that should that day ever come theirs would certainly be a policy of jaw-jaw rather than war-war.

Let me pick up a point made by the hon. Member for South Down (Mr. McGrady) and address it to the Unionists in the House. We in government are lucky to have the Minister of State, my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy), to present these measures year after year—for they will be presented year after year. She is not only one of our most able Members of Parliament, but one of our bravest. When we had our small problems on Merseyside—nothing compared with those in Northern Ireland—she was the first on her side of the river to stand up and declare her belief in the ballot box against some of the nasty practices that certain people were trying to inflict on our community in Liverpool and Birkenhead. I must ask this, however: what would happen, and what would change in Northern Ireland, if the paramilitaries—particularly the IRA—did actually agree with this policy and decommission? They have enough financial resources to replenish their arsenals quickly. I suggest that even if they were pushed to the point of being more open about decommissioning, it would make not an iota of difference. I also suggest that they will never do that. They did not do it in the 1920s, and that did not stop a basic form of peace from being established in the Province for more than 50 years.

Therefore, as the Unionist groups are now regrouping in Ulster, I make a plea to them. While it would clearly be enormously difficult to disengage themselves from the obvious agenda of demanding decommissioning, I suggest that another agenda should now take primacy over that. I do that for the reasons that I have just given: supposing the IRA did decommission, it could easily and most ably build up its arsenals, given its financial resources.

What would denote a real change of substance in Northern Ireland—nothing to do with the presentations of guns but the changing of people's hearts and minds—would be to ask those paramilitaries, but particularly the IRA, which is so near government in Northern Ireland, to change their policy on beatings and exclusions. That would be the real test of whether these people were democrats or not. Therefore, the plea I make to the Unionists of both groups is, please do not keep giving the IRA the excuse never to get on to an agenda that would test in the most effective way possible whether it is a changed creature or not.

Lady Hermon: I ask the right hon. Gentleman to reflect on the words of the Prime Minister of this country on 21 October last year:

"decommissioning is an important part of the process, because it's not merely that you are putting the actual weapons beyond use, but it has a symbolism, which is that it symbolises the desire to conduct politics only through peaceful means."

Will the right hon. Gentleman either disagree with his Prime Minister or accept that there is a symbolism and that it is hugely important to the vast majority of people in Northern Ireland?

Mr. Field: I am very fond of the Prime Minister but I would not necessarily go to the stake over all the statements that he has made. Above all, however, I make a plea to my hon. Friends on the other side of the Chamber: when can we expect those on the Unionist Benches to decouple themselves from whatever the Prime Minister wants, wishes, says or signs up to? The plea I am making today is for the brave representatives from Northern Ireland to start making their own agenda and not to have an English agenda foisted on them.

The one way that English voters would see that there was much more than an outward visible change and that that outward visible change had inward meaning would be if the IRA were challenged on its despicable policies of beatings and exclusions. Were it to respond to that

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challenge it would mean that it was putting aside the use of terror as a means of controlling many of their voters and many Unionist voters in Northern Ireland. That would suggest that there had been a fundamental change in the attitude of the paramilitaries in Northern Ireland. That challenge is not made to them now because both sides, with the help of the Prime Minister, are still working according to the old agenda and rabbiting on that the need is to decommission.

Mr. Quentin Davies (Grantham and Stamford) (Con): Will the right hon. Gentleman give way?

Mr. Field: No, I am just finishing.

The paramilitaries will never agree to decommissioning. Why do we not get on to an agenda that is not only relevant to Ulster, but really challenges those paramilitaries effectively?

3.8 pm

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): I welcome the opportunity to contribute to this debate. I appreciate the thoughtful contribution of the right hon. Member for Birkenhead (Mr. Field). I know the interest that he has taken in the plight of those who have been excluded from Northern Ireland and subjected to punishment attacks. We on this side of the House appreciate that. Nevertheless, this is about the presence of a private army, or a paramilitary organisation. It is one thing to deal with the symptoms of the problem—that is, exclusions, beatings and so on—but at the heart of the issue is dealing with the actual source of the problem itself. We have said clearly that there can be no place for a private army or a paramilitary organisation in a democratic society. Ultimately, that is the position that we are seeking to achieve.

That we are again in this House debating the extension of this order highlights the failure of the Government's policy. They have singularly failed to make any progress in removing all the illegally held arms from Northern Ireland. The Government would rather trade concession after concession to those who hold illegal weapons in some faint hope or aspiration that they might decommission. But the policy of appeasement has failed, and it is time for a fresh approach.

The Belfast agreement stated that decommissioning was to be completed within two years of its ratification. In 1999, when devolved institutions were established, the Prime Minister stated:

> "Within weeks, they must actually decommission. The process is verified by an independent commission, headed by . . . General John de Chastelain. Decommissioning then continues up until May 2000. It then has to be certified as complete."

It is now February 2004, and we are nowhere near the completion of the decommissioning process. The difficulty with extending the amnesty provisions year after year is that we send the signal to the paramilitaries that we are in no hurry—that we will simply renew this provision annually, in the vain hope that some day, some year, they will deliver. That approach is folly.

The Government have tried with their concessions. There was Weston Park, and then they gave offices in this House to Sinn Fein. They agreed to further concessions on policing, and to scale down the security infrastructure. Worst of all, they granted a commitment to an amnesty for so-called on-the-run terrorists. I am not sure that the Minister fully appreciates the hurt that that proposal has caused. I spoke just last evening to a lady who lost her husband as a result of the Enniskillen bombing. She rang me because she wanted to know what was happening about the amnesty for on-the-run terrorists, and to express her hurt and concern that the person who murdered her loved one and the others who died in that tragic incident might not undergo the full process of justice in Northern Ireland.

Mrs. Iris Robinson: Is my hon. Friend aware that next week, on 17 February, we mark the 26th anniversary of the IRA bombing of the La Mon House hotel, in my constituency, that the leader of the Belfast brigade at that time was none other than Gerry Adams, and that the victims and families of those who survived have demanded an independent public inquiry? To date, that demand has fallen on deaf ears. Does my hon. Friend agree that the direction that this Government are taking is questionable? A lot of patience and tolerance has been shown towards the terrorist, but there is no recognition of the hurt felt by the victims who demand public inquiries.

Mr. Donaldson: I thank my hon. Friend for that thoughtful intervention. I commend her work in representing the views of the victims, especially those of the La Mon bombing. The difficulty is that the Government's approach has been to grant inquiries when it is a question of putting the police and the Army in the dock, but to avoid the need for inquiries when it is a question of putting the IRA, the Ulster Volunteer Force and the Ulster Defence Association in the dock. Why? It is because their policy is to turn a blind eye to paramilitary violence and excesses.

It is time for that policy to end. It is time for a new approach, and that is what we in the Democratic Unionist party are advocating. We believe that, rather than rewarding the terrorists for making some gesture on decommissioning, what we actually need is a clear mechanism to ensure that they do not access and benefit fully from all the democratic institutions until such time as we have completion—and by that we really do mean completion.

The right hon. Member for Upper Bann (Mr. Trimble) earlier spelled out the need for completion before there can be any question of Sinn Fein being in an Executive. Yet he was prepared to go back into Government with Sinn Fein last October on the basis of just one more gesture on decommissioning. His only difficulty was that that was not transparent. We do not need lectures from him about making concessions to Sinn Fein-IRA. Time after time after time, he has entered Government on the basis of false promises, false hopes and false expectations.

Mr. David Trimble (Upper Bann) (UUP) *rose—*

Mr. Donaldson: I am not going to give way to the right hon. Gentleman; he will have every opportunity to make

his contribution. He needs to decommission his revisionism. We remember what happened over the past five and a half years, and it was not about acts of completion but accepting futile gestures from the Provisional IRA.

Lady Hermon *rose—*

Mr. Donaldson: The hon. Member for North Down (Lady Hermon) also mentioned that people had no confidence in what the IRA has done, and she was absolutely right. Yet she supported her party going back into Government with Sinn Fein-IRA on the basis of the acts of decommissioning that it engaged in. We will not take lectures about concessions to Sinn Fein-IRA from her or the right hon. Gentleman.

I wholeheartedly agree with the Prime Minister, who on 14 May 1998 said:

"Those who have used the twin tactics of the ballot box and the gun must make a clear choice. There can be no fudge between democracy and terror."

A week later, in the *Belfast Newsletter*, the Prime Minister said:

"Representatives of parties intimately linked to paramilitary groups can only be in a future Northern Ireland government if it is clear that there will be no more violence and the threat of violence has gone. That doesn't just mean decommissioning, but all bombings, killings, beatings and an end to targeting, recruiting and all the structures of terrorism".

It is time for the Prime Minister to insist that his own tests are met.

It is time for acts of completion, as the Prime Minister told the House of Commons. He defined an act of completion as

"not merely a statement, a declaration or words. It means giving up violence completely in a way that satisfies everyone and gives them confidence that the IRA has ceased its campaign, and enables us to move the democratic process forward, with every party that wants to be in government abiding by the same democratic rules."—[*Official Report*, 27 November 2002; Vol. 395, c. 309.]

That is the policy of the Democratic Unionist party, and we endorse the Prime Minister's position. We require acts of completion by the IRA.

Lembit Öpik: Does the hon. Gentleman accept that that quotation defined acts of completion to do with the cessation of violence, not necessarily the full decommissioning of all the weapons used for violence?

Mr. Donaldson: The hon. Gentleman is entitled to his opinion, but this is a matter for political judgment for the political parties in Northern Ireland, and we have made our position clear.

I acknowledge that most of what I have said has been directed towards republican weapons. Let me be clear: illegal weapons are unacceptable, and if they are held by so-called loyalist groups as well as republicans, those groups, too, must decommission their weapons. It is not a one-sided process; decommissioning must take place on the part of all the paramilitary terrorist organisations in Northern Ireland.

My hon. Friend the Member for Belfast, East (Mr. Robinson) warned the Government in last year's debate that extending the duration of the legislation once again would be untenable. We reiterate that the Government must impress on the paramilitaries the fact that the time for amnesty has ended and that they will not be given any more concessions for doing what they ought to have done already. It is time to spell it out to paramilitary organisations that, unless they stop all their criminal activities, the full rigour of the law will be meted out to them.

This is not a time for further amnesties and concessions; it is time for the Government to get tough on the paramilitaries if we are ever to be rid of the violence and the exclusions and punishment attacks that the right hon. Member for Birkenhead rightly mentioned. We want Northern Ireland to be liberated from those things, but we do not believe that what the Government propose here or the rest of their current policy will achieve that. For that reason, we will oppose the order.

3.19 pm

Mr. David Trimble (Upper Bann) (UUP): I parenthetically observe that it is a trifle unfortunate that, having made a personal attack on me, the hon. Member for Lagan Valley (Mr. Donaldson) declined to take an intervention, in the course of which I would have made the point that his comments were not true. I shall not elaborate on that point, and if he repeats the charge, I shall endeavour to intervene again and we shall see whether he displays greater courtesy.

Reference has been made in the course of the debate to what happened in 1998 and 1997, but the issue did not begin then. Indeed, the Downing street declaration was made on 15 September 1993, after which the then Foreign Minister of the Irish Republic, Mr. Dick Spring, said that the next step was to seek the handing in of weapons by the republican movement, so the issue has existed for 10 years.

I appreciate the points made by the right hon. Member for Birkenhead (Mr. Field). It is a truism that the decommissioning of mindsets is more important than the decommissioning of weapons, which is why so many people in Northern Ireland have focused on whether republicans are prepared to say that the campaign in all its meanings is over. It is a matter of historical record that Governments—plural—decided to focus on that particular measure because there could not be arguments about whether it had happened. I sympathise with the right hon. Gentleman's view about the importance of ending exilings and beatings, but hitherto it has not been easy to attribute responsibility for those matters. We hope that the independent body that has been established to monitor paramilitary activities will bring about much greater transparency on paramilitary activity and consequently greater pressure on paramilitaries.

I want to make a few points, and I shall make them as briefly as I can. My first point is simple and is addressed primarily to the Government: is the achievement of decommissioning still a Government objective? With respect, the Secretary of State was not explicit in his response to me at Northern Ireland questions, so I hope that the Minister can be explicit. Is the Government's attitude passive? Are they merely hoping that decommissioning will happen at some stage and making provisions such as this to facilitate decommissioning if

[Mr. David Trimble]

the paramilitary organisations want it to happen, or are they actually trying to pursue and achieve that objective? That question is crucial, and it addresses the Government's attitude and mental state.

Other parties must also consider whether the achievement of decommissioning is an objective. Those parties that have introduced proposals that would bring an Assembly involving Sinn Fein into existence to exercise power without decommissioning are making a huge concession to republicans. In a speech earlier this week, my fellow Assembly Member, Sir Reg Empey, advised the Sinn Fein leadership to grab the Democratic Unionist party proposals because they offer better terms to republicans than they would get from the previous policy of this Government or from my party.

Mr. Donaldson: Will the right hon. Gentleman give way?

Mr. Trimble: I shall extend to the hon. Gentleman the same courtesy that he extended to me, but if any of his friends want to intervene, I shall take an intervention. Nobody else wants to come in; that is interesting in itself.

David Burnside: Does my right hon. Friend agree that Ulster and the cause of the Union would be better served on decommissioning and all other subjects if we had one united Ulster Unionist party?

Mr. Trimble: I certainly agree with my hon. Friend that our position would be better secured if there were single-minded consistency on those matters. Like me, he has been involved in the past in united Unionist approaches and he will remember when, unfortunately, he and I found ourselves excluded from those arrangements—but that is to delve deep into history. I recall that matter fondly and I am sure that he does, too.

Mr. Frank Field: Many of us on the Labour Benches also think that the democratic voice of Northern Ireland would be stronger if there were one Unionist party rather than two. Does the right hon. Gentleman agree that, whoever the democrats facing negotiations in Northern Ireland, their position would be strengthened if they did not face an Irish Prime Minister who has one view about those near to arms being part of the Government in Northern Ireland but has made it plain that he will not have such people as part of the Government in southern Ireland?

Mr. Trimble: I take the right hon. Gentleman's point, although I think that it was progress when the Irish Government clarified their position. Until then, there had been a degree of ambiguity about their intentions in that respect, so I am more inclined to build on that clarification as movement forward in the direction that he suggests—that the same principle should apply elsewhere. Of course, his party leader might reflect on whether that principle should also apply in the United Kingdom, so that the message goes not only to us but to his right hon. and hon. Friends, too.

I was questioning whether it was part of the Government's objective to achieve decommissioning and the question that obviously follows is, what are the Government doing to achieve it? That is crucial. I do not want to go back over our arguments in October and November, but I endorse what my hon. Friend the Member for North Down (Lady Hermon) said earlier.

We are deeply disappointed at the failure of the Independent International Commission on Decommissioning. We had great hopes for it at the outset, but although we are so far into the process, the IICD continues to be passive. As I pointed out at some length last November, it was in a position of considerable power and influence, yet declined to exercise it. That failure at that stage has produced a situation in which we consider the commission—regretfully—in slightly different terms from before.

Other pressure points are available, however. In some quarters, it is believed that the reluctance of republicans to decommission, and to do so transparently, largely stems from those elements in the republican movement who are deeply involved in racketeering and want the cover and weapons of the private army to pursue their criminal objectives. If that is the case, and there is every reason to believe that it is, other agencies of the state should be particularly active in the matter—a point that has been made regularly about the Assets Recovery Agency.

I appreciate that the agency was responsible for the recovery of a significant sum of money recently, but that was from loyalists. That relates to the point made by the hon. Member for South Down (Mr. McGrady). There appears to be reluctance in some quarters and in some Government agencies to act in a way that might cause discomfort to the republican movement. That appears to be the case for the Assets Recovery Agency, too, and it is something that the agency should take energetic steps to dispel. The Government should reflect on that point.

David Burnside: Will my right hon. Friend be more specific? The Northern Ireland Office is not prepared to rock the boat with the army council of the Provisional IRA, led by Slab Murphy sitting alongside Gerry Adams and Martin McGuinness, because it would rock the peace process.

Mr. Trimble: I am not sure of the full reasons why some agencies, and perhaps even some elements of Government, behave in a way that gives rise to the impression that my hon. Friend describes. I am not sure that they intend that result.

I suspect that in some cases, particularly with regard to agencies, those involved are anxious to do what they think the Government want. They may not have any instruction, advice or hints of that nature, but they are anxious to anticipate what they think the Government would want. I hope that they get that wrong.

Whatever the reason, in my view there is no cause for anyone to be concerned about whether their actions imperil what is called the peace process. As I pointed out elsewhere just the other week, republicans did not call a ceasefire out of the goodness of their hearts or because they had had a conversion. They called it because circumstances left them with little alternative. That should be the basis on which the Government approach the matter. They have approached it as if all the cards, or most of them, were held by other people, rather than

themselves. That is not the case. The Government should and could put on much more pressure on these matters.

This is a technical measure. If there is to be decommissioning, as we hope there will be, the order is needed. But this process has been going on for 10 years. One has to question the extent to which the Government are committed to it. I shall listen carefully to what is said in the reply. While, strictly speaking, we would favour this technical measure because it is needed, the debate gives us an opportunity to display our displeasure. So we shall listen.

3.31 pm

Mr. Andrew Hunter (Basingstoke) (Ind Con): In view of the lack of time, I shall be ultra-brief and very selective.

I agree with my hon. Friend the Member for Lagan Valley (Mr. Donaldson) and regard the order as a monument to a failure of policy. It is just one manifestation of a wider approach to the problems of Northern Ireland that has become so discredited over the last years. Not only has that approach failed to deliver, but many of us predicted that it would fail to deliver.

I find it hard to imagine a more depressing or shameful sequence of events than successive Westminster Governments' abject mishandling of the decommissioning issue and the contributing role played by successive Irish Governments and the Ulster Unionist party. The entire so-called peace process was built on the mistaken and discredited belief that, by granting concessions to them, those who should rightly be marginalised by civil society could be brought centre stage and participate in democratic government.

The Minister would have us agree that we should accept the order because without it there would be no reasonable prospect of further decommissioning and no final act of completion. That is a fallacious argument. It is to continue to slide down the slippery slope of surrender and appeasement.

This is the sixth time we have been asked to renew the Northern Ireland Arms Decommissioning Act 1997. It has delivered virtually nothing of significance. Quite simply, it is the wrong approach. The provisional republican movement and others have had their opportunities to demonstrate their commitment to exclusively democratic means. They have rejected those opportunities, and they have failed to deliver. The Act should be allowed to lapse. In the event of the provisional republican movement or others indicating a change of heart, its powers could be re-enacted in a few hours if the Government and the House wish.

To accept the order is to send out entirely the wrong signal. It is politically and morally wrong for the Government to perpetuate a position of conciliation, as the order does, when terrorist organisations are persistently and consistently choosing to maintain and practise the option of violence.

3.34 pm

Mr. Gregory Campbell (East Londonderry) (DUP): Over a period of 10 years now, the communities in Northern Ireland have become accustomed to hearing promises and assurances that the decommissioning of weapons would, first, begin, secondly, continue and, thirdly, conclude—and they have waited and waited. In 1998, the Belfast agreement was signed, and they received further assurances that the decommissioning of illegal weapons from both republicans and loyalists was essential and would be concluded by 2000. That time has come and gone, and still there has been no progress whatever.

I listened intently to what was said by the right hon. Member for Birkenhead (Mr. Field). I hold him in high regard, and I very much appreciate his views on this and other subjects, but I disagree with his belief that there will be no decommissioning. If there is a strictly accurate understanding of paramilitary violence in Northern Ireland—whether loyalist or republican—it shows that the republican violence has as its goal a political objective. Loyalist violence, which is equally abhorrent, unacceptable, immoral and unjustifiable, has as a different objective the prevention of a political accommodation coming about with the IRA. However, if those in the IRA receive, as they have done in recent years, concessions towards their political objective, they will move because they see their political objectives being realised. That is the history of the past six years.

The more the present Government accommodate the desires and objectives of the Provisional IRA, the better those in the IRA will respond. Why would they not? If they previously engaged in a campaign of murder, mass murder, intimidation, threats and arson to gain political objectives, gaining some small steps in that regard, and they can gain more concessions by retaining the threat of violence by retaining their armoury intact, while the Government hold out the carrot of the prospect of progress towards their objective via the 1998 agreement, why on earth would they not hold out the prospect of some movement? Whether that prospect is illusory remains to be seen. However, that is what we have seen over the past three or four years.

Those in the IRA make tentative steps and involve themselves in token gestures to pocket more concessions. That has been at the back of the on-the-run saga and the other concessions that the IRA is waiting to pocket yet again. At the moment and for the past 10 years, they have had the best of both worlds; they have given the intent of moving into democracy, while retaining the right to return to violence and to use violence. The community has said, "No, you must disarm. You must engage in acts of completion, and you must disappear." That is what the community now demands in Northern Ireland.

We have to be in a post-IRA era before we can engage in meaningful discussions that will lead to an Executive being formed, with all the main parties involved. If we do not get that, we will obviously have to look at other methods. I listened with interest to the right hon. Member for Upper Bann (Mr. Trimble) indicate his involvement and explain what he had intended should be the case. Yet many people in Northern Ireland see that, on three occasions, he was prepared to enter into the Government of Northern Ireland with those who represent terror, with nothing more than a promise of possible decommissioning.

Mr. Dodds: I am grateful to my hon. Friend for giving way because he makes a very important point. Not only

[Mr. Dodds]

have the Government played a major role in the concessions to the IRA, but the IRA could not have achieved what it has without the explicit acts of the Ulster Unionist party under the leadership of the right hon. Member for Upper Bann (Mr. Trimble), and the role that he has played will go down in history as one of arch-capitulation to the IRA over the past 10 years.

Mr. Campbell: I thank my hon. Friend for that intervention. Indeed, I am reminded of an interview and a quotation that the right hon. Member for Upper Bann gave in September 1998, when he said that we have to stand "rock solid" and that

"decommissioning must start before an Executive is formed."

I could not agree more with those comments, but the right hon. Gentleman did not stand by them.

Mr. Frank Field: Would not the future of Ulster be better served if its Members did not keep looking backwards and giving such quotations, but accepted the judgment of the ballot box, which makes it quite clear what ordinary voters think, and moved the agenda on?

Mr. Campbell: I thank the right hon. Gentleman, but we have to remember what the ballot box declared on 26 November. We must move forward, and we believe that the way to do that is, in the case of all the paramilitary groups, not to ask them to give up their weapons, nor for the rest of us simply to hope that they will give up their weapons, but for it to be made clear that there is no alternative but for them to give up their weapons. Then we will all move forward on a basis of some sort of stability and with the hope that we can make progress. Progress must be made.

I do not believe that the current position, which the Minister has described, is likely to lead to that progress being made, because we have been waiting and waiting. The hon. Member for Montgomeryshire (Lembit Öpik) pointed out that 12 months ago, the Minister said that she hoped not to be back here today; but here we are. Will we be back again in 12 months' time—or in two, three or four years' time—still awaiting the movement that will not come about unless we apply the pressure that will ensure that it does?

3.41 pm

Jane Kennedy: I can tell the hon. Member for Belfast, East (Mr. Robinson) that I do not have to hand the figures that he was seeking earlier, but I shall write to him with the detail and place a copy of my letter in the Library.

This has been a typically thoughtful, challenging and—for the Government—punchy debate, and I have listened to the many points made. I can well recall making the comments that I made last year, and I shall not repeat them this year—*[Interruption.]* The Under-Secretary of State for Northern Ireland, my hon. Friend the Member for Basildon (Angela Smith), says from a sedentary position that she hopes that she is not here this time next year.

It is important that we constantly bear in mind the bigger picture and the objectives that we are striving towards, which I know are shared on both sides of the House. The hon. Member for Aylesbury (Mr. Lidington) mentioned the confidentiality that surrounds the acts of decommissioning. It is enshrined in the scheme published back in 1998, to which the hon. Member for Montgomeryshire (Lembit Öpik) referred, and it is probably still the case that we would not get acts of decommissioning without the confidentiality arrangements. However, they impact significantly on people's confidence and trust, and on the veracity surrounding the decommissioning process.

We can sometimes, on these occasions, become stuck in a doom-laden debate about the state of affairs in Northern Ireland, but my normally happy disposition leads me to remind the House that matters have improved and that there has been progress in Northern Ireland recently. Economic progress is self-evident: employment is at an all-time high, and Belfast city centre is a joyous place to visit these days, full of life and activity. Young people can go about their business there and visit restaurants, pubs and clubs without the constant fear that they have experienced in the past. It is true to say that a whole generation has grown up in a more peaceful environment.

David Burnside *rose—*

Jane Kennedy: I hesitate to give way because I have given time during the debate, but I shall do so just once.

David Burnside: I thank the Minister, and I shall be very brief. The majority of people in Northern Ireland would like to agree with her happy, optimistic view of the future, and that is how we should all look forward. However, does she not realise that it is the base of criminality growing in the loyalist and republican communities, which cannot be touched, beaten or destroyed, that has disillusioned people so much with the whole decommissioning and political process called "the peace process"?

Jane Kennedy: I do understand that, and I am grateful to the hon. Gentleman for reminding the House of it. It is because I am aware of that matter that I bend so much of my energies to working with the law-enforcement agencies to interrupt and prevent the development of that sort of culture.

In a light moment, the hon. Member for Montgomeryshire talked about going back to his office to prepare for government. I pay tribute to his diligence. If I were in his place at five to nine in the morning, I would have gone back to my breakfast. I shall have to read the *Hansard* account of the debate, but I do not think that the hon. Gentleman, when he talked about trusting the paramilitaries, was inviting us to do so.

Lembit Öpik *indicated dissent.*

Jane Kennedy: The hon. Gentleman shakes his head. The fact is that we cannot trust the paramilitaries. That is why we have the IICD, and why the role that it plays is so important. I think that that was the point that the hon. Gentleman was making.

The right hon. Member for Upper Bann (Mr. Trimble) challenged the Government, quite properly, about what we are doing to maintain pressure on

paramilitary organisations, and especially on the paramilitary organisation that has the greatest responsibility in these matters, given that its political representatives have participated in a power-sharing Government in the past. I can reassure the hon. Gentleman that the Government believe that we must maintain the pressure, and that we must therefore continue to provide the means by which decommissioning can be carried out. We are, with the IICD, resolutely determined to continue to complete decommissioning by all paramilitary organisations. One of the ways to achieve that is through dialogue, but there are many other ways. They include using the powers of law enforcement to interrupt, arrest and challenge the activities of the organisations on the ground.

All paramilitary organisations must give up violence completely, in a way that satisfies everyone and enables the people of Northern Ireland to move the democratic process forward. Every party that wants to be in government must abide by the same democratic rules.

I end by reminding the House of the comments of my hon. Friend the Member for South Down (Mr. McGrady), who said that decommissioning was not an optional extra. He is absolutely right. Decommissioning has to happen, and we must continue to work towards making it happen.

It being one and a half hours after the commencement of proceedings on the motion, MADAM DEPUTY SPEAKER *put the Question, pursuant to Standing Order No. 16.*

The House divided: Ayes 446, Noes 16.

Division No. 52] **[3:46 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Ainsworth, Peter *(E Surrey)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Ancram, rh Michael
Anderson, Janet *(Rossendale & Darwen)*
Arbuthnot, rh James
Armstrong, rh Ms Hilary
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Bacon, Richard
Bailey, Adrian
Baird, Vera
Baker, Norman
Barker, Gregory
Barnes, Harry
Barrett, John
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, rh Margaret
Begg, Miss Anne
B[illegible]h, rh A. J.
B[illegible]ir Stuart
Bellingham, Henry
Bennett, Andrew
Benton, Joe *(Bootle)*
Bercow, John
Berry, Roger
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, rh David
Boateng, rh Paul
Borrow, David
Bottomley, Peter *(Worthing W)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brady, Graham
Brake, Tom *(Carshalton)*
Breed, Colin
Brennan, Kevin
Brooke, Mrs Annette L.
Brown, rh Gordon *(Dunfermline E)*
Brown, rh Nicholas *(Newcastle E Wallsend)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Browning, Mrs Angela
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnett, John
Burnham, Andy
Butterfill, Sir John
Cairns, David
Calton, Mrs Patsy
Cameron, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, rh Sir Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Carmichael, Alistair
Casale, Roger
Cash, William
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chapman, Sir Sydney *(Chipping Barnet)*
Chaytor, David
Chope, Christopher
Clappison, James
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Kenneth *(Rushcliffe)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Collins, Tim
Colman, Tony
Connarty, Michael
Conway, Derek
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Cotter, Brian
Cousins, Jim
Cox, Tom *(Tooting)*
Cranston, Ross
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curry, rh David
Dalyell, Tam
Darling, rh Alistair
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
David, Wayne
Davies, Geraint *(Croydon C)*
Davies, Quentin *(Grantham & Stamford)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dismore, Andrew
Djanogly, Jonathan
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Duncan, Alan *(Rutland)*
Duncan, Peter *(Galloway)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Evans, Nigel
Fabricant, Michael
Field, Mark *(Cities of London & Westminster)*
Fitzpatrick, Jim
Flight, Howard
Flint, Caroline
Flook, Adrian
Flynn, Paul *(Newport W)*
Foster, rh Derek
Foster, Don *(Bath)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Francois, Mark
Gale, Roger *(N Thanet)*
Gardiner, Barry
Garnier, Edward
George, Andrew *(St. Ives)*
Gerrard, Neil
Gibb, Nick *(Bognor Regis)*
Gibson, Dr. Ian
Gillan, Mrs Cheryl
Gilroy, Linda
Godsiff, Roger
Goggins, Paul
Goodman, Paul
Gray, James *(N Wilts)*
Grayling, Chris
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Grieve, Dominic
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gummer, rh John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hammond, Philip
Hancock, Mike
Hanson, David
Harris, Dr. Evan *(Oxford W & Abingdon)*
Harris, Tom *(Glasgow Cathcart)*
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Healey, John
Heathcoat-Amory, rh David
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hendry, Charles
Heppell, John
Heyes, David
Hill, Keith *(Streatham)*
Hoban, Mark *(Fareham)*
Holmes, Paul
Hoon, rh Geoffrey
Hope, Phil *(Corby)*
Hopkins, Kelvin
Horam, John *(Orpington)*
Howard, rh Michael
Howarth, rh Alan *(Newport E)*
Howarth, George *(Knowsley N & Sefton E)*
Hoyle, Lindsay
Hughes, Beverley *(Stretford & Urmston)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Ingram, rh Adam
Irranca-Davies, Huw
Jack, rh Michael
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkin, Bernard
Jenkins, Brian

Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Joweli, rh Tessa
Keen, Ann *(Brentford)*
Keetch, Paul
Kelly, Ruth *(Bolton W)*
Kemp, Fraser
Kennedy, rh Charles *(Ross Skye & Inverness)*
Kennedy, Jane *(Wavertree)*
Key, Robert *(Salisbury)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Kirkwood, Sir Archy
Knight, rh Greg *(E Yorkshire)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Lamb, Norman
Lansley, Andrew
Laws, David *(Yeovil)*
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Lepper, David
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Linton, Martin
Llwyd, Elfyn
Loughton, Tim
Love, Andrew
Lucas, Ian *(Wrexham)*
Luff, Peter *(M-Worcs)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McDonagh, Siobhain
MacDonald, Calum
McDonnell, John
MacDougall, John
McFall, John
McGrady, Eddie
McGuire, Mrs Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Maclean, rh David
McLoughlin, Patrick
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mahon, Mrs Alice
Mandelson, rh Peter
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury & Atcham)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Mercer, Patrick
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Moore, Michael
Morley, Elliot
Moss, Malcolm
Mountford, Kali
Mudie, George
Mullin, Chris
Munn, Ms Meg
Murphy, Jim *(Eastwood)*
Murphy, rh Paul *(Torfaen)*
Murrison, Dr. Andrew
Norman, Archie
Norris, Dan *(Wansdyke)*
Oaten, Mark *(Winchester)*
O'Brien, Bill *(Normanton)*
O'Brien, Stephen *(Eddisbury)*
O'Hara, Edward
Opik, Lembit
Osborne, George *(Tatton)*
Owen, Albert
Page, Richard
Palmer, Dr. Nick
Paterson, Owen
Pearson, Ian
Perham, Linda
Picking, Anne
Pickles, Eric
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Portillo, rh Michael
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, rh John
Prisk, Mark *(Hertford)*
Prosser, Gwyn
Pugh, Dr. John
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Randall, John
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Redwood, rh John
Reed, Andy *(Loughborough)*
Reid, Alan *(Argyll & Bute)*
Reid, rh Dr. John *(Hamilton N & Bellshill)*
Rendel, David
Robertson, Angus *(Moray)*
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, John *(Glasgow Anniesland)*
Robinson, Geoffrey *(Coventry NW)*
Roche, Mrs Barbara
Rooney, Terry
Rosindell, Andrew
Roy, Frank *(Motherwell)*
Ruddock, Joan
Russell, Bob *(Colchester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sayeed, Jonathan
Sedgemore, Brian
Selous, Andrew
Shaw, Jonathan
Sheerman, Barry
Shephard, rh Mrs Gillian
Shepherd, Richard
Sheridan, Jim
Short, rh Clare
Simmonds, Mark
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Soames, Nicholas
Soley, Clive
Spellar, rh John
Steen, Anthony
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Streeter, Gary
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Gerry
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tami, Mark *(Alyn)*
Tapsell, Sir Peter
Taylor, David *(NW Leics)*
Taylor, John *(Solihull)*
Taylor, Sir Teddy
Teather, Sarah
Thomas, Gareth *(Clwyd W)*
Thomas, Simon *(Ceredigion)*
Thurso, John
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Tredinnick, David
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul *(N Cornwall)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Wareing, Robert N.
Waterson, Nigel
Watkinson, Angela
Watson, Tom *(W Bromwich E)*
Watts, David
Webb, Steve *(Northavon)*
White, Brian
Whitehead, Dr. Alan
Whittingdale, John
Wicks, Malcolm
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wishart, Pete
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, Tony *(Cannock)*
Wyatt, Derek
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Charlotte Atkins and Vernon Coaker

NOES

Beggs, Roy *(E Antrim)*
Burnside, David
Campbell, Gregory *(E Lond'y)*
Donaldson, Jeffrey M.
Hermon, Lady
Hogg, rh Douglas
Hunter, Andrew
Mawhinney, rh Sir Brian
Robathan, Andrew
Robinson, Peter *(Belfast E)*
Smyth, Rev. Martin *(Belfast S)*
Spink, Bob *(Castle Point)*
Trimble, rh David
Turner, Andrew *(Isle of Wight)*
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*

Tellers for the Noes:
Mr. Nigel Dodds and Mrs. Iris Robinson

Question accordingly agreed to.

Resolved,

That the draft Northern Ireland Arms Decommissioning Act 1997 (Amnesty Period) Order 2004, which was laid before this House on 14th January, be approved.

Opposition Day

[5TH ALLOTTED DAY—FIRST PART]

Regional Assemblies

Madam Deputy Speaker (Sylvia Heal): We now come to the fifth allotted Opposition day. Mr. Speaker has selected the amendment in the name of the Prime Minister.

4.1 pm

Mr. David Curry (Skipton and Ripon): I beg to move,

That this House notes that the Government's proposals for elected regional assemblies as set out in their White Paper, Your Region, Your Choice grant the proposed assemblies limited powers, many of which are taken from local government; further notes that the Deputy Prime Minister has made statements suggesting that elected regional assemblies may acquire additional powers not reflected in the White Paper and that he intends that elected regional assemblies should open up the debate about the Barnett formula and public spending in the regions; and urges the Government to publish a draft Bill and to clear up this confusion by the end of June so that Parliament can debate the proposals in good time before the summer adjournment.

The motion sets out a simple proposition—when there is a decision to be made about the way in which we are governed, the debate ought to take place on the basis of a clear indication of what is at stake; the time scale; and the powers of the institution that we are debating. That will enable debate to be clear, above board, transparent and honest. The way to achieve that is to publish legislation as early as possible. In the course of debate in the House, legislation is amended, but those amendments are themselves subject to detailed scrutiny and analysis.

At the moment, there are proposals for regional assemblies, and there is a great deal of activity in pursuit of the case for or against them. However, we still do not have proposals about what the assemblies will actually do. If the powers of the proposed regional assemblies are to be closely based on the contents of the White Paper, "Your Region, Your Choice", it is difficult to see why the legislative propositions cannot be published at an early stage. If the powers are to differ substantially from that outline, the need for legislation is even more urgent, as our debate would be based on a false premise.

We may have the proposals in July, hard against the summer recess. All Governments are desperate to get their business finished before the recess. There is not exactly a panic, but there is an urgency to getting business done. We come back for some slightly token sittings in September, which tend to be taken up with statements and other matters, before going into the party conference season. The referendums are supposed to take place at the end of October or in November, so there is a genuine danger that those legislative proposals will not receive effective debate in the House before people vote.

Mr. Hilton Dawson (Lancaster and Wyre) (Lab): Is the right hon. Gentleman saying that in certain circumstances, if he had the right information, he would be minded to support elected regional assemblies?

Mr. Curry: Until I have the right information it is premature even to ask such a question, because there is no basis on which I can come to a conclusion. The answer to the hon. Gentleman's is likely to be no, because I cannot conceive of circumstances in which the Government would be prepared to concede to any regional assemblies the powers that would make debate worth while.

Mr. Edward Davey (Kingston and Surbiton) (LD): Can the right hon. Gentleman tell the House what powers would need to be devolved to win his support for elected regional assemblies?

Mr. Curry: No, I am going to tell the hon. Gentleman what the Government need to spell out so that people can have a debate about their proposals. I believe that that there is very good answer to the problem—pass power down to the people. Indeed, I thought that nowadays the whole political tenor was about the new localism, empowering communities and pushing power down to the people, not pushing power up to a new tier of politicians—for which the demand in my constituency, and I suspect in others, is difficult to detect.

Joyce Quin (Gateshead, East and Washington, West) (Lab): In the past, before the right hon. Gentleman took on his current responsibilities, the Conservatives were very much opposed to regional assemblies. Is he saying that he is now open-minded on the subject because he is waiting for further information?

Mr. Curry: I want information because a debate is taking place. The Government are spending public money on inciting people to vote in referendums, and it is a good idea that they should know what they are voting about—although I realise that the Government may find that a sophisticated concept. The Government initiated the process that leads to referendums on the basis of the most derisive show of interest imaginable—in Yorkshire, about 1,200 favourable responses from a population of 5 million were interpreted as enthusiasm for a referendum. The Deputy Prime Minister issued his blatantly biased "thumbs up, thumbs down" leaflets, with the whole argument skewed in favour of one side—that campaign cost £500,000 of public money—and toured the regions setting out the Government's position in a series of one-sided debates organised by the Government offices for the regions.

The boundary committee set out preliminary suggestions for local government reorganisation in the two-tier areas, with some extremely curious anomalies. As the Deputy Prime Minister will know, because it is close to home for him, it recommended a merger between the authorities of East Yorkshire and Selby—but Selby is part of North Yorkshire, which is two-tier, and East Yorkshire is unitary. So in Selby, people will have a referendum on whether they wish to join East Yorkshire, but those in East Yorkshire will not have a referendum on whether they wish Selby to join it. That is entirely anomalous; the proposals are riddled with such anomalies.

Yes and no campaigns have been established in each region. The yes campaigns, at least, have the cash to set up offices and to hire staff. The Government overruled the advice of their own Electoral Commission and

[Mr. Curry]

ordered postal ballots in the local and European elections in June in two regions where they were specifically advised not to do so—Yorkshire and Humberside and the north-west. The commission said that the right conditions existed in the north-east and the east midlands, but recommended against in Yorkshire and Humberside and the north-west. This is clearly a dry run to whip up a vote in the referendum.

A debate is under way, although I do not think that it is a subject of everyday conversation among the crowds at Gallowgate or the Stadium of Light.

James Purnell (Stalybridge and Hyde) (Lab): Does the right hon. Gentleman support regional government for London, and if so, why is it not good enough for the north-west and Yorkshire?

Mr. Curry: We would not have set up regional government for London. The taxpayers who now face Mr. Livingstone's precept will be interested to find out whether the Minister for Local Government is going to cap Mr. Livingstone—after all, he has threatened to cap councils with a precept lower than the one Mr. Livingstone is talking about. Few people would think that the government of London is such a riotous success that it needs to be emulated in other parts of the country.

Mr. Neil Turner (Wigan) (Lab): Is the right hon. Gentleman telling us that if the Conservatives ever got into power they would abolish the Greater London authority?

Mr. Curry: The question was: would we have set it up? The answer is no. We will make our position clear when it comes to the election.

Mr. Mark Field (Cities of London and Westminster) (Con): Surely the point that my right hon. Friend is making is that if we are to have referendums, the people must be able to base their decision on the full facts. That should have applied four years ago in London, and it must apply in all the other regions if we are to have meaningful referendums that allow the people to have their say.

Mr. Curry: It may be worth pointing out that the turnouts achieved in the referendums—even in London—are not such as to suggest that the people have overwhelming confidence in what they are being asked to vote about.

Mrs. Gillian Shephard (South-West Norfolk) (Con): My right hon. Friend speaks of the numbers involved in turnouts. Does he think that the lack of interest in the whole issue of regional government in, say, East Anglia, shows that people do not want an extra layer of government, do not want to know anything about regions, and think that this idea was dreamed up by a Government who have themselves created a democratic deficit?

Mr. Curry: In my surgeries, I have not been overwhelmed by people making spontaneous demands for regional government. The idea has been dreamed up by the Deputy Prime Minister. The Prime Minister's enthusiasm for the process is palpably weak.

The Deputy Prime Minister (Mr. John Prescott): I have a dream.

Mr. Curry: I am glad the right hon. Gentleman has a dream. We are all entitled to our dreams, but the Prime Minister gives the impression that his enthusiasm is kept strictly under control as part of the process of sharing the Deputy Prime Minister's dream.

The common thread is that a debate is under way. However, the only place where there is no debate is Parliament. The debate will be without purpose until we know what the assemblies are going to do. It is a sort of blind date without Cilla Black.

The Deputy Prime Minister: Another dream.

Mr. Curry: Even at my age, I can think of more exciting dreams.

For the overwhelming majority of people in the three designated regions, the assemblies will mean a new layer of politicians, partly funded by the council tax. In the foreword to the White Paper, the Prime Minister wrote:

"These proposals will not mean creating more bureaucracy."

However, Unison apparently favours them, and Unison campaigning against bureaucracy seems implausible. The foreword continues:

"In regions where people vote to have an elected regional assembly we will move to wholly unitary local government to ensure that Government remains streamlined."

The notion that the Government are streamlined is curious, but I am willing to be informed about that.

The Prime Minister has lost his bearings. In Yorkshire and Humber, the only two-tier area is North Yorkshire. That means that 90 per cent. of the people who live in Yorkshire and Humber already live under unitary councils. For them, a regional assembly is a new tier of government. There is no point in pretending otherwise. The Prime Minister may even have heard of Leeds, Sheffield, Bradford, Kirklees and Doncaster, some of the unitary councils that make up Yorkshire.

In the north-west, two thirds of the population live in the great metropolitan areas of Liverpool and Greater Manchester. For them, an assembly will mean another layer of politicians. In the north-east, about which the Prime Minister might be expected to have an inkling, two thirds of people already live in the unitary councils of Tyneside, Teesside and Wearside. For them, too, a regional assembly means an additional set of politicians.

What sort of politicians are we considering? They will be remote figures, elected by proportional representation. I am sure that the Deputy Prime Minister and I can agree on our dislike of proportional representation in general. I feel that his roots may be deep enough in old-fashioned Labour to be suspicious of that method of election. The politicians will be without constituency, mandate or identity. They will

embark on a sort of Mary Celeste; on political ghost ships, condemned to sail the sea in a desperate hope of finding a port where they can finally be still.

Richard Younger-Ross (Teignbridge) (LD): Does the right hon. Gentleman believe that is better to have an elected extra layer of politicians or an unelected layer of bureaucrats?

Mr. Curry: If it is so important to bring the quangos under political control, why will only the people of the north-east, north-west and Yorkshire and Humber enjoy the wonderful privilege of regional assemblies? Why have the Government not concluded that the quangos are so onerous and such an affliction that people should be relieved of them in the south-west, East Anglia, the west midlands and the east midlands? They have not done that and they cannot therefore be so worried about the burden of quangos. I suspect that the Deputy Prime Minister's valedictory vanity is determined to impose regional assemblies on parts of the United Kingdom.

Mr. George Osborne (Tatton) (Con): Does my right hon. Friend agree with me and, indeed, the hon. Member for Manchester, Blackley (Mr. Stringer), who used to be the leader of Manchester city council, that the electoral system in the north-west is almost certain to allow a British National party representative on the regional government? Would that be a good advertisement for the region?

Mr. Curry: Whenever members of the BNP stand for election, it behoves everybody to look hard at what they are saying and to refute every single point that they make. Their campaigns are based very largely on lies and exaggerations, and nothing could be more dangerous than saying that we either ignore them or give them a breath of oxygen. I think that they should be given so much oxygen that they suffocate in their lies and misrepresentations.

Lawrie Quinn (Scarborough and Whitby) (Lab): From our perspective in north Yorkshire, if we are to deal with parties such as the BNP, the way we do that is through all politicians calling for a maximum turnout in all elections. Will the right hon. Gentleman do so at the Dispatch Box, and ask everyone who can do so to participate in the referendums, too?

Mr. Curry: I am entirely happy to do that. All of us are concerned about the level of turnout in some elections and the disaffection with politics. That may be partly because people are fed up with the number of elections. It is crucial, however, especially in cases in which such an issue is at stake, that people express their point of view. Certainly, I want people to vote; I just want them to vote no, as a matter of fact.

Andy Burnham (Leigh) (Lab): On the question of the BNP, is it not the case that the only other political party, alongside the Conservative party, that opposes regional government is the BNP?

Mr. Curry: That is one of the daftest remarks that I have heard in this Parliament for a long time. It is not worthy of the hon. Gentleman. I will take no lessons from him in opposing the BNP or anyone who is fundamentally anti-democratic.

Mr. George Osborne: May I clarify the point that the no campaign in the north-west is the only campaign supported by Labour MPs, Liberal Democrats and Conservatives? It is an all-party campaign supported by all the parties in the north-west. What the hon. Member for Leigh (Andy Burnham) was saying is therefore completely erroneous.

Mr. Curry: It is erroneous. It is true that the no campaign in the north-west has all-party support, and I believe that the Deputy Prime Minister had a little altercation with the former leader of Manchester city council when he was debating in that great city.

Mr. Edward Davey: First, I congratulate the right hon. Gentleman on becoming a grandfather yesterday. Secondly, in relation to the previous intervention, I know from meetings at which I have been present how hard he and some of his colleagues are working against the BNP. That should be put on the record.

Mr. Curry: I am grateful to the hon. Gentleman, first, for the personal remark, and secondly, for the political remark. Both are matters of fact.

How will an assembly be financed? We know that it will be financed by Government grant and by a further raid on the council tax, or income tax if the Liberal Democrats were to have their way. We will have precepts for parishes, precepts for police, precepts for fire and rescue services, and precepts for regional assemblies. The public who, as we all know, are cheerfully happy to pay up the current levels of council tax imposed by the Government will get another little supplement to their council tax if they vote for these assemblies. At least with the fire and police services, people know what they are supposed to be there for.

What are the regional assemblies there for? The leaflets make them sound like powerhouses, yet how much public money do they control? It is about 2 per cent. of regional public spending. All this—with set-up costs and running costs of £30 million and £20 million a year—for sixpence in the pound. Will regions with an assembly be able to claim more money? Will they be able to change the balance of funding between the regions and parts of the United Kingdom? Will they be able to challenge—dare I say it?—the Barnett formula, because the Deputy Prime Minister has at least been giving the impression that if people vote for regional assemblies, there might be some rebalancing, to use the fashionable word, in relation to funding. I can find no evidence that that will be the case.

Will the assemblies bring power closer to the people? The answer is no. They are an out-of-date, bureaucratic, unimaginative idea. The political debate is about empowering people in their communities—the Prime Minister talks about giving them control of their lives. In this case, however, the Government seem to want to disarm the citizen, remove power from the community, and push power upward, not down. The local councils will go, and be replaced by PR politicians. How many will represent North Yorkshire? We might get two, and Northumberland will probably qualify for one.

[Mr. Curry]

I should be interested to know what bets the Deputy Prime Minister would lay on the level of turnout in the second set of elections to regional assemblies, if they were ever to come about. I suspect that the turnout in the European elections will be positively euphoric by comparison. People are being sold an illusion rather than the reality.

Mr. Gordon Prentice (Pendle) (Lab): I wonder whether the Conservative party will support my private Member's Bill, to be dealt with on 27 February? It proposes the setting of a 50 per cent. threshold for turnouts. If a turnout were below that, the referendum result would not be valid.

Mr. Curry: I did not know about the hon. Gentleman's Bill. I am usually deeply suspicious of private Members' Bills, but I feel a sudden warmth towards this one.

In his foreword to the White Paper, the Deputy Prime Minister wrote:

"we know that in some regions, the north-east for example, many people believe that only an elected regional assembly will allow the region truly to take control of its destiny and enable it to move up the economic and social prosperity ladder."

The idea that the assemblies, with their small raft of circumscribed powers, will take control of anyone's or anything's destiny is sheer fantasy.

We were told that the regional development agencies would close the gap between the regions. I recall the Minister for Sport and Tourism, the right hon. Member for Sheffield, Central (Mr. Caborn)—who is present—saying at the Dispatch Box that if the RDAs did not close the economic gap between the regions, they would have failed. And have they? No, they have not. We know that they have not.

The Minister for Sport and Tourism (Mr. Richard Caborn): They will.

Mr. Curry: That is all very well, but how long do we have to wait for them to do it? It has not happened so far.

If destiny is at stake, why do the citizens of the rest of the United Kingdom—the south-west, the west midlands, East Anglia—not have that sense of destiny being within their grasp? And if the assemblies are needed to control the quangos, why do those regions not suffer from the burdensome oppression to such an extent that they clamour for the assemblies that will introduce a democratic mandate and relieve them of that terrible weight?

Mrs. Shephard: Is my right hon. Friend aware of the size of the clamour from East Anglia? I believe that there have been some 547 responses.

Mr. Curry: I did not realise that there had been such an avalanche of responses from East Anglia. It clearly represents a proportion of the population that might in any other circumstances be regarded as de minimis. The Deputy Prime Minister, indeed, might regard it as derisory. If it were a turnout in the poll it would be so derisory that he might even decide that the poll could not stand. But we do not know what a derisory turnout is in regional referendums, because the Deputy Prime Minister will not tell us.

The Deputy Prime Minister has drawn an analogy with Scotland and Wales. Scotland has legislative powers and a very expensive, and as yet unfinished, Parliament building. It controls health, education, a significant part of economic development, and rural policy. We see the divergences on either side of the border growing daily. I assume that the Secretary of State for Environment, Food and Rural Affairs will shortly announce the way in which the single farm payment will work in England. It is entirely possible that Scotland will adopt a different route; we have already observed that Northern Ireland and Wales are likely to do so. We accept that—it is one of the consequences of devolution—but it indicates that devolution is to a body with substantive powers that can actually be measured. Whether better welfare is delivered to Scotland or Wales is open to dispute, but the possibility is there.

The Welsh Assembly can at least decide on the manner of application of national legislation. English regional assemblies will have none of the abilities that I have mentioned. So how will this manifest destiny be fulfilled? I simply do not understand how that can be done by controlling the market town initiative, or advising the cultural consortium in Yorkshire and Humberside on how it should go about its business. We all agree that the regions need better, more integrated economic development; we all agree that they need to catch up; but the idea that that will be delivered by regional assemblies is surely part of a fantasy world.

The Deputy Prime Minister has done his best to inflate the importance of regional assemblies in his regional tours, in between having cheerful altercations with some of his colleagues. We are not yet—although we seem to be not far from it—at the stage where he is telling us that the assemblies can probably declare war. The actual role that emerges from the document is described almost invariably in the language of oversight, scrutiny, advice, request, consultation, influence, co-ordination—a permanent supplication for someone else's attention. When we look at them in detail, even the few identifiable powers are very circumscribed. Everywhere, the Government look over the assemblies' shoulder.

Let us take the regional development agencies. One of the principal arguments is that the powers now exercised by the RDAs and supervised by the government offices should fall to regional assemblies. The assemblies must have regard to Government guidance in preparing their strategies. The Government will retain powers to ensure that RDAs and the assemblies address national strategies. The assembly must consult the Government on regional economic strategy. The Government can require changes and—this is the real killer—the regional assembly must consult the Government on individual board appointments to the RDA. That is the dimension of the autonomy. The regional assembly cannot even make a single appointment to the board of an RDA without consulting the Government—and that is supposed to be introducing some new democratic mandate.

It is the same story for transport. The regional assembly can advise. It has powers to make proposals. It can be consulted. The only clear competence appears to be responsibility for allocating the rail passenger partnership grant. Only in the housing sector is there a ghost of a role, in the allocation of support for capital investment.

The Government talk of new powers but when, and where from? The suspicion is that it will always be from local government and another shift upwards, not devolution downwards, of power.

The real question is: what is at stake? What is the elector going to choose between? Where will the political choices lie? How will voting make a difference? It is the oldest question in politics. Does it matter? What is at stake? Do things change as a result of the vote? How will candidates define themselves in terms of political choice, or choice in relation to issues? There is no answer to that. They will not be able to define themselves. People will not have a choice. We will end up with assembly members with no mandate, no definable constituency, no accountability and no role, permanently packing their bags for a journey they never make.

Those old stalwart watchers of the local government scene, George Jones of the London school of economics and John Stewart of Birmingham university, wrote in July 2002 at the time of the publication of the White Paper:

"While this portfolio"

of responsibilities

"appears impressive, the responsibilities are only for preparing strategies rather than for taking action. Unless the regional assemblies are given considerable freedom to set their own strategies and to ensure their implementation they will merely be talking shops. The public will soon realise the assemblies have no real power and turnout will drop."

A little later, they wrote:

"The choice is between a body with strategic responsibilities but no powers of enforcement or a body with powers to enforce turning into what is effectively a supervisory body. Neither the regional advocates nor the white paper have resolved this dilemma."

Therefore we need to know what is intended. I am happy to engage in debate.

Mr. David Clelland (Tyne Bridge) (Lab): I wonder whether the right hon. Gentleman, having reminded himself of those remarks, would like to confirm that that is also his view. Was it not he on the Radio Four "Any Questions?" programme who said that if these bodies had more power, he would be more sympathetic?

Mr. Curry: If the bodies had significant power, at least there would be a sensible debate about how Britain was managed. I have said that repeatedly. What we do not have is a proposition, or any likely proposition, that is anything other than a token gesture to regional assemblies on the basis of an entirely false premise. So this debate is an entirely false one. People are being asked to vote for a pig in a poke that will not work. If I have to choose between that and devolving power closer to people in their own communities, giving them the ability to grasp real powers locally through representative government, I would make that choice. That is a better choice for the United Kingdom.

Mr. Gary Streeter (South-West Devon) (Con): Has my right hon. Friend noticed that in the Welsh Assembly these days the biggest talking point is whether it should acquire more powers for itself and seek more powers from Government? Is it not likely that if these shadowy new regional assemblies are ever set up, the first thing they will try to do in the early years is to acquire more powers? What possible use will that be to the people whom they are supposed serve?

Mr. Curry: They may well do so, because as it stands they will have practically nothing to do. Goodness knows how many days a week they will actually sit, what they will find to do, or how they will earn their pay. But the question is: where will they look for those powers? They will absorb them from local government, and that tier of government will become more remote.

No one denies that the questions of political structures, of how we are governed and of how we secure regional economic development are vital ones, but the debate is still taking place through a glass darkly, even though the Government have the means to bring it into the open. The way to do so is to let us have real proposals soon, and the place to do so is in this House of Commons, where MPs are elected to real constituencies through real elections, in which real choices are placed in front of the electorate.

4.30 pm

The Deputy Prime Minister: I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"notes the Government's proposals for elected regional assemblies set out in their White Paper, Your Region, Your Choice: Revitalising the English Regions, based on the principles of increasing prosperity, pride and democracy in the regions; further notes that the White Paper also set out the way in which the Government intends to build into its policy development the opportunities offered by the creation of elected regional assemblies to further decentralise responsibility for policy and delivery where this will improve regional outcomes; applauds the opportunity afforded to people in the three northern regions of England to have their say about whether they want an elected assembly for their region; commends the Government's endeavours to ensure that people voting in the referendums have information on which to base their choice; notes that the principal confusion about the proposed powers and role of elected regional assemblies appears to be on the Opposition benches; and condemns the continuing attempts by the party opposite both to deny people a say in how they want to be governed and to denigrate the value of that choice."

I begin by offering my congratulations, with some envy, to the right hon. Member for Skipton and Ripon (Mr. Curry), who has become a grandfather. I look forward to the day when that might happen to me.

I note that the Opposition's motion calls for clearing up "confusion" about elected regional assemblies. However, the right hon. Gentleman's speech was the most confused that I have heard in my 30-plus years in the House of Commons. On the one hand, he said that the proposals were not clear enough, but he then picked out what he disagreed with and spelled out what he meant. What he really means is not that the proposals are not clear, but that he does not agree with them. On the other hand, he said that he wants more powers—he did not spell out what they were—in order to carry out the promise that he has made for many years: a promise based on his belief in regional government, if it is "effective" regional government. I have read what he has said on the subject carefully, and perhaps I might refer to it.

[The Deputy Prime Minister]

I am not surprised that the Conservatives are confused, because when it comes to devolution, the right hon. Gentleman does not know whether he is coming or going, as he made clear in his contribution. His approach is confusing not only for him but for his colleagues, as we discovered during interventions on his speech. It was not clear whether he was asking for more powers, or whether he supported the proposal. We will discover the answer as the debate progresses, but his approach is certainly confusing for the country at large.

The right hon. Gentleman makes similar accusations against us, but he needs to make reasonably clear what his party stands for. If he wants to debate this issue, we need to know the essence of the difference between our two parties. In 1998, he told this House the following:

"The arguments for devolution are well made... at Chequers"—

he went to Chequers—

"I argued the case for a federal structure in the United Kingdom."—[*Official Report*, 6 May 1998; Vol. 311, c. 786–87.]

Two years later, in York, he said:

"In its potential to restore some vigour to local democracy, and to offer a constitutional settlement, regional government deserves real consideration."

We understand the difficulties associated with the right hon. Gentleman's current job, but if that is his position—clearly, it is—he should tell us what extra powers he wants, rather than being so critical of us. He understands what we are doing, even though he says that he is confused, but surely he should make clear his own view, which he has yet to explain to the House.

So despite the right hon. Gentleman's enthusiasm for the regions, it would seem that he wants to deny the people of the three northern regions the chance to vote for their own elected regional assembly and to take their own decisions. That is what this debate is about. Whatever we may say about the offer in terms of regional government, we are giving the people of the regions the chance to take a decision. The say is theirs, not ours. This is their chance to take a decision, just as the people of Wales, Scotland and London did. We are entitled to give the northern regions the same chance.

Geraldine Smith (Morecambe and Lunesdale) (Lab) *rose—*

Mr. Curry: Does the right hon. Gentleman agree that, if people should have a choice on a matter so relatively small as the regional assemblies, the country ought to be given a choice in respect of a new European constitution?

The Deputy Prime Minister: One can deploy that argument, and it has been deployed here before. We are prepared to have referendums—

Geraldine Smith: Will my right hon. Friend give way?

The Deputy Prime Minister: May I reply to this point first? We are prepared to have referendums in respect of certain constitutional changes. We have made it clear that we think that the changes to regional government are necessary, and we will give a referendum. The idea is well established in Scotland, Wales and London, and it is exactly what we have to do for the English regions. I shall now give way to my hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith).

Geraldine Smith: The Deputy Prime Minister talks about giving the people of the north-west a choice. Yet only 2,900 replies were received from the whole north-west to the document people were asked to respond to. I carried out my own consultation on antisocial behaviour in my constituency and got 4,500 responses. If he can get only 2,900 from the whole north-west, is it not clear that there is no demand from the public for regional government?

The Deputy Prime Minister: No, it certainly is not. There were 2,900 responses, but many of them represented petitions, and the total number involved was 50,000 throughout three areas. I have heard people in the House claiming authority for polls conducted on just 500 people. I am glad my hon. Friend had 4,500 replies to her antisocial behaviour survey, but since she is keen on manifesto proposals, particularly on the top-ups, I have to point out that this was a manifesto proposal, too. I hope on that basis that she will join me in this debate.

Geraldine Smith: Will the Deputy Prime Minister give way?

The Deputy Prime Minister: No. Sit down, and let me get on with it.

Geraldine Smith: On that point.

The Deputy Prime Minister: No, I have given way. *[Interruption.]* Yes, I am.

We are saying that we should give the people in the three regions the opportunity to have a debate.

The Opposition have changed their mind so often on devolved government that we are all confused about where they stand. Let me remind the House that the previous Tory Government scrapped elected government for London, the old Greater London council. They did not consult or ask; they just nationalised it and took it over. It was the Conservative party—

Several hon. Members *rose—*

The Deputy Prime Minister: That is a bit of a record, but let me just get through this.

The Conservative party fought devolution for Scotland and for Wales every step of the way. Now, it seems, they support Welsh devolution and Scottish devolution, and they have a candidate fighting to be Mayor of London, so I assume they are not going to abolish the Greater London authority. If devolved—

Mr. George Osborne: Will the Deputy Prime Minister give way?

The Deputy Prime Minister: Give me a second.

If devolved government is good enough for the 15 million people who live in Scotland, Wales, Northern Ireland and London, it is surely good enough for the 2.5 million people who live in the north-east, the 5 million in Yorkshire and Humberside and the nearly 7 million in the north-west. The Conservative policy is confused and inconsistent.

Mr. Bernard Jenkin (North Essex) (Con): What we are interested in knowing is what powers the assemblies will have. The right hon. Gentleman said, for example, when he toured the north-east, that police would be taken under the control of the regional authorities, but that has been denied by other parts of the Government. What is the answer?

The Deputy Prime Minister: That is not true. We are not putting police under regional assemblies. What we have said is that the Home Secretary is talking about having bigger police authorities because some of them are too small. There is a regional dimension, and decisions may be faced eventually, but that is not the position at the moment.

The nine English regional development agencies have been a great success.

Mr. Streeter: What?

The Deputy Prime Minister: Well, the right hon. Member for Skipton and Ripon has congratulated the Yorkshire agency on doing well, which might interest the right hon. Member for South-West Norfolk (Mrs. Shephard) who seems to be contesting that, too.

The right hon. Member for Skipton and Ripon can see that after three or four years of operation, the RDAs have been successful in the short term. I ask him to consider how much they reduce regional differentials. In the 1970s, we established the Scottish Development Agency, which was opposed by the Tories until they eventually came round to accepting it. The differential between the Scottish economy and those of a number of English regions has been reduced purely because—certainly, it has been an important factor—of the development agency. The Tories will keep the agency in Scotland, and they will keep one in Wales. I assume that they will keep one for London. So what is their position on RDAs? Let me quote their manifesto:

"We will abolish the Regional Development Agencies that the Government has introduced and scrap Labour's plans for the new Regional Assemblies."

Is that still the position? They will not do that in Scotland, where they will keep a development agency. They are keeping an agency for Wales. It is only the English regions that will have their development agencies abolished. Where is the logic in that? The question is quite clear; it is not confusing. Either they do it or they do not.

I want to know exactly where they stand. Last October, the hon. Member for Runnymede and Weybridge (Mr. Hammond) said that his party no longer favoured outright abolition of the RDAs, but that he wanted to "engage" with them. That is an interesting point. Does the hon. Gentleman want to keep them, get rid of them or "engage" with them, or what? There is a clear position on the Labour Benches: we will keep the development agencies because they can play a major part in reducing differentials between economies.

Mr. Graham Brady (Altrincham and Sale, West) (Con): If devolution for Scotland has removed the economic differential between Scotland and England, what is the argument for maintaining the Barnett formula?

The Deputy Prime Minister: The hon. Gentleman has raised the Barnett formula, so we can talk about financing. All sorts of assessments are constantly made about the financial arrangements between nations and regions, and the argument continues. If this debate were to occur in the northern regions, the Barnett formula would certainly come up because people think that it is unfair. If one examines departmental distributions and the new deal and housing programmes, however, it is not as unfair as people think.

My Department must examine the balance between the Government's contribution and a council's contributions to council tax. We constantly review all sorts of financial arrangements—indeed, the Liberal party proposes the introduction of a regional tax. The Government are constantly examining the situation and are obliged to distribute resources fairly between nations and regions. That approach is right and it will continue.

The Opposition were against the local authority-led regional chamber of assemblies, which has an important role in planning and scrutinising the regional development agencies, and proposed to abolish it. Indeed, more than 150 Conservative councillors are members of the regional chambers. However, the chairmen of the board in the South East England regional assembly and the South West regional assembly are Tories elected by majority Tory councils. It is difficult to listen to Conservative Front Benchers say that they will not co-operate. Have they agreed that the assemblies will be abolished? The Conservative party has promised to abolish them and we want to know its position because it seems confused.

The previous Government created the Government offices for the regions. When the right hon. Member for Skipton and Ripon referred to quangos, I presume that he did not mean that the Government offices for the regions are quangos. The Government offices for the regions contain civil servants from different Departments and must make decisions about many things. When the Government appointed the Government offices for the regions in 1994, they recognised the need to have a regional dimension to Government decision making—they were right and I fully supported them. The trouble is that they did not add democratic accountability and the offices remained part of the civil service.

Under its previous leader, the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), the Conservative party wanted to abolish the Government offices for the regions, but he found that he was abolished before it could be done—now he is reduced to strutting the boards of empty theatres while his replacement dreams on.

I remind the House that in 1974 the Opposition created the metropolitan county councils of Merseyside, Greater Manchester, West Midlands, Tyne and Wear,

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West Yorkshire and South Yorkshire and that they went on to create the counties of Cleveland, Humberside, Avon and Berkshire—they abolished them when they came back into government, which was confusing. A lot of trouble would have been avoided if they had consulted people first and got the right answer rather than setting them up and then abolishing them. No wonder there is confusion in the Conservative party.

The little known fact is that we have regional government in this country today—it is there; it is operating. It was established by a Conservative Government in 1994, and I was fully supportive of it. The Government offices for the regions develop strategies to deal with economics, planning, transport, culture, housing, sustainable development, waste, rural action, skills, employment and skills and the European programme. Those strategies are decided by civil servants in our regions without any democratic accountability. We will not set up talking shops to discuss strategies because they already exist. The problem is that people in the regions are not co-ordinating such strategies or getting them working. We have regional government; we do not have democratic accountability.

Mr. Jenkin: Does the White Paper say that the Government offices will be handed over to regional assemblies? No, it does not.

The Deputy Prime Minister: The White Paper does not say that because Governments will want to keep their civil servants involved in such matters. *[Interruption.]* We are not declaring a federal state. The framework is for the United Kingdom, and constant discussion even goes on in Scotland, Wales and London. Even if more power or more resources are discussed, we are not developing a federal government. We are developing a United Kingdom framework in which there are English regions and states, which will have their own secretariat, power and resources.

Geraldine Smith: Will the Deputy Prime Minister give way?

The Deputy Prime Minister: No, I will not. I notice that when the Leader of the Opposition had his press conference, he had a load of bowler-hatted civil servants in the background to show that he wanted to get rid of bureaucracy. Well, he created most of it when he was in Government, and that is without mentioning the poll tax.

Geraldine Smith: Will my right hon. Friend give way?

The Deputy Prime Minister: I have told her that I will not give way to her.

The Leader of the Opposition has made a point about the role of the state in his statements over the weekend, in his speeches about having a dream and in an article in the *Yorkshire Post*, in which he wrote:

"we have a State . . . that is too unaccountable."

He should know, because he was part of the Government who created most of it. Most of the quangos and the Government offices that are not democratically accountable were created by the Leader of the Opposition and the Government he belonged to. Now he has the cheek to tell the public that he will get rid of bureaucracy. What we want is more democracy and less bureaucracy. That is not confusing: that is our clear position.

Mr. Streeter: The Deputy Prime Minister has just told us that the new elected regional assemblies, if they ever come into existence, will not oversee the Government offices for the regions, so they will not deal with the democratic deficit. The people who will vote on elected regional assemblies later this year need to know what powers they will have over strategic transport, because that is an important issue.

The Deputy Prime Minister: That is an important point and I will come to it in a moment. I am not ducking it, because it is at the heart of the debate—as the right hon. Member for Skipton and Ripon said.

Mr. Gordon Prentice: Will my right hon. Friend give way?

The Deputy Prime Minister: Just hang on a sec, because I want to finish this point. In the elected regional assemblies, the people will elect the politicians who will make the big strategic decisions that affect their lives. We do not doubt that strategic decisions will be made. I have given the House the headings of plans that are being made day in, day out. Politicians in the regions who are elected by the people should have the right to decide the issues that affect their people. That is a simple democratic principle.

Mr. Prentice: Will my right hon. Friend give way on that point?

The Deputy Prime Minister: Hang on, I shall give way in a minute to whoever it is—

Mr. Prentice: On that point—

Madam Deputy Speaker: Order. The Deputy Prime Minister will give way when he is ready to the hon. Member for Pendle (Mr. Prentice).

The Deputy Prime Minister: Yes, I thought it was him. I have my friends: I have my enemies.

Look at the kind of decisions that the Mayor of London and the GLA make. I assume that the Conservatives do not propose to abolish the GLA. Our regions will have more powers than the GLA, as the Mayor has made clear on the issue of housing. He wants similar powers to those that we propose for the regions. The Conservatives have a candidate for Mayor, and as far as I am aware his manifesto does not suggest that the GLA should be abolished. If those powers are all right for London, why are they not all right for the northern regions? We would give them the same powers and resources and put them in the same situation.

The people in the north, where we will hold the three referendums, should have the same opportunity as the people in London. It is not my decision: if the people do not want an assembly, they will vote against it—[HON.

MEMBERS: "Yes, they will."] Well, we shall see. The Conservatives said that about Scotland, Wales and London. They used the same arguments, but in the end they had to crawl on board in agreement. Nor do they have the guts to abolish those devolved bodies. If such a system is all right for London, why is it not all right for the three northern regions? That is a simple enough question.

The House knows about the wide range of quangos that spend money in the regions. There are 180 in the three northern regions alone, at the last count—that is quite a few to look for—with more than 3,000 board members selected by civil servants. Elected regional assemblies will take power from central Government, not from local government, and they will give people a new political voice. Local authorities will continue to be responsible for local services. We are not making any changes to that situation. I notice that the right hon. Member for Skipton and Ripon said that such powers should be exercised locally, which is a shifty little move away from regional government. Local government is the new locus that we talk about, and there is an argument for powers to be moved there. However, regions can make decisions that local authorities do not have the power to make, because they do not cover the whole area. That is why we end up with regional bodies. That is why we have regional civil servants, because local authorities cannot make such decisions on their own. They do not have the resources or the powers to operate outside their boundaries, and that is why we inevitably end up with a regional dimension.

Mr. Gordon Prentice: Is my right hon. Friend ready to give way?

The Deputy Prime Minister *indicated assent.*

Mr. Prentice: The turnout in London was 36 per cent. It was 51 per cent. in Wales and in Scotland it was higher, at 60 per cent. Are there any circumstances in which the Government would set aside the result of the referendum in the northern regions because the turnout was widely regarded as derisory?

The Deputy Prime Minister: There are no such circumstances. The only time the House did that was at the time of the Scottish devolution Bill, under the Cunningham amendment, and it was absolutely disastrous. There is no doubt that when people had the chance to vote, they voted overwhelmingly for Scottish devolution. However, my hon. Friend makes a good point about the number of people who participate and that should be of concern to the whole House. That is why we want postal balloting.

Everyone knows from the evidence of the pilots that where there is a postal ballot more people turn out. Sometimes the turnout is as much as 50 per cent., which is very high. Those who say that people do not vote because they are uninterested in politics have to answer this question: why does turnout almost double, with increases of as much as 50 per cent., as soon as we change the voting method? That suggests that the answer is making the voting system more acceptable to the electorate—although not necessarily the politics.

Mr. George Osborne: Last year, the Minister for Local Government, Regional Governance and Fire said that if the turnout in the referendum was derisory he would set aside the result. The Deputy Prime Minister seems to be contradicting him. Can he explain that?

The Deputy Prime Minister: I am sorry, I did not pick up that point, so I cannot give the hon. Gentleman a proper answer. In principle, as I was explaining to my hon. Friend the Member for Pendle (Mr. Prentice), we are not planning to include a condition on the proportion—*[Interruption.]* I think that my right hon. Friend the Minister for Local Government, Regional Governance and Fire will be able to reply to the point when he sums up the debate.

Mr. Mark Hendrick (Preston) (Lab/Co-op): If there was a threshold below which the result would not be accepted, would not that give the antis a deliberate tactic to persuade people not to vote? If more people voted, turnout would go above the threshold and the antis would lose the vote.

The Deputy Prime Minister: My hon. Friend makes a powerful point. George Cunningham's amendment was designed primarily to do that—it was an obstacle to deny the people of Scotland the chance to make a decision that the House would then make for them. People who suggest such provisions are usually against things, as I am sure that my hon. Friend the Member for Pendle (Mr. Prentice) would agree—he comes from the same stable.

On 18 December last year, the right hon. Member for Skipton and Ripon told the House that the assemblies would be able to do practically nothing and he confirmed that in his speech today. However, at the weekend, the Leader of the Opposition, in one of his "dream" speeches said:

> "The regional assemblies . . . will take crucial decisions."

Who is right? I wish that the Opposition would make up their mind. Will the assemblies make crucial decisions, or not? Will they be talking shops, or will they actually make decisions? The members of the dream team on the Opposition Front Bench should get together and work out the answer, because they are causing an awful lot of confusion.

Mr. A. J. Beith (Berwick-upon-Tweed) (LD): The question that the Deputy Prime Minister poses is one that many people in the business community are putting to me. They do not have doctrinaire views on the issue, but they are willing seriously to consider a regional assembly if they can be satisfied that it will make a difference on things that matter to them, such as skills—through the Learning and Skills Council—and transport infrastructure. Can the right hon. Gentleman go further and give them the assurance that the assembly will be able to do the things that they care about?

The Deputy Prime Minister: That is an important point. The assemblies will have real powers, such as planning, and I shall come to that in a minute.

The Opposition need to work out where they stand. I believe strongly that regional assemblies offer a great opportunity for bringing more jobs and growth to the north. We are offering an alternative to the status quo. Those who do not want change have to answer for the

[The Deputy Prime Minister]

status quo. If the north had had the average growth of the English regions, it would have meant a difference of about £30 billion. Do those who defend the status quo want the regional disparities in our economy to continue to grow? They need to make that clear.

We believe that the assemblies will create extra jobs and prosperity and reduce the north-south differential. A recent publication on core cities by Professor Parkinson pointed out that a regional dimension is essential so that those cities can operate more powerfully. We tried to reflect that in the recent publication "Making It Happen—The Northern Way". We are trying to put Government social and economic investment into the development of a new growth area. We believe that we can achieve less bureaucracy and more democracy.

Regional assemblies will be small and efficient. Each will have between 25 and 35 members. And each will be elected by proportional representation. I am not in the PR camp, but I brought it in for London. I am bringing it in for a very good reason—not for the Liberals, though I understand why they might welcome it. On strategic matters, with smaller groups one needs consensus, which means having a different way of voting. That is important in big regions particularly where political representation may dominate and there may then not be the proper balance of discussion on strategic issues, which are so crucial to the region.

Mr. Edward Davey: The right hon. Gentleman is being too modest about his conversion to proportional representation. In a speech on 22 January in Manchester he said:

"Proportional representation will bring stability and greater consensus to the system, both vital for a more strategic approach."

The right hon. Gentleman was so right, and I hope that he is converted on the case of PR more widely.

The Deputy Prime Minister: I can guarantee that if one mentions PR in the House the Liberals will jump up in their dozens wanting to say something about it.

I do not deny what I said then, and I have just repeated it. Consensus and stability, particularly on strategic decisions, are absolutely critical. I do not accept the same argument at a further stage, but I leave that aside for the moment. I am being driven bit by bit down this course. One has to do what is right, and it is my job to make a decision and be accountable for it.

There has been a great deal of talk about the cost. We have said that it will be 5p a week for each household, but there will be offsetting efficiency savings. There is a figure of £25 million at the establishment, but the figures will have to be finally decided when the boundary committee says what the organisation of local authorities will be. Some applications have been for the county to be the unitary authority. I think that is the case in Durham and to a large extent in Cheshire and Lancashire. The situation will be different if it is necessary to establish a number of unitaries. As that matter is out to consultation, we cannot say exactly what the final cost will be. We shall come out with a final cost before the referendum, so that we can say what we believe the cost of the changes will be.

The cost that we have quoted now came from the boundary committee, which has produced costs showing that there can be considerable savings. But let us come to that when we have more detailed information, which will be based on the kind of local government structure that there is to be in the first tier.

In the White Paper we set out the minimum powers that elected regional assemblies will have. They will have responsibility for regional and sub-regional issues that the local authorities cannot handle on their own. We need to take forward jobs and growth, the promotion of social justice and improving people's quality of life. Most of the decisions are directed at those areas.

The assemblies will also have specific functions to help deliver their own priorities and decisions. That is an important issue, and we should not dismiss it. They will make decisions about housing, transport, land and planning in the region, strategic issues at present dealt with by civil servants. The assemblies will produce the regions' spatial strategy, which puts all these matters together, as we have just announced in our "Northern Way" document.

The elected assemblies will also take over from Whitehall responsibility for the regional development agencies, which in the three northern regions have a budget of almost £700 million. This means that the RDAs will be business-led, which business likes, but democratically accountable, delivering the assemblies' priorities for jobs and growth and implementing the strategy that the elected members for the region decide.

Mr. Mark Field *rose—*

The Deputy Prime Minister: I have to make headway.

The assemblies will also have an important role in improving skills by working in and with the learning and skills councils. They will take responsibility for investment in housing—this is a change that we have made—and influence the billions of pounds being invested in the northern regions under the sustainable communities plan, which we highlighted in the recent "Northern Way" programme.

Elected assemblies will make recommendations to the Secretary of State for Transport on the allocation of funding for local transport in their regions, working with the Highways Agency and the Strategic Rail Authority. The House will be aware that my right hon. Friend the Secretary of State for Transport made it absolutely clear on 19 January that he wanted more public transport decisions devolved to the regional level.

The situation is evolving, which will have to be reflected in the Bill when I bring it to the House. I shall come to that a little later.

The assemblies will also have responsibilities for public health and bio-diversity, as well as being responsible for regional arts, sports, museums and promoting tourism. Those powers are not set in stone. I was asked whether the situation was changing, whether I was saying in the regions things that I have not said in the White Paper. It is true that the powers have been taken further than in the White Paper, but we said in the White Paper that the assemblies would evolve over time.

Already, we have announced that the elected assemblies will be responsible for the £500 million that is spent in the north on regional fire and rescue services

every year. We did not say that in the White Paper; we have learned over a period, and certainly during the dispute, that fire services should be delivered locally, but that we certainly needed a strong regional dimension to common procurement and the use of equipment, as well as when responding to major emergencies and to the responsibilities under the civil resilience programme, which deal with terrorist attack. All of that cannot be done by a local authority. Indeed, at the moment, any of those incidents are subject to a gold command procedure, where people get together and reach an understanding. That is not equivalent to a regionally agreed strategy, but it allows people to operate outside their areas of operation. To that extent, the regions will make that arrangement better.

Let me say that the assemblies will also have new power from central Government, just like the Mayor of London—again, this was not said in the White Paper, but it is policy now—to direct local planning authorities to reject planning decisions that contravene their regional spatial strategy. We will give them the power to reject that planning application. Indeed, the Mayor of London has that power. If people want to have a regional strategy and planning applications go against those regional plans, as determined by an elected authority, it makes sense that those people should have the power to veto such decisions. That power was not mentioned in the White Paper, but we have now made it clear that we will allow local planning authorities to exercise that veto.

The right hon. Member for Skipton and Ripon said that

"sensible Governments do not want great public debates".—[*Official Report*, 18 December 2002; Vol. 396, c. 905.]

Well, after his contribution today, I imagine that he would not want to get into them anyway. So he does not believe in talking to the people. Perhaps if the Conservative party had talked to the people, we would not have had to correct so many mistakes so quickly, such as the poll tax, which cost £30 billion and involved many civil servants—such confusion, such cost and an increase in bureaucracy. We will take no lectures from the Opposition on how we should handle decisions in the regions

We believe in asking the people what they think, so my ministerial team and I will hold hearings in the three northern regions over the next few months. We will discuss with the people the powers that we have proposed for the elected assemblies, and we plan to publish a Bill before the House rises in July. I take on board that the right hon. Member for Skipton and Ripon said that that should happen in June, but he only said that because he believes that we already know what those powers are. As I said, an active discussion is going on with the people at the moment, and we will present and reflect those views in our Bill.

We believe that elected regional assemblies offer a great opportunity for the northern regions. We want to take power from Whitehall and give it to the people of the regions. We want greater prosperity, more growth, more jobs and more investment in our regions. Elected regional assemblies represent a new form of government, which is smaller, more focused and involves elected and non-elected stakeholders in decision making; a new vision, strengthening the prosperity of the north, increasing employment and reducing the present and continuing economic and political deficit in decision making; and a greater democratic accountability, providing more democracy and less bureaucracy. They will give the regions a greater sense of pride and a new political voice, but it is up to the people to decide. It is not Parliament's decision. It is not the Government's decision. It is the people's decision—their say, their choice. Just as we did for the people of Scotland, the people of Wales and the people of London, we are now offering that choice to the people of the north.

5.3 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): The Deputy Prime Minister gave a barnstorming performance today, and I look forward to campaigning with him for a yes vote in the referendums in the three northern regions. I agree with much of what he said. I was also pleased to see him in thoughtful mode today. *[Interruption.]* That was not meant as a backhanded compliment. He is right that we need to try to find out whether extra powers can be given to regional assemblies, and those powers should be announced before the referendums.

The Deputy Prime Minister knows that Liberal Democrat Members support regional devolution, but want a much deeper, richer form of it. I am afraid that that is why I have to tell him that, because of the careful wording that the Conservatives have proposed today, but for very different reasons from theirs, we will support their motion. *[Interruption.]* The Deputy Prime Minister should wait because we will support his amendment to it. *[Interruption.]* Both the motion and the amendment are totally supportable, and say different things. The Conservative motion says that the Government must publish their plans before the referendums. That is what we have argued for, as the Minister for Local Government, Regional Governance and Fire knows, because he and I exchanged letters on that very point. He promised the Liberal Democrats in our negotiations on the paving Bill that the Government would introduce a draft Bill, and we want to ensure that that promise is honoured. That is why we can support the Conservative motion. However, the Government are absolutely right in their amendment, because we need to go much further and ensure that the false arguments that the Conservatives are raising in many other forums are dealt with. The Deputy Prime Minister made a good start on that today.

If we do not get more powers for the assemblies we will be in danger of losing the argument. As the Deputy Prime Minister knows from his discussions in the regions and with his own colleagues—as many Labour Members have made clear today—many people are not convinced by the White Paper "Your Region, Your Choice". That is why the Government need to go further. As the White Paper stands, not enough powers are coming down and too many are going up. Moreover, even the powers that the elected regional assemblies will have are circumscribed by the targets that they must meet, the Secretary of State's ability to override decisions and the absence of any executive powers for the assemblies. The fact that many of the policies and strategies that the regional assemblies will create will have to comply with national policy will circumscribe

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some of the powers and flexibility that they are supposed to have. We are seriously concerned about that point, and the Deputy Prime Minister must move on it.

We shall support the Government in the referendums because the current proposals are a starting point—a building block for future, richer devolution. That is important. We also support the Government because, as the Deputy Prime Minister rightly and powerfully said, we have regional government at the moment; this debate is about accountability and democracy.

Mr. George Osborne: The hon. Gentleman says that the Liberal Democrats support the referendums, but the Liberal Democrat group on Cheshire county council, and therefore the Liberal Democrat county councillors in Cheshire, opposes the referendum and is urging people to vote no.

Mr. Davey: Much of what the hon. Gentleman says is wrong. There are Cheshire Liberal Democrat county councillors who very much support regional devolution.

The Deputy Prime Minister's problem is that he is not enthusing the pro-devolutionists with his proposals. The pro-devolutionists in my party and his are not exactly champing at the bit over these powers. Worse than that, as my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) implied in his comment on the business communities, those people who are agnostic and non-doctrinaire about regional devolution are unconvinced. Worse still, the opponents of regional devolution are being emboldened by the strategy's weakness. The Deputy Prime Minister is in danger of giving the worst possible start to the referendums. He should move on this, and he needs to persuade his colleagues to do far more. Otherwise, we are in danger of missing a major opportunity.

What should the Deputy Prime Minister do? He began to sketch out some thoughts today, which were very helpful, and I am sure that people will want to read the record. He mentioned that the Secretary of State for Transport is beginning to think about the potential for devolution. The Deputy Prime Minister mentioned in his speech in Manchester the possibility that learning and skills councils could be devolved. He has also mentioned the three hearings that are to take place.

The Deputy Prime Minister: On learning and skills councils, I was simply trying to give an idea of how regional thinking is developing and evolving. We made it clear in the White Paper that decisions in that regard were made nationally and locally, and that we would leave that new form of organisation alone. However, it was pointed out to me when I visited one of the regions that its training and skills agency had already appointed civil servants as regional directors who had to make regional decisions. I was just making the point that there had been that development in the field of training and skills.

Mr. Davey: May I encourage the right hon. Gentleman to go even further on that? Just appointing a new civil servant at regional level and making them accountable to the elected regional assembly is not good enough. We want powers to come down from Whitehall. We need powers over skills and training to come down from the Department for Education and Skills to the regions, so that they will have real money and real executive powers. If the Deputy Prime Minister adopts that train of thought, and takes that direction, he will get much more support.

Mr. Brady: Has the hon. Gentleman heard the complaints from learning and skills councils around the country that the Government are already reluctant to devolve any power to them? The Government seem determined to hold on to the power centrally in the national Learning and Skills Council and to have no intention of giving power down to the regions.

Mr. Davey: That is right. Some of us who want to encourage the Government in the direction of more localism and regionalism feel that sometimes their moves are too superficial and that the reality does not match up to their rhetoric.

Following the last comprehensive spending review, I was pleased to see the introduction of pilots between the regional development agencies and some of the local learning and skills councils to see how the councils could work at regional level. The proposals need to go much further. The councils are to be asked to develop frameworks for regional employment and skills actions, but that is not sufficient, because they will have no executive powers, and no real thrust. There will be no real money behind the proposals.

If the Government, before they publish the draft Bill, and way before the referendums, were to get the agreement of Ministers at the Department for Education and Skills that the whole budget for the learning and skills councils would go to the regions, they would win huge plaudits. The councils would complement the role of the RDAs and they would get massive support from business. Her Majesty's Treasury has published papers about the productivity gap between the regions, and the Chancellor seems to be thinking along those lines. Given the economic analysis that lies behind a lot of the Deputy Prime Minister's thinking, this would be a logical step for him to take. I would like to encourage him and offer him support towards making that move.

Mr. Dawson: Does the hon. Gentleman understand my impatience with the highly intelligent and extremely able people from business, the universities and various parts of the public sector who seem to be doing exactly what he is doing, namely waiting for the Government to come up with various initiatives? Surely he can see that this is a time for vision and for people with a real idea of the way in which the regions could develop to seize the opportunity that is being made available here, to engage with the yes campaign and to insist on more powers for the regions—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman must learn the art of making shorter interventions, especially when time is limited for these debates.

Mr. Davey: In answer to the hon. Member for Lancaster and Wyre (Mr. Dawson), I thought that that

is exactly what I was trying to do. The Deputy Prime Minister keeps saying that things are evolving, but we are arguing for a quicker, more visionary evolution, so that we can establish these powers before the referendum. We want to win the support of the people, but at the moment they are pretty agnostic. They are thinking, "These assemblies could just be talking shops if we aren't careful." The Deputy Prime Minister talked about a whole range of strategies that the elected regional assemblies will be able to develop, but there will be no budgets behind them. The assemblies will not have any executive powers in that regard. The powers that they will have will relate to being consulted and to advising other people, not actually to doing things. I thought that government was about doing things, not just about creating strategies for other people to implement.

Mr. Mark Francois (Rayleigh) (Con): I am sure that the hon. Gentleman is aware that a meeting took place last week at which revised housing targets were set for the east of England. As a result, the number of houses to be built in Essex up to 2021 was increased from 110,000 to 131,400, very much against the wishes of the people of Essex. That was a regional level decision. Do the Liberal Democrats support that new housing target for Essex?

Mr. Davey: The problem that we have with the regional housing boards is that they are not democratic. They cannot therefore take into account the views of the people of Essex, for example. Our argument about these regional tiers of government is that, if they were made more accountable, the people could ensure that they answered for the decisions that they took.

Mr. Francois: I entirely take the hon. Gentleman's point, but do the Liberal Democrats support that new target—yes or no?

Mr. Davey: The hon. Gentleman is missing the point. He wants to ensure that the voice of the people of Essex is heard, but will he support an elected regional assembly in that part of the world?

I turn now to transport. The most dispiriting aspect of the White Paper "Your Region, Your Choice" was its failure to devolve powers in respect of transport. I understand that there are people in the Cabinet and at other senior levels of the Government who believe that many aspects of transport powers should be devolved. That would make huge sense, given the other economic functions involved.

The first element of transport policy that I want to look at is roads. The Highways Agency already operates and produces plans on a regional basis. It would therefore be relatively easy to reorganise the functions of its officials as part of the draft Bill. That would make sense, as the agency would then be able to link in with the regional planning boards and regional development agencies, and with the sustainable duties to be placed on the elected regional assemblies. Transferring trunk road powers from the Secretary of State to the elected regional assemblies would send a clear signal that the Government were committed to devolution.

The constituency of my right hon. Friend the Member for Berwick-upon-Tweed offers an example. There, people have been fighting for many years to secure the dualling of the A1, a move that has been resisted by successive Secretaries of State here in London. An elected regional assembly with powers over trunk roads would mean that the people of the north-east would be able to get the A1 turned into a dual carriageway. That would be a good example of devolution representing the interests of a region, by making sure that the things that people want to get done do get done.

Mr. Gordon Prentice: How would a region raise the money for that? Does the hon. Gentleman advocate a regional income tax as well as a local income tax? Is he arguing that there should be legislative as well as administrative devolution, on a par with what is happening in Wales?

Mr. Davey: No, I am not in favour of legislative devolution. However, my party is very much against regional council tax precepting. We think that it would be much fairer and more efficient if the money were obtained through the income tax system. We want the block grants that are spent by Secretaries of State to be given to the regional assemblies, so that they can decide priorities. That is what happens in Scotland and Wales, and it works. I presume that the hon. Gentleman supported Scottish and Welsh devolution, although, as he does not often agree with his own Front Bench, he may not have done. We believe that the block grant money could be used in the way that I have set out.

Mr. George Osborne: I am not following the hon. Gentleman's argument. Decisions to dual the A1 or expand the M6 have to be taken by national Government. The costs are so huge that no regional block grant would be big enough. He is therefore erroneous in saying that a regional government could decide to dual the A1.

Mr. Davey: First of all, I did not mention motorways, only trunk roads. If the hon. Gentleman thinks that dualling the A1 is the same as making it a motorway he clearly has no knowledge of road transport policy. Moreover, the costs involved are not so great as he seems to think. If the budgets come down from Whitehall to the regional assemblies, they can make decisions about priorities. That is what devolution ought to be about.

Other aspects of transport policy could be devolved in due course. I do not suggest that this is the right time to devolve the strategy governing the rail industry. The Government are in a mess on the matter and have put the industry in turmoil, but it could happen in time. The Strategic Rail Authority is already organised on a regional basis, so it is possible that it could be properly regionalised in five or 10 years.

Other transport policy powers could be devolved to the regions. The lesson is that organising transport policy in Whitehall has not produced happy results. The Deputy Prime Minister must know that, as he had enough problems sorting out transport policy across the country. The problem is that, in many cases, Whitehall does not know best and it has too many other things to do. Giving away powers so that other elected bodies can deal with some matters would ensure that the country's transport policy was far more effective overall.

[Mr. Davey]

I have mentioned two matters—the role of the learning and skills councils, and the Highways Agency's potential in respect of transport—that the Government need to consider before producing the draft Bill. The environment is a third area worth looking at. The Department for Environment, Food and Rural Affairs contains a number of quangos, some aspects of whose work should be devolved, either to regional government or, at a lower level, local authorities. We know that Lord Haskins was pointing in that direction in his review. Aspects of the work of the Environment Agency, the Forestry Commission and the Countryside Agency must be prime targets for regionalisation, or even localisation.

Some of the money that is spent by the Office of the Deputy Prime Minister on area-based initiatives, for example, should be given to regional assemblies so that they can decide their priorities on economic regeneration. If the Government did that, how attractive would it be to people in the regions? The chances of winning a yes vote in a referendum would be massively improved.

I wish the Deputy Prime Minister well in his battles in Whitehall and his ministerial colleagues. He might be reluctant to reopen some of the negotiations that must have been held before the White Paper was published, but from his sojourns throughout the three northern regions, he will know that a real political dynamic exists and that he must reopen the negotiations to ensure that what the Government offer is richer.

I also wish the Deputy Prime Minister well in the major public hearings about which we are learning, but to take the point made by the right hon. Member for Skipton and Ripon (Mr. Curry), I hope that he will allow the House to debate in Government time how we should devolve more powers. I hope that we will hear in the reply that when we get an announcement on the basket of further powers to be devolved, a statement will be made in the House and a proper publication will be produced prior to, or to coincide with, publication of the draft Bill.

I thought that it was brave of the Conservatives to initiate this debate. We discovered from the Deputy Prime Minister and Labour Members' interventions that they have not exactly sorted out what they want to do. The right hon. Member for Skipton and Ripon has some problems in trying to balance his views with those of his party. His position is distinguished and well thought through, but the problem is that it is diametrically opposed to that of the party for which he speaks. When we debated the matter during the Queen's Speech debate, it was interesting that he said:

"if the regions were offered devolution in the same way as Scotland, we would be bound to consider that"—[*Official Report*, 1 December 2003; Vol. 415, c. 247.]

The Conservative party seems to be showing an almost Disraelian attitude to regional devolution under the right hon. Gentleman. He wants to outbid the Labour Government and go even further. I hope that he will come forward with detailed policies and try to persuade the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) of that, because it really would represent a contribution to the debate.

Geraldine Smith: Does the hon. Gentleman think that the matter should not be turned into a party political issue? Does he accept that there are different views on both sides of the House? I appreciate that the Liberal view is to support both sides, but that is nothing new for the Liberals.

Mr. Davey: I wish that I had not given way to the hon. Lady, just as the Deputy Prime Minister wishes that he had not given way to her. I am afraid that we have a clear position: we support much stronger devolution, and we are on the Deputy Prime Minister's side, as far as he goes, but we want him to go further. We are very much against the position adopted by the hon. Lady.

I have succour for the right hon. Member for Skipton and Ripon because some thinkers in the Conservative party actually agree with him.

Mr. Dawson: Name them.

Mr. Davey: I will name them. A gentleman called Denis Whelan wrote a policy brief for the Bow Group in May 2002 called "Devolution All Round: A Manifesto for 2005", which makes interesting reading. Its executive summary says:

"Although the Conservative party may be quick to criticise the new White Paper on regional assemblies, there are plenty of reasons why it should embrace devolution to the English regions as the centrepiece of its own campaign at the next general election. Such a change is worthwhile on constitutional grounds alone, and—much more importantly—is politically workable and consistent with core Conservative views on the reform of public services, liberty and Europe."

So some people in the Conservative party are, like the right hon. Member for Skipton and Ripon, genuinely trying to engage in the debate. The document from the Bow Group is interesting because it suggests devolving powers to the regions on transport, and even says that policing powers could be devolved to the regional level.

Mr. Jenkin: Does the hon. Gentleman not think that Sir Cyril Smith, who is supporting the no campaign in the north-west, is a rather better known figure and therefore carries more weight?

Mr. Davey: I am glad that the hon. Gentleman now approves of my former hon. Friend, who is a powerful exponent of many views. The problem that the hon. Gentleman has is that his boss does not agree with him. We on the Liberal Democrat Front Bench and in the parliamentary party are united. The Tories are totally divided on the issue, and that is why they take such an incoherent position.

This has been an interesting debate. We have seen how utterly confused the Conservatives are; they cannot tell us which powers they want to devolve, whether they want to devolve them, or what their strategy is. The Government have shown that they are still thinking, which is very welcome. They should be open-minded. The debate has misfired from the Conservatives' point of view because it has given the Government a chance to show that they are open-minded and thinking. It has

given hon. Members on both sides of the House a chance to encourage the Government to think more widely and to go for outright regional devolution. If they do so, their chance of winning the yes vote next October will increase massively. All power to the Government's elbow—they should go much further, and then we can really devolve power in this country.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I must remind the House that Mr. Speaker has imposed a 10-minute limit on Back-Bench speeches.

5.25 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I start by paying tribute to my right hon. Friend the Deputy Prime Minister, who not only made a powerful speech in favour of regional government, but has pursued the issue vigorously since the 1970s and is now—I hope—bringing it to fruition. I congratulate him on that; it is a major contribution.

I am concerned about the mass of quibbles that were the only arguments that the Conservative Opposition could mobilise against the proposals. I thought that the right hon. Member for Skipton and Ripon (Mr. Curry) was going to bring a new decisiveness to the Opposition, but all he has done is quake more vigorously than the old Opposition. Essentially, all his points were quibbles. He said that there would be more politicians—if they were like him, that would be a bad thing. Politics is about politicians. This country has fewer politicians per capita than any other system, particularly the federal systems of Australia, Canada and Germany. We need a useful training ground for politicians, and local councils that are in tight chains and controlled from London cannot provide it.

The right hon. Gentleman said that the proposed system would cost more. Democracy does cost; that is an unfortunate fact about it. It is more expensive than a dictatorship or allowing bureaucracy to make decisions. We are about making institutions and bureaucracy that already exist accountable to the people. I therefore cannot understand the Opposition's quibbling nature. Let us have something clear-cut. They are either for the proposal or against it—not on the one hand possibly and on the other perhaps, with no decision.

I am a passionate advocate of regional government. The politics of government of this country has been dominated for far too long by London, and local government has been transformed into a system of transporting begging bowls by train or plane up and down the country—begging for decisions that should be made locally to be made out of London. The great wen has become more and more dominant in our lives, and it is right to give more powers, institutions and accountability to the regions, so that local people can control matters locally and Government can be made accountable. We should bring democracy closer to the people. There is a craving in modern society to be listened to, and the proposal is a way of satisfying that craving.

Increasingly, there is a regional basis to modern life. One has only to consider the M62, which in a sense is the village street of the new north. It unites the social, business and cultural capitals of the area into one developing corridor. Life is no longer lived locally: people travel further to work; they travel from Grimsby to Hull and Sheffield to go to the theatre; they travel all the way to Hull, Sheffield and Huddersfield to go to university; and they shop at Meadowhall. Nowadays, great regional shopping centres are an important basis of life—in the north-east, people shop at the Metro centre. It is right to recognise that, increasingly, we live on a regional basis. Regional institutions alone can manage a big enough framework, have the authority to make a difference to people's lives, and give us effective accountability and controls. We should therefore pass functions down from London to them, and make those functions more accountable to the people of the area.

I am glad that throughout the north people are working together on this issue, because that is the part of the country that I come from and am proud of. However, it has been badly treated by successive Governments, so we should give it a voice. We get a bad deal in the north and receive less public spending per capita than any other part of the country. London gets all the big spending projects, such as the Olympics and the dome—it is welcome to the latter. We have suffered far more grievous blows from the decline of our basic industries than the south has, and we have higher unemployment, and lower levels of investment, education, skills and training. All those issues have to be tackled. We need a platform from which to fight back and address the north's demands and needs.

We have seen what synergy has produced in Scotland, where the regional development agency is powered by democracy in the form of the Scottish Parliament. We need and want such development in the north, because we have seen the beneficial effects in Scotland. Given those genuine demands, the Tory position is pathetic. It is rather like the old Mort Sahl joke from the 1950s—old Republicans and, perhaps, old Conservatives believe that nothing should ever be done for the first time, whereas modern Republicans and, presumably, modern Conservatives, believe that it should be done, but not now. That stems from fear, and the Tories have a history of such behaviour—they opposed the Scottish Development Agency, Scottish devolution, Welsh devolution, the London assembly and the Mayor. They oppose the introduction of such measures, then quickly accept them. They will do exactly the same with regional government for the north, unless the right hon. Member for Skipton and Ripon wants to tell us that they will abolish the London assembly, devolution in Scotland and Wales, the Scottish Development Agency and regional development agencies. As he does not want to do so, the same difficult learning process—the Opposition are the SEN material whom we have to teach—will take place on regional government.

The right hon. Member for Skipton and Ripon said that he might support regional government if it had more power to make a difference. His constituency predecessor, Mr. Watson, echoed that argument in the no campaign in Yorkshire. They say that they would support regional government if it had more powers, but I do not believe that they would. Regional government should have more power, but do they not accept that there is a case for creating regional government to which we can attach more powers as it proves itself, as the

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people accept it and as it creates a useful role for itself? We must build the base before we can concede those powers, and that is what the Government propose to do.

Mr. George Osborne: Will the hon. Gentleman give way?

Mr. Mitchell: No, time is pressing, as it is for other speakers.

I am in favour of the Government's proposals, as I believe that the north needs the same powers as Scotland. I believe that we should have powers over the police, the health service, education, and learning and skills, and I should like to see the introduction of a regional tax component. I admit that that is the ultimate aim, but we must start to build the structures before we move towards a larger perspective. If the right hon. Member for Skipton and Ripon would support regional government with more powers, I do not understand why he is not participating in the consultation that the Government and Labour Members are holding on the powers of regional assemblies. I believe that the most convenient consultation for him is in Calderdale, and I would welcome him there. I shall hold a similar consultation in Grimsby, where he would also be welcome. He could come along and tell us what the powers should be. That would be a useful contribution to the debate, in contrast to his extensive quibbles this afternoon.

It is sensible to have regional government and to let the north lead the way, because it is an area where all three entities have a sense of regional identity and pride—perhaps not as strong overall as it is in the Geordie nation, although Yorkshire is a pretty proud county. If we are allowed to lead the way, we will set an example that the east midlands and west midlands will want to follow, and so it will spread down the country—development that progresses from north to south instead of being imposed from south to north.

The process will not be easy, because it is difficult to break Whitehall's grip on anything, or to get Departments and civil servants to transfer out of London to bring jobs to the regions. Nevertheless, we have to make the attempt, because the north needs that stimulus and those powers. This provides a platform on which to fight back. On that basis, I say more power to my right hon. Friend the Deputy Prime Minister and more power to the assemblies—let us support them and tell our people about the advantages that they will bring.

5.35 pm

Mr. Peter Atkinson (Hexham) (Con): I agree with one thing that the hon. Member for Great Grimsby (Mr. Mitchell) said—it is very difficult to make Whitehall let go of powers. Any optimism about being able to grab such powers in future is therefore utterly misplaced.

I must, however, challenge the hon. Gentleman's attempt to rewrite history in relation to the Conservative party, which is not, and never was, a stick-in-the-mud party. He will remember 1979 as well as I do. The start of Mrs. Thatcher's Government started the revival of the north—*[Interruption.]* The hon. Gentleman and his hon. Friends may laugh, but let me tell him that in my years of experience of this Government, the more noise Labour Members make, the weaker their case.

The revival of the north commenced as the old industries died and were replaced by the new industries that are benefiting the area today.

Mr. Jenkin: Did my hon. Friend read what the director of CBI North East, Steve Rankin, wrote in an open letter to the Deputy Prime Minister in *The Journal*? He said:

> "You must admit that the North-East has changed dramatically for the better over the past quarter of a century and that there are sound policies in place".

That past quarter of a century includes 18 years of Conservative government.

Mr. Atkinson: I am grateful to my hon. Friend. I did read that, and it is completely true.

Mr. Neil Turner: Will the hon. Gentleman give way?

Mr. Atkinson: In a minute.

I remind the hon. Member for Great Grimsby that we introduced organisations such as the Tyne and Wear development corporation that were amazingly successful—one can see the results in the city of Newcastle today—and that we did it in the teeth of opposition from Labour Members, who believed that the old local government structure was the right way to deliver improvements in the north-east, and resisted our new, modern method, which was ultimately so successful. The conservatives with a small "c" are to be found on the Government Benches, not on these Benches.

Andy Burnham: Will the hon. Gentleman give way?

Mr. Atkinson: Not for the moment.

The more bluster that we hear from Government Front Benchers—today we heard some vintage bluster from the Deputy Prime Minister—the more we realise how weak is their case. The Deputy Prime Minister is in danger of presiding over another constitutional cock-up to follow the Lord Chancellor's dismissal on the back of an envelope, the muddle over the setting up of the supreme court and the muddle over House of Lords reform.

It all started in December 2002 with the first public consultation. Since then, we have had an Act of Parliament, a White Paper, regional roadshows, decisions on postal voting in the referendums, decisions about cash for the campaigns and the establishment of a boundary committee to consider how to dismantle the local government structures in, to cite my local area, Northumberland and County Durham. However, we have had no real meat in terms of details about the referendum vote in October. Having listened to the Deputy Prime Minister's speech—I shall read it very carefully in *Hansard*, although I imagine it will take a bit of editing—I am frankly none the wiser about what will be in the Bill in July and what will be voted on in October. Regional assemblies have been a live issue for

so long that it is wrong that the public, who have to decide on the matter, have no idea where genuine power lies and how much power there will be.

If someone approached me and said that a major effort would be made to devolve powers from Whitehall to local levels, I, like many hon. Members, believe that we could have a sensible debate. However, that is not on offer. The Liberals, in their wonderfully optimistic way, appear to believe that once regional assemblies are in place, they will grab all sorts of powers, as if they would have the money and power to dual-carriage the A1 in Northumberland. They will not do that. We know perfectly well that the Home Secretary will not give up powers over the police and that the Secretary of State for Health will not put his job on the line when delivering targets to a regional government. Whitehall will not give such powers to regional assemblies.

The Deputy Prime Minister mentioned—if I understood him correctly—118 quangos in the north with 3,000 board members. He appeared to imply that regional assemblies would take power over them. Does that include national health service trusts? Will such matters form part of the so-called new regional assemblies' bailiwick? We called the debate because we wanted some information about what would be discussed and what we should campaign for between now and the autumn, when the referendum will take place. However, we are none the wiser.

The Deputy Prime Minister has travelled around the country making all sorts of promises. He hinted that regional assemblies would mean an end of the Barnett formula, which is amazingly controversial in the north-east of England because we feel that it discriminates unfairly against us. The right hon. Gentleman has therefore been whispering to people in the north-east, "'Ere mate, once you get this assembly, it'll be all right. We can scrap the Barnett formula." However, he will not say that north of the border; he had better not let Scottish Labour Members of Parliament know about it.

The Deputy Prime Minister has mentioned giving regional assemblies powers over the police. I have a letter from the North East assembly, which is called "The Voice for the Region" and is a prototype regional assembly. The letter gives a report of a meeting between the Deputy Prime Minister and business people. It states:

> "Mr. Prescott also highlighted examples of moves towards devolved decision-making in both the police and fire services".

The right hon. Gentleman therefore tells local people things that he knows he will ultimately not implement because he will not have the power to do so.

The Deputy Prime Minister has also hinted that learning and skills councils will be organised on a regional basis. Our learning and skills council in Northumberland is effective and well run. We do not want to lose that local body and have it placed on a regional basis. It deals with problems in Northumberland that, in some ways, are different from those in other parts of the region. Some are unique to Northumberland.

My hon. Friend the Member for North Essex (Mr. Jenkin) mentioned the letter that Steve Rankin, the director of CBI North East, sent to *The Journal*, which decently published it, because the Deputy Prime Minister failed to invite him to the business meeting and he believed that he had to respond.

Joyce Quin: The hon. Gentleman may be a little confused. Steve Rankin was present at the business meeting that the Deputy Prime Minister conducted in Newcastle two or three weeks ago, during which some members of the business community expressed strong support for regional government.

Mr. Atkinson: Perhaps the article is out of date. It states:

> "The CBI's invitation to the meeting must clearly have gone astray, so I shall not be there."

Perhaps Steve Rankin got an invitation as a result of the article. If it was lost in the post and he subsequently went to the meeting, I apologise. However, the article is sensible and it is worth quoting to show hon. Members the views of a leading member of the business community. It states:

> "All that is on the table is the proposal for an elected regional assembly, without any convincing evidence that Ministers and Whitehall civil servants are prepared to decentralise any significant decision-making to the region. The Treasury, in particular, remains reluctant to relinquish any of its spending powers to regional bodies. So what we are left with is the democratic rump."

That sums up the views of the business community. We have structures but no sensible powers for the direction of the regional assembly.

My last point is that the campaign for regional government is causing serious collateral damage to the region, because of uncertainty about the direction in which it will go and what powers it will have. All sorts of vested interests say that the north-east has real problems to which the solution is a regional assembly. Clearly, however, these talking shops will have little ability to solve our regional problems. We should be highlighting the positive aspects of the north-east region. Whatever Labour Members say, the days of coal, shipbuilding and heavy industry have gone, and we are building a new economy in the north-east based on many local businesses that have grown up, are successful and are becoming successful. We have important companies such as Northern Rock, Sage, and a well-known national baker, Greggs. We have universities, with more than 35,000 undergraduates and more people employed in academia in Newcastle than in shipyards.

The economy is therefore changing, but what we get is people highlighting the problems all the time. There is a campaign for the learning and skills council to be taken over because we have the worst record on skills, education and training in the country. As a result, the negative things about the region are highlighted all the time. What makes me angry is that those disadvantages, which we are struggling to overcome, are being highlighted on a false premise that the solution is to set up another talking shop—in our case, a 25-member assembly—which will have the powers to put that right, when we know perfectly well that it will not.

The people of the north-east are being conned—the regional assembly will not help them, it will not help to solve the problems of the region, it will cost them a considerable amount of money, it will change the local

[Mr. Atkinson]

government structure in a damaging way, taking local decisions away from people, and it will provide no benefit in the long term to the economy of the region.

5.46 pm

Mr. Neil Turner (Wigan) (Lab): It is a sad fact that the more the Conservatives talk of freedoms for local government and so on, the more they oppose those freedoms. We saw that in their opposition to this devolution of powers, and we saw it in the powers that they took away from local government when they were in office. We saw it in their opposition to the Scottish Parliament, the Welsh Assembly, the London Assembly and even foundation hospitals. Now we see it in their opposition to regional assemblies.

The hon. Member for Hexham (Mr. Atkinson) commented on the regional development agencies and why they were opposed by people in the north-east and the north-west. We did not oppose the idea of regional development agencies; we opposed the fact that they were not accountable to anyone in the regions in which they were set up. The whole argument about regional assemblies relates to the democratic deficit and the need to provide accountability.

Mr. Atkinson: I want to make it clear that I was talking not about the regional development agencies but about the regional development corporations, which were slightly different.

Mr. Turner: I agree, but that reinforces the point, because the regional development corporations were much less accountable than the regional development agencies, which at least have some accountability to the regional assemblies that were appointed.

This country's constitution is an unwritten one. One of the great benefits of that is that incremental changes can be made to it on a basis that suits the changing needs and requirements of society. I therefore welcome the Deputy Prime Minister's proposals to allow additional powers, and I hope that the eventual Bill will include a clause that will give the Deputy Prime Minister, or whoever is the Secretary of State at the time, the ability to devolve more and more powers down from central government to regional assemblies. What we should be doing is making sure that we can prove that the north-west, the north-east and Yorkshire and Humber can make a success of their powers and can move forward to gather more powers as they are more successful.

The motion shows not just that the Conservatives are opposed to regional assemblies but how old-fashioned their thinking is. They are living in a time warp in terms of the way in which powers are looked at. They seem to think that powers are as they were previously, when there was no crossover or connection between various organisations and local authorities, and no co-operation. That is not the case. The whole point about our excellent councils is that they do cross over with and talk to other organisations, both within the council and outside, which makes them much more effective. The world has moved on, and the regional assemblies will be able to be much more co-operative and partnership-orientated than they would have been in the past.

Mr. Edward Davey: The motion does not say that the Conservative party opposes elected regional assemblies—mainly because its Front Benchers are confused about their position.

Mr. Turner: That may well be true, but no one would think, having listened to the speeches we have heard, that the Conservatives were other than opposed to the idea. Certainly all the Conservative Members from whom I have heard have been campaigning for a no vote, at least in the north-west.

Strategic bodies such as regional assemblies must consider local needs. As the White Paper says, they must take account of planning, housing, transport and so forth. That does not subvert the role of local authorities; it enhances it. Just before Christmas, I received information from the Government office for the north-west about the capital programme for council housing allocations. I do not think decisions like that should be made by bureaucratic organisations such as the Government office. I think they should be made by a body that is accountable to people in the north-west.

The point about the Government office in the north-west is not just that it is not accountable to those people. It is, in fact, accountable to Whitehall—to civil servants who are answerable to Ministers. That removes it a step further. Bureaucrats who have no idea of the difference between Wigan and Wigton, or between Stockport and Southport, are making decisions about the north-west. A regional assembly that is rooted in the north-west will understand its problems, and will be able to make decisions about priorities.

It would be wrong of me to suggest that I do not want more powers for the regional assemblies. I think that virtually everyone who supports the principle of regional government wants them to have more powers. Nevertheless, I think that we in the north-west should prove that we can make a success of things before earning those extra powers. Powers in themselves are not necessarily the important, defining issue. Manchester city council, for instance, failed in its bid for the Olympic games and was understandably dismayed, but not disheartened. It learned from its failure, realised where it had gone wrong, and made a successful bid for the 2002 Commonwealth games.

Manchester has no more powers than any other unitary district council, and has fewer resources than some. It looked beyond its own boundaries: it presented other members of the Association of Greater Manchester Authorities, businesses, universities and voluntary bodies with its hugely successful plan for the Commonwealth games. In that instance, it was not power but vision that was important. The council's determination to work with all its partners made the games a success.

I believe that there will be a yes vote in the north-west, for a number of reasons. We are proud of our history. Our region was the birthplace of the industrial revolution, which shows that we have the ability and the skills to ensure that we are part of the new economies.

We are proud of our cities. Manchester is a hugely developing city. It is regenerating itself. Liverpool is to be European city of culture. We are hugely proud of that and of the way in which it has gone from the devastation caused in the 1970s and 1980s to the kind of city that it is now.

We have vitality. The north-west's music industry is tremendous. The arts in the north-west are bursting with vitality. We have the capacity and capability to ensure that our world-class universities, businesses, entrepreneurs and work force become leaders of the new economy, just as we were the leaders of the old economy.

More importantly, in the north-west, we have a vision. We know where we want to go. We have the determination to make that vision a reality. More importantly still, we have the confidence to ensure that we forge our future in the north-west and make it a place in which children will be proud to be brought up. The best way of achieving that is to ensure that we have the capacity and ability, through the structures of the north-west—the regional assembly—to turn that into reality.

5.56 pm

Mr. George Osborne (Tatton) (Con): This has been an interesting debate, not least because the interventions by the hon. Members for Pendle (Mr. Prentice) and for Morecambe and Lunesdale (Geraldine Smith) on the Deputy Prime Minister showed that it is not a party political debate, as Government Front Benchers would have us believe. In the north-west last summer, I got together with the hon. Members for Knowsley, North and Sefton, East (Mr. Howarth), for Manchester, Blackley (Mr. Stringer) and other Labour Members to create a no campaign. Indeed, we got together with the Labour leader of Lancashire county council and other local authority leaders from the Labour party. The reason we were able to create a broad coalition, which has not been replicated on the yes side to any degree, is that people have a number of concerns about regional government in the north-west.

Some, like me, I fully confess, are against regional government. I represent a county seat in Cheshire. We do not want Cheshire to be abolished. We do not want its identity to be abolished. We do not want decisions to be taken away from the rural community in Cheshire and taken into metropolitan areas. However, the reason why the hon. Members for Knowsley, North and Sefton, East and for Manchester, Blackley object to the proposal is that they want to see a city government form of region for Liverpool and Manchester respectively. Indeed, some people have joined our campaign because they do not think enough powers are being devolved.

Mr. Dawson: Can the hon. Gentleman please explain to me, as one Member from a rural constituency to another Member from a rural constituency, what the particular advantages of city government for Liverpool and Manchester would be for the people whom we represent?

Mr. Osborne: With the greatest respect, it is of no great interest to my constituents how Manchester or Liverpool govern themselves. That is an issue for the people of Manchester and Liverpool and their representatives, not an issue for the people of Cheshire.

We have come together, as a broad no coalition that is relatively well funded and organised at this early stage, to oppose the Government's plans and the yes campaign. We were prepared to have an argy-bargy with the yes campaign and to trade literature with it. We were less prepared for the extraordinary Government propaganda campaign that has started, funded of course by the taxpayer.

The campaign is exemplified by the leaflet that I have here, and I believe that similar leaflets have gone out in other northern regions. It is called "A new opportunity for the North West" and was sent to me by the director of the regional government office. It purports to be an information leaflet but it is the most biased, one-sided piece of propaganda that has been produced by a Government Department in living memory. It is extraordinary.

The picture on the front cover is of four people in Blackpool. There are two rather surly looking men with hats on with their thumbs down and two smiling young ladies with their thumbs up. That sets the tone for the argument throughout the rest of the leaflet.

For example, there is a section on a new form of government. It says:

"You could vote for a new form of elected government in the North West, a regional assembly that would:

give your region a voice".

Excuse me, but I thought that our region did have a voice—through its Members of Parliament. I am bound to say that the vast majority of those Members are Labour Members, but if the Government do not think that that has resulted in the north-west's having a strong voice in Parliament, I suggest that the problem lies within the Labour party and its Members of Parliament. I feel, as do other Conservative MPs, that we provide a strong voice for the north-west in Parliament, and I know that the Labour MPs involved in our campaign feel that they can do the same.

The leaflet continues by stating that a regional assembly would

"be more inclusive—you could get involved".

That strikes me as very interesting. How can a regional assembly be more inclusive? Under the Government's proposals, Cheshire could have just two representatives, each of whom would represent 300,000 people. In the process, the Government could abolish a system that involves 50 councillors. How can it possibly be more inclusive to have two representatives representing a third of a million people each?

The leaflet continues:

"Why have an elected regional assembly? Currently, responsibility for issues such as jobs, housing, and transport in the North West is split between many different—largely unelected—organisations . . . The Government believes that the people who have responsibility for such important issues should be democratically elected by, and accountable to, the people who are affected by their decisions."

I agree, but that accountability comes through the Minister. The Minister—like the Deputy Prime Minister and all Ministers who sit on the Government Front Bench—is responsible for such matters. They are accountable because they are elected through the House of Commons at general elections. That is accountability. It is just wrong to say that there is no accountability for regional organisations. Such accountability flows through Ministers, in the way it has traditionally done.

[Mr. Osborne]

The leaflet also sets out some of the functions of a regional assembly. Such functions are at the heart of the reason why we have initiated this debate, because many of them remain opaque. However, let us see what the Government say those functions will be:

"Developing the economy of the North West would be at the heart of the assembly's work."

Of course I want the north-west's economy to be developed, but I do not see how having a regional talking shop will do that, and nor, indeed, do any of the regional business organisations. That is why the regional CBI has opposed it and the chambers of commerce have opposed it. *[Interruption.]* It is clear that there is doubt among Labour Members, so let me tell them what the Warrington chamber of commerce, in partnership with the North Cheshire, Wirral and North Wales chambers of commerce, said. They advise the Government

"to abandon this project before it wastes a great deal of money on a level of government that few people want and even less people need."

Overseeing skills will be another function of the elected assembly. I have done some research, and the results were quite interesting. The Deputy Prime Minister had a meeting with the yes campaign in the north-west in December. Unfortunately, the minutes of that meeting were leaked. They record the following:

"In terms of the additional powers over regional skills and training function, Mr. Prescott said that this is an ongoing issue as the Department for Education and Skills would like to keep skills training where it is".

What a surprise.

I was a little surprised by the argument advanced by the hon. Members for Great Grimsby (Mr. Mitchell) and for Wigan (Mr. Turner). In essence, the hon. Member for Wigan conceded that very few powers are currently being given to regional assemblies, but he said that we could build on them and thereby get a foot in the door. If he seriously thinks that Whitehall is going to concede more powers to regional assemblies over time, I am afraid that he is mistaken. That is not the way Whitehall works. What will happen, of course, is that the powers will be sucked up from local government as regional government establishes itself. I offer the hon. Gentleman some candid advice. If he wants to argue the case for more powers for his regional government, he should do so now—before the referendum and before the Bill—so that he can establish them now. There is no sign that Whitehall departments are going to concede those powers.

The leaflet says that housing, planning and fire and rescue services would also be the responsibility of regional government. Local government currently holds most of those powers, so this is not devolution but sucking power up. Fire services in Cheshire are currently organised by the Cheshire fire authority. Under these proposals, the powers will be sucked up into a regional assembly. There are also powers over public health, culture, tourism and sport, and the environment.

Anyone reading the leaflet would assume that the implication is that the regional assembly will have lots of money to spend on sports facilities, cleaning up the environment, health services and so on. Of course, that is not the case. There will be no more than a power to sit on consortiums and forums, to issue consultation papers and strategies and to be consulted and consult. This will not be about spending real money on real things, which is what people would expect and what, if they read this leaflet, they would be led to believe.

Lord Rooker gave the game away last year in the other place. On 28 April, he said there would be no new powers and no new money for regional government. That is the truth. What there will be, of course, are extra costs.

Mr. Jenkin: Is my hon. Friend telling me that Lord Rooker's comments about no new powers and no new money have not gone into the leaflet given to the general public? Is that not an extraordinary omission from what is supposed to be a piece of Government information that dispassionately explains the facts?

Mr. Osborne: My hon. Friend makes a very good point. I have read the leaflet from cover to cover and back again, and, for some reason, nowhere in it are Lord Rooker's comments to be found. Then again, nor do certain comments made by the Minister for Local Government, Regional Governance and Fire appear in it. There is nothing on the turnout issue, on which I pressed the Deputy Prime Minister. The leaflet asks how the referendums will be decided, and says that it will be by a simple majority. I can see the local government Minister nodding at that. Last year, though, when he was asked what would happen if the turnout was derisory, he said that the result would be set aside.

The Minister for Local Government, Regional Governance and Fire (Mr. Nick Raynsford): I never said that the result would be set aside. I pointed out that the referendums were advisory and that the Government would not be bound to implement proposals if the turnout was derisory. I stand by that.

Mr. Osborne: I am delighted that I gave way. It is interesting to have that remark on the record once again. I suggest that the Minister should inform the Deputy Prime Minister of that—*[Interruption.]* Maybe he has, but the Deputy Prime Minister did not seem to know it. Perhaps the Minister will tell us later what he would consider to be a derisory turnout. Indeed, will he support the private Member's Bill put forward by the hon. Member for Pendle (Mr. Prentice)? Perhaps the Minister thinks that 50 per cent. is too high a figure, and that that would not be a derisory turnout.

Mr. Raynsford: It is a threshold.

Mr. Osborne: In that case, perhaps the Minister will tell us in his wind-up speech what a derisory figure would be. It would be interesting to know whether the Government would not proceed with regional assemblies if the turnout was too low, which is certainly what the Minister has just said.

The leaflet was produced at considerable public expense, costing £500,000. The chairman of the very successful yes campaign for the Scottish Parliament, Nigel Smith, told me that the entire literature budget of that campaign was, to his recollection, not as much as

that. Yet the Government have already spent that, long before the referendum has arisen. Luckily, there is an organisation—North-West Says No—that brings together Members of Parliament from the Labour party and the Conservative party and local government people from the Liberal Democrat, Conservative and Labour parties. It also has the heavyweight support of Sir Cyril Smith, who is well known in the region. I am convinced that, as we point out that the assembly will be an expensive talking shop that does nothing to bring new jobs and investment to the region and nothing to improve transport links, but merely undermines local democracy and accountability, we will carry the day.

6.8 pm

Mr. David Clelland (Tyne Bridge) (Lab): To listen to the hon. Member for Tatton (Mr. Osborne), one would think that regions were of no importance to the governance of our country. In fact, the importance of regions has been recognised throughout the last century by all political parties and Governments. It was, as has been said, a Conservative Government who went further than any other in recognising the importance of regions by setting up the regional offices. They recognised that they could not run all the regions from Whitehall. Our argument with that is that it was not a democratic way of running the regions. The debate is not a party political one that has simply to do with Labour's regional policy. All Governments have had regional policies of one sort or another.

Two main arguments appear to be emerging in the north-east as the campaign gets under way. First, the no campaign say, "We don't want any more politicians." I must point out to those who use that argument—I have a great deal of sympathy with the argument advanced by my hon. Friend the Member for Great Grimsby (Mr. Mitchell)—that compared with other democracies we are poorly represented by elected representatives in this country. Notwithstanding that, because there are more than 300 councillors in Northumberland and more than 400 councillors in Durham, if the people in the north-east vote for regional government there will obviously be a reduction in locally elected councillors, so there will be fewer politicians, not more. Those who argue that they do not want more politicians should vote yes in the referendum because regional government will result in fewer politicians.

The second argument concerns powers, and it has formed part of today's discussion. It is odd to argue against regional government because it is not powerful enough. That is like a homeless family being offered a home but refusing to move in because it does not have a porch, a conservatory and a swimming pool. When people move into a property, they wait until they feel comfortable and then they begin to add to it up, and the same is true of regional government. When regional government is set up and people see what it can do and how it can work, regional government and central Government will talk about increasing powers.

I do not share the scepticism of Conservative Members that powers will never increase because Whitehall will never let them go; the Government have already moved towards letting powers go. If people are ever foolish enough to vote for a Tory Government, they may find that powers are withdrawn from the regions and local authorities and returned to London, but some Governments—this is one of them—will devolve powers to the regions. I sympathise with the points made by some of my hon. Friends and the Deputy Prime Minister and would like to see some of the powers outlined in the White Paper extended in the draft Bill before the referendums.

It is important for my region that the learning and skills councils are brought under the purview of regional government. It is nonsense that regional government should be responsible for economic development but not have that vital link to skills, training and learning. There are problems in the region in relation to skills and training such as the skills gap and low productivity. The unemployment rate is very high in the north-east, and we have a poor culture of lifelong learning, low educational and career aspirations, skills shortages in certain areas, an underperforming labour market and low demand for higher skills. Developing higher skills is a crucial factor in improving economic growth in the north-east, and I therefore hope that my right hon. Friend the Minister can tell us more in his winding-up speech than the Deputy Prime Minister told us the other day about the possibility of learning and skills councils coming under regional government.

Mr. Jenkin: Does that not underline our point? The hon. Gentleman is asking for information about the powers that the assemblies will have, and he has listened to the Deputy Prime Minister, who has not told him the answer. Our point is that people are not getting a clear picture of the powers that the assemblies will have.

Mr. Clelland: We have a clear picture of the initial powers because they are contained in the White Paper, so there is no question about that, and those of us in the yes campaign are already campaigning on that point. We have been promised that the draft Bill will be produced before the summer recess, and it will provide a further example of how the powers might develop. Other hon. Members and I are trying to beef up the powers so that when we get the draft Bill there are extra powers over and above the White Paper, which will undoubtedly help our campaign.

I should like powers on transport to be devolved to regional authorities. Our transport priorities in the north-east would certainly be different from those of central Government and the Highways Agency. We want devolved powers so that we can tackle problems such as the A1 north of Newcastle—although I agree with the hon. Member for Hexham (Mr. Atkinson) that we need to be practical and that things cannot happen overnight. However, the A1 improvements would have a much higher priority under regional government, as would the completion of improvements to the A69 and the urgent work needed to relieve congestion on the western bypass.

Of course, devolved transport powers would cover not only roads, but the rail infrastructure, buses and the integration of our transport system, which, like learning and skills, is extremely important to the developing economy of the region. I hope that the powers set out in the White Paper will be extended under the draft Bill. Even as currently proposed, they are a step forward that the country needs to take to become a more modern and vibrant democracy. The choice for the people of the regions is simple, as I shall tell the people of the north-

[Mr. Clelland]

east: do they want the concentration of power in London to continue, or do they want some of that power in their region where they can have an influence on it? The question is simple and I think that when people are given the opportunity to vote on regional assemblies, they will vote yes.

6.16 pm

Mr. Graham Brady (Altrincham and Sale, West) (Con): I am pleased to follow the hon. Member for Tyne Bridge (Mr. Clelland), not least because he has long been a consistent supporter of regional government. He expresses his views on the subject honestly and trenchantly.

However, the hon. Gentleman has also done much to make the argument for our proposal. He said that the initial powers were set out in the White Paper and explained that the draft Bill would shed a little more light on them. However, he then said that he hoped there would be more in the draft Bill than there had been in the White Paper, which implies that he believes it preferable for the powers of a regional assembly to develop and increase over time. That is precisely the proposition, which is, I think, irrefutable, set out by my right hon. Friend the Member for Skipton and Ripon (Mr. Curry) at the outset of the debate: the people who, in the autumn, are to be given the opportunity—albeit not one that they particularly wanted—to vote on the question of regional assemblies ought to know exactly what they are voting on.

There was no suggestion from the hon. Gentleman that, if there was a significant change in the range of powers for regional assemblies following the referendum, he would expect a further referendum to be held. There would be no further consultation of public opinion as to whether those powers should be increased or changed.

The Government claim to be strong supporters of regional government—the Deputy Prime Minister has certainly been campaigning for it for a long time—and they are prepared to ensure that referendums are held in three regions in the autumn, despite poor expressions of interest from all three during the consultation process. However, as the Government are not prepared to give either the House or the people of the three regions any detail about what the regional assemblies would be empowered to do, we are entitled to ask why they will not give that information.

The most charitable interpretation is that the Government do not want to say definitively what the powers will be, as they might change during the passage of the Bill. The Bill that will be considered in the summer will of course be only a draft; there is no guarantee that it will even have been introduced in Parliament by the time the referendums are held. It is thus possible that, through no fault of the Government, the powers might be different after the referendum. That reason might fall into the category of Government incompetence; they do not know what the powers will be, because they cannot control the process—they have been unable to pass the legislation.

Another answer might be that the Government cannot agree among themselves what the powers should be. There is a strong suspicion that the Prime Minister is not really interested in regional government and does not support it, but is merely humouring the Deputy Prime Minister. He is getting the Deputy Prime Minister out from under his feet by sending him off on tours around the regions. That has a ring of truth about it. If it is not incompetence, perhaps the reason is confusion in the Government, and they simply do not know what they want to do or cannot agree.

There is the third and more worrying possibility that the Government know precisely what they would like the regional assemblies to do, know what their powers should be, but do not want the public to know. That would be a deliberate act of deception. I prefer to take the more charitable view, but we are left wondering.

What we have to suspect, though, is that the Prime Minister knows that he does not want significant powers to go to the regional assemblies, because that has been the pattern of his behaviour through the whole of the Government's devolution strategy, if it can be called a strategy. Their plan has been to devolve powers, whether to London or Wales, and then busily set about trying to claw them back or to make sure that they can control the people elected to run the bodies in question: throwing Ken Livingstone out of the Labour party and then taking him back in; trying to decide who should be the First Minister in Wales.

A picture of confusion emerges. The Deputy Prime Minister, in a classic performance, a great performance very much in keeping with his tradition and style, did nothing to dispel any of the existing confusion and actually sought to advance it during his speech. It was remarkable that he accused my right hon. Friend the Member for Skipton and Ripon of being confused on the subject, saying that it was the most confusing argument he had ever heard. The words "kettle", "pot" and "black" came to mind, though not necessarily in that order.

The Deputy Prime Minister has been selectively advancing the argument that the Barnett formula should be reviewed. He apparently believes that that might be one of the advantages of moving towards regional government. When I challenged him on the matter, the result of my intervention was interesting. I asked him to give an argument for keeping the Barnett formula, given that he had said that Scottish devolution had removed the regional economic disparity between Scotland and England, but he carefully refused to give me any answer. He said that the Government and his Department were constantly reviewing all kinds of financial arrangements. When I sought to intervene again to establish very clearly whether the financial arrangements that the Government were constantly reviewing included the Barnett formula, he would not take my intervention. I very much hope that in winding up the local government Minister will respond on this point: do the Government welcome a review of the Barnett formula or not?

Mr. George Osborne: Does my hon. Friend suspect that what the Deputy Prime Minister was trying to do was to float the idea in the north-east, generate lots of local excitement that the Barnett formula might be

removed in advance of the regional referendum, and then do absolutely nothing about it after the referendum takes place?

Mr. Brady: I am grateful for my hon. Friend's intervention, but I think that he is falling into the trap of imagining that this was a deliberate strategy on the part of the Deputy Prime Minister. I think that perhaps the right hon. Gentleman merely opened his mouth before engaging his brain, and the first thing that emerged was what appeared to be an argument that was popular where he was at the time.

We need to know, and people on both sides of the English-Scottish border need to know, whether the Barnett formula is being reviewed or not.

The Deputy Prime Minister also confirmed that the powers that he and the Government have in mind for regional assemblies have changed since the White Paper was published. As one example he cited the power to veto local planning decisions. Labour Members try to advance the argument that regional assemblies will increase democratic accountability, and then one of the principal changes that have taken place already, before we have the draft Bill, reduces local decision making and accountability, taking those powers away from local people to a more remote tier of government.

Of course Ministers are very fond of claiming that such change will not increase the number of tiers of government. The Minister is nodding in agreement while he sits on the Treasury Bench, yet it is absolutely certain that, for my constituents, who currently live in a single-tier metropolitan borough authority, his proposals—if he has his way—will lead to an extra, unnecessary tier of bureaucracy, costs and politicians. The fact is that that unitary authority has been able to function effectively. It worked very well, until Labour took over the administration of Trafford borough council in 1996, and it will improve again in June, when Labour loses control of the council. There is nothing wrong structurally with that unitary authority and that single tier, which works extremely well.

Obviously, colleagues who represent constituencies in shire counties are free to believe that the alternative is a better structure, and I am happy with that. Those of us who represent constituencies with unitary authorities, however—single-tier authorities—believe that they are perfectly efficient structures for local government, but, if the Government have their way, we will be faced with an unnecessary, additional tier of bureaucrats and politicians that we simply do not want.

I should like to touch on another issue briefly. During the opening speeches, my hon. Friend the Member for Tatton (Mr. Osborne) referred to the possible effects of using proportional representation in any assembly election and the danger that that might provide an opportunity for minority parties—some of them are particularly unpleasant, such as the British National party—to gain a foothold in the assembly. The Minister shook his head and vehemently disagreed with that suggestion, but I have not yet heard him give any reason why he is confident that the PR system, if it is put in place, will not allow for that possibility. I would welcome a response on that point. I would also welcome his comments on the danger of fraud if we opt for postal ballots, particularly given today's revelations about the integrity of the electoral roll in some areas.

6.27 pm

Andy Burnham (Leigh) (Lab): We have heard Opposition Members advance some interesting arguments today, but the one that I will take away involved the image of the great Tory revival of the north. May I offer a genuine and warm invitation to the hon. Member for Hexham (Mr. Atkinson) to come to Leigh at any time to deliver that speech? We will see what reaction he gets if he does. The fact that they have all glossed over is that we live in a country where health, wealth and life chances are unevenly spread, both by social class and geographically. Over the years, many people have been motivated to come to the House to do something about that. Some people have come here because they want to keep things that way. Sadly, that group has held sway.

In truth, there are complicated reasons why Britain is still an unequal country, but it is a fact that children born today in Liverpool or Manchester can expect to lead shorter, unhealthier lives than those born in towns across the south. They can expect to earn less and to have less chance of going into higher education. Whatever the detailed reasons for that, without doubt, the underlying essential truth is that, for centuries, political power and resources have been disproportionately concentrated in the south of this country, leading to a southern bias in decision making and helping to create an entrenched north-south divide.

Mr. Brady: Will the hon. Gentleman give way?

Andy Burnham: Time is short, and other hon. Members wish to speak.

Today, we are debating a proposal to begin loosening that grip on the levers of power and to take power away from Whitehall and place it in the hands of elected people in the regions. Those who oppose that have sought to engender cynicism about politicians and politics. Opposition Members have not used them, but people on the same campaign will use phrases such as "jobs for the boys" and "gravy train"—we can hear it all now. The hon. Member for Altrincham and Sale, West (Mr. Brady) should understand that that is easy pub talk and that it is far harder to make a case for change, but we will do just that.

Tomorrow, the yes for the north-west campaign will be launched in locations across our region. The hon. Member for Tatton (Mr. Osborne) said that there was no great rising up of enthusiasm and no great cross-party support. He should just wait and see. He should look in his local paper tomorrow, or watch the television when he gets back tomorrow evening. There are some serious business figures involved in that campaign.

Mr. George Osborne: It is cross-party.

Andy Burnham: The Liberal party is fully involved in the campaign. Let us just wait and see. I put this point directly to the hon. Member for Altrincham and Sale, West, as he laughs. In arguing for the status quo, he comprehensively fails to illustrate how the systems of government and public administration of this country have served the people of the north-west—including those in his constituency—and elsewhere. The

[Andy Burnham]

Conservatives cannot do that, because on any objective analysis, it is those structures that have created the divided country that we have today.

Let us focus on health inequalities, which are probably the best indicator of the failure or success of public policy. The determinants of health involve not only the share of health resources but—according to Donald Acheson's 1998 independent inquiry into health inequalities—education, employment, average income, housing, transport and other environmental issues.

It is 24 years since Sir Douglas Black published his ground-breaking report on health inequalities. If the system of government that we had in this country had worked properly, we would have seen a steady narrowing of those inequalities in response to that report. Instead, the chief medical officer's annual report for 2001 came to the shocking conclusion that communities in some parts of the north-west and north-east of England had death rates similar to those that prevailed in the 1950s. I do not understand how anyone advancing the case for the status quo could fail to see the importance of that statement—*[Interruption.]* It is to do with regional government, because every one of the responsibilities that we are proposing to devolve to those bodies—housing, skills and so on—has an effect on public health.

That shows how the country is divided at the moment. It is perhaps less the case in the constituency of the hon. Member for Altrincham and Sale, West, but people not far from there have a lower life expectancy than elsewhere, and it behoves all of us to do something about that. Those Members opposed to the proposals need to tell their constituents what plans they have to give the north-west a bigger share of the resources and a greater ability to do something about these important issues for themselves.

Every day, unelected people in Government Departments take decisions on behalf of our constituents. I would like to give the House a flavour of my time in Whitehall. The Department for Culture, Media and Sport, where I was an adviser, is possibly the most London-dominated of all the Departments. I remember well sceptical voices there expressing doubt about Manchester's ability to stage the Commonwealth games. In culture and the arts, London dominates absolutely. Money is given to regional projects if they fit the assumptions of the capital élite, and the view has prevailed for far too long that England's heritage lies in the pretty market towns rather than the industrial north. That view has only recently begun to change, with the extension of the blue plaque scheme to the regions. Regional programming is the strength of British broadcasting, yet the London-based broadcasters often only pay lip service to their regional commitment.

These are all examples of decisions taken in Whitehall that affect our constituents, and it is about time that they had a chance to express their views on such issues themselves. People of my generation recognise the north-west as the place that they come from; they have a growing sense of regional identity and share culture, music, humour and passions. It is about time that we let them organise for themselves the way in which they express that regional identity.

In contrast to the cynics, I believe that a regional assembly could refresh our political culture. A real problem for politicians on both sides is that our political structures are not doing their job. Our councils are sometimes seen as parochial and unable to effect change, and we are sometimes seen as being too remote from the people we represent. That has played a part in disengaging people from politics. If we get the new regional assembly, it could generate new interest in public affairs, and bring in different kinds of decision making. These proposals should go hand in hand with the reform of the House of Lords, which could be indirectly elected from regional lists. If that happened, the voice of the regions would start to boom around the country. That is exactly what a lot of people are very afraid of.

6.34 pm

Mr. John Grogan (Selby) (Lab): I am delighted to have a few minutes to oppose the motion moved by my good parliamentary neighbour the right hon. Member for Skipton and Ripon (Mr. Curry). We need a bit more white rose and a bit less Whitehall. I shall refer to two specific examples arising from the experience that I have gained as a constituency MP in the Yorkshire and Humber area. Regional government would have made a difference in both.

The hon. Members for Tatton (Mr. Osborne) and for Hexham (Mr. Atkinson) placed much emphasis on the economy and business. They asked whether regional government would make a difference to economic development. Interestingly, the regional organisation of the CBI in my area is neutral on the matter. It can see pros and cons, and is open to argument. That is important.

The hon. Member for Hexham mentioned the decline of the coal and steel industries. People in Selby know all about that. The first example that I want to mention has to do with the European spallation source project. It is the principal long-term project of Yorkshire Forward, and is based in my constituency. I shall not explain it in detail, but it involves a neutron scatterer. The project—a massive science park—would amount to a £1 billion investment. It is backed by Yorkshire Forward and the blue-chip institutions that make up the white rose consortium of universities.

I tried for a year to secure a meeting with a Minister about the project. I like to think that I am a reasonably assiduous MP. I vote with the Government—on the whole—and thought that a meeting would probably be granted. In the end, a Yorkshire Forward official, Tom Riordan, had to come down here. An alternative site for the project in Oxfordshire is much beloved of Whitehall civil servants. Only after Tom Riordan criticised their attitude, in the Housing, Planning and Local Government Committee, did the meeting take place.

The business magazine *Insider* published a list of the 100 most important people in Yorkshire. My right hon. Friend the Deputy Prime Minister is not here at the moment, so I can tell the House that he is No. 2 on the list. The managing director of Yorkshire Forward is at the top, and Tom Riordan—that very good servant of

Yorkshire Forward—is at No. 4. Not one local politician is in the top 10. I am at about No. 453. That not one local politician is considered to have influence on economic development is a terrible thing.

If we had a Yorkshire regional assembly, the meeting that I was trying for would have happened an awful lot sooner, and the case that we could have made would have been much stronger. I spent a year trying for a meeting, and the Government are now responding and considering the case that I want to press. However, the delay should not have happened. We need a body with region-wide responsibility to act in such matters.

My second example has to do with transport. The CBI in Yorkshire has pointed out that only £70 of every £100 spent on public transport in England as whole is spent in the Yorkshire and Humber area. I attended a meeting last Friday in the grand surroundings of Hull's guildhall. The company First York won the trans-Pennine rail franchise, but it has cut the service between Hull and Manchester airport. It sent its regional public relations people to tell the various Members of Parliament and council leaders who attended the meeting that the company was not about to change its mind. If we had a regional assembly with powers to make representations to the SRA, and with powers over rail passenger transport grants and local transport plans, the company would have been forced to send representatives of much higher status to the meeting.

I turn now to some of the points made in the debate. How much money would really be controlled by a regional assembly? In Yorkshire, £500 million would be controlled directly, and £1.1 billion indirectly. That sounds a lot to me, and it is much more than I have ever controlled as a politician, but the Opposition say that it is a small percentage of total public expenditure overall. We do not want to control defence in Yorkshire or transfer payments; we want to control the things that influence our economy.

The role of strategies is much mocked. My hon. Friend the Member for Leigh (Andy Burnham) spoke from experience about culture and sport. I wish that Yorkshire could have a regional strategy for sport, controlled by Yorkshire politicians. We love sport in the region, although we are doing terribly badly at cricket and football. The only thing that we have to boast about is Doncaster Rovers—*[Interruption.]* I suppose I could also mention Hull City and Bradford Bulls in that context, but a strategy at grass-roots level to rebuild Yorkshire sport would be a great help.

I could talk about the local government changes in north Yorkshire. They are as complicated in Selby as the Schleswig-Holstein question in the thirty years war or the Alsace-Lorraine question in the first world war. However, I do not have time.

In conclusion, I think that the hearings initiated by my right hon. Friend the Deputy Prime Minister represent a great opportunity. Many of us will make the case for learning and skills, and a little more might be given in respect of transport. When it comes to the great northern vote, I hope that the people of Yorkshire and Humber, for those reasons of economic development above all, will vote yes. An additional reason why they will vote yes is because the last thing that we want in Yorkshire and Humber is for the north-east—the Geordies—and the north-west to have regional assemblies, and for us to be left without one.

6.40 pm

Mr. Bernard Jenkin (North Essex) (Con): We have had an interesting and illuminating debate, and anyone who reads it will realise why so many hon. Members have become enamoured with the idea of elected regional assemblies. They think that they can pick any failing in their constituencies and anything that has gone wrong in their region and pin their hopes on a regional assembly curing all. They say that the projects mentioned by the hon. Member for Selby (Mr. Grogan), life expectancy, health and housing will all be cured by regional assemblies, although, according to the White Paper, they will have virtually no power at all. The debate has served a purpose by exposing the enormous gap between what people say that regional assemblies will do and what the Government's policy actually offers to the people who will participate in the referendums.

I listened to the Deputy Prime Minister with my usual care, but I thought that he got into a muddle when he complained that the Government offices were terribly undemocratic. He did not seem to understand that he is accountable to the House for the operation of the Government offices, and it is his colleagues and mine who hold him to account for that—they are, in fact, accountable. *[Interruption.]* The Deputy Prime Minister scoffs derisively at that comment, but he failed to give any assurance that the Government offices would be handed over to the regional assemblies. They will not be handed over; in fact, they will become more important than ever in enforcing Whitehall's will on regional assemblies and local authorities, as they are doing more and more under this Government.

I was grateful to the hon. Member for Kingston and Surbiton (Mr. Davey) for supporting our motion, but I think that he slightly confused the situation by telling us that he would vote for the Government's amendment as well. I should point out that the amendment commends the Government on the information that they are giving voters on the subject, but our motion does precisely the opposite. I would love to be a Liberal. One could just relax and let it all hang out. One could decide whatever one wanted and go home and sleep easily at night.

Mr. Edward Davey *rose—*

Mr. Jenkin: I shall briefly give way to the hon. Gentleman because I feel that I owe it to him.

Mr. Davey: Will the hon. Gentleman confirm that his motion does not suggest that people oppose regional assemblies if they vote for it?

Mr. Jenkin: I am perfectly prepared to accept that because I do not think that it is the issue. *[Interruption.]* Yes, it is perfectly true. As my hon. Friend the Member for Hexham (Mr. Atkinson) pointed out, what we are worried about is the lack of clarity in Government policy. I say to the Deputy Prime Minister and the hon. Member for Kingston and Surbiton that we are not standing for election in the referendums, so our policy is not the issue. We are not heading for a general election

[Mr. Jenkin]

in October, but referendums. If the referendums are to be a proper test of public opinion rather than just an opinion poll on which group voters in the regions specifically resent at that moment, we need clarity. The debate is not about whether we favour elected assemblies for the English regions. The real question is how much power will a regional assembly really have. The Deputy Prime Minister singularly failed to answer that question.

Let us be absolutely clear. The assemblies will certainly be nothing like the Scottish Parliament—I have not seen that cure all the ills of Scotland. They will be nothing like the Welsh Assembly. They will have even less power than the London assembly. For example, according to the White Paper, a north-east assembly would not only have no legislative powers whatsoever—not even secondary legislative powers—and control less than 2 per cent. of public expenditure in the region, but would not even be able to control appointments to the regional development agency because Ministers would still have the right of veto over the appointment of business men to RDAs. The issue is the disparity between what the Government pretend that regional assemblies will do and what is set out in the White Paper, because that is hardly a basis on which voters may make an informed and educated choice in the referendums.

Fundamentally, this debate is about the Deputy Prime Minister's failure to explain his proposals on elected regional assemblies for which Ministers are responsible. Given that there has been no public clamour—in fact, little but apathy—for elected regional assemblies, and, frankly, hostility from business, the Government are desperately thrashing around trying to sell a virtually unsaleable proposal. This debate is about Ministers' failure to be open and straightforward, and to present clear and intelligible proposals for people to vote on. The more that they attempt to explain their proposals, the more opaque they become. The Deputy Prime Minister in particular has been encouraging people to believe things about the Government's policy that have not been agreed by the Government to try to rescue the idea of regional elected assemblies. That threatens fundamentally to corrupt the referendum process, which should be an objective test of public opinion after a prolonged and informed debate.

Let the House recall the careful and meticulous way in which the former Secretary of State for Scotland, Donald Dewar, approached the referendum for a Scottish Parliament. I did not agree with the concept of a Scottish Parliament; I fully accept that the debate was comprehensively won by the pro-devolutionists. *[Interruption.]* I do not deny a bit of it. *[Interruption.]* Is the Deputy Prime Minister finished? Just a few months after the 1997 election, Donald Dewar published a White Paper that was absolutely clear. No one voting in the Scottish referendum could have been in any doubt about what they were voting for. Let us compare that with the conduct of the Government's policy on elected regional assemblies.

Like plans for the Scottish Parliament and the Welsh Assembly, proposals for elected regional assemblies were included in the 1997 manifesto. That was seven years ago, and it remains astonishing that, even though the referendums in the north of England are now only nine months away, the Government have still not explained the powers to be devolved. They are spending £500,000 on an information campaign that does not explain the powers. I give my hon. Friend the Member for Tatton (Mr. Osborne) an assurance that we will return to the question of the Government's information campaign and its impartiality.

Mr. George Osborne: I discovered today that the launch of the Scottish White Paper was paid for by the yes campaign because civil servants in the Scotland Office thought that it would be wrong for the Government to spend taxpayers' money on it. It would be interesting to know whether that has been happening in the regional campaigns.

Mr. Jenkin: No, of course not; these people have got really sloppy.

Last month, the Deputy Prime Minister, who, as we know, is lord high everything else in this Government, went on a grand tour of the north of England to promote his proposals, and spoke at meetings in Manchester, Leeds and Newcastle. At all those meetings, he held out the prospect of significant additional powers for elected assemblies beyond those set out in the White Paper—powers on policing, adult education and training and even health. We know that other services such as fire services are being considered for regionalisation.

The difficulty for the Deputy Prime Minister is that the proposals in the White Paper are but a shadow of what he really wants. The reality is that, seven years after the manifesto, there is no agreement in the Government on what should be the powers of regional elected assemblies. That is why he is talking up the powers. He is haunted by the near defeat in the Welsh Assembly referendum. That is why he will not accept what the Minister for Local Government, Regional Governance and Fire clarified while he was absent from the Chamber: the Government will dismiss a derisory turnout even if the vote is in favour.

Mr. Raynsford *indicated dissent.*

Mr. Jenkin: Perhaps the right hon. Gentleman will clarify that in his winding-up speech. The Deputy Prime Minister is determined to talk up what the regional assemblies might be going to do.

The most interesting thing that has fallen into my hands recently is an extraordinary document of the minutes, to which one of my hon. Friends referred, of a meeting between Felicity Goodey, who is the leader of the yes north-west campaign, representatives of the north-west business leadership team, and none other than the great panjandrum himself, the ever effervescent and charming Deputy Prime Minister. The meeting took place in his large office at No. 26 Whitehall, along with his ever loyal and patient minder, the Minister for Local Government, Regional Governance and Fire.

Most interesting are the Deputy Prime Minister's comments about the Barnett formula. The minutes say:

"Mr. Prescott emphasised the scale of public money going into the regions . . . Mr. Prescott hoped to see an increasing level of co-operation across the North of England . . . where the power of the regional voice . . . would be difficult to ignore in London. He drew comparisons with Scotland and Wales' lobbying on the Barnett formula."

The right hon. Gentleman missed the point about the Barnett formula. The Scottish and Welsh lobbies were never stronger in Whitehall than they were before they had a Parliament and an Assembly. Since devolution, the Barnett formula has been surreptitiously altered to accelerate the equalisation of spending between England and Scotland.

The minutes continue:

"He referred again to the Barnett formula, indicating even in Scotland and Wales this was not seen as fair. He felt that the introduction of additional Assemblies would provide a 'great opportunity' to open up a debate on this subject".

Is that the Treasury's policy? We know that it is not, because a menial little official immediately slapped the Deputy Prime Minister down without much difficulty. That chaos underlines the chaos of the Government's constitutional reform agenda, and it is about time that the Prime Minister clarified the situation.

6.51 pm

The Minister for Local Government, Regional Governance and Fire (Mr. Nick Raynsford): The Opposition's stance reminds me all too clearly of Talleyrand's description of the Bourbons:

"They have learnt nothing, and forgotten nothing."

As my right hon. Friend the Deputy Prime Minister pointed out, the Opposition got it wrong every single time that the Government introduced an important devolution proposal: they opposed the Scottish Parliament, but now they accept it; they opposed the Welsh Assembly, but now they accept it; they opposed the Greater London assembly, but now they accept it; and they opposed regional chambers, which are now populated by more than 150 Conservative councillors—mercifully, not all in one place. Of course, there are the regional development agencies, which they opposed. Now, however, we do not know—more astonishingly, they do not know—what they think about them. With that track record, how can they expect their policy on elected regional assemblies to be met with anything but derision?

There is confusion about regional government, but it is the Opposition who are confused about the powers and role of regional assemblies which, for their benefit, I shall spell out in simple terms. Elected regional assemblies mean more accountable regional government. They mean less say for the Whitehall machine and more power where it belongs—in the hands of the people in the regions.

In the debate, the hon. Member for Kingston and Surbiton (Mr. Davey) looked forward, we were pleased to learn, to campaigning with us on a referendum for a yes vote, which we welcome. However, he spoilt his announcement by saying that he would vote tonight with the Tories, who are utterly opposed to regional devolution. The nub of his argument was that the powers of the elected regional assemblies should be extended. As my right hon. Friend the Deputy Prime Minister pointed out, we have already gone beyond the original powers spelt out in the White Paper, and he made it quite clear that this is an evolutionary process. The hon. Member for Kingston and Surbiton welcomed the decision to hold hearings in the northern regions, and I am sure that he and his hon. Friends will want to contribute to them.

My hon. Friend the Member for Great Grimsby (Mr. Mitchell) gave a forceful speech in favour of regional devolution, paid tribute to my right hon. Friend's long-term commitment to regional government and looked forward to a successful outcome.

The hon. Member for Hexham (Mr. Atkinson) strained the bounds of credulity with his astonishing claim that Baroness Thatcher, whose Government probably caused more devastation to the north than any Government in history, was secretly a friend of the north. He must be bemused by the ingratitude of the people of the region, who disproportionately and stubbornly refused, with the exception of his own seat, to show their gratitude by voting Conservative.

My hon. Friend the Member for Wigan (Mr. Turner) welcomed the Government's proposals and argued strongly that decisions affecting the north-west should be made by people elected by, and accountable to, the north-west. He spoke proudly about the regeneration of the cities of the north-west, and looked forward to a yes vote in the referendum.

The hon. Member for Tatton (Mr. Osborne) confused regional responsibilities with local council roles. For his sake, I shall spell out the difference. We regard local service delivery as the continuing responsibility of local government. There will be streamlining of local government, and I am astonished that he opposes the idea of more cost-effective service delivery. Local government will continue to deliver services locally, whereas regional government will deal with regional matters. The hon. Gentleman queried whether the referendum would be decided by a simple majority. As we made clear, there will be no threshold, because thresholds have perverse consequences, as we saw in Scotland in 1979. A simple majority is important.

Mr. George Osborne: Will the Minister give way?

Mr. Raynsford: No. I am answering the hon. Gentleman's questions.

As I have said, referendums are technically advisory. The Government will certainly be guided by the majority, but we are not bound to implement on that basis and we have said that we will not be so bound if the outcome is derisory. I am confident, however, that there will be a decisive vote, because we are doing everything that we can to ensure a high turnout—postal voting is part of that. Any friend of democracy will want to see a decisive outcome and a clear view expressed by the people.

My hon. Friend the Member for Tyne Bridge (Mr. Clelland) strongly supported the proposals for regional devolution. He argued for stronger powers because he believes that the proposals represent a good base for future development, and he welcomed the fact that the Bill will be published in July.

The hon. Member for Altrincham and Sale, West (Mr. Brady) argued, against all the evidence, that the proposals would increase local bureaucracy. Let me remind him that the figures that the boundary

[Mr. Raynsford]

committee produced in its preliminary proposals show that the number of councillors in the north-west—some 1,405—could fall as low as 213 if the wholly unitary options are pursued. It was not logical of him to argue that the proposals will mean an increase in bureaucracy when all the evidence shows that that will not happen.

The hon. Gentleman was even less logical when he talked about the British National party, repeating the malicious and unfounded argument that elected regional assemblies could provide a doorway for the BNP to get elected. We all hate the politics of hatred that characterise the BNP and will do everything that we can to oppose that. However, in my experience of campaigning against the BNP in London—in Millwall—and elsewhere 10 years ago, the most decisive way to defeat the BNP is with a high turnout in a reasonably large constituency. The BNP flourishes in small areas with low turnouts; our elected regional assembly constituencies will be large, which will allow for a decisive vote against it.

My hon. Friend the Member for Leigh (Andy Burnham) emphasised the proud regional identity of the north and argued that the new devolution process could help to revive our political culture.My hon. Friend the Member for Selby (Mr. Grogan) rightly highlighted the merits of the white rose as against Whitehall.

The right hon. Member for Skipton and Ripon (Mr. Curry) made great play of his wish to see a Bill. We understand that, and it will be published in July. He did not say, of course, that that is a wonderfully convenient way of enabling him to keep his options open. He is a thinking person who realises the futility of the Bourbon style of opposition. As my right hon. Friend the Deputy Prime Minister pointed out, the right hon. Gentleman went on the record two and a half years ago in favour of regional government. Now, he has the misfortune of serving in a Front-Bench team that is viscerally hostile to elected regional assemblies and that, even more embarrassingly from his point of view, sees the policy as a European conspiracy. No wonder he is hedging his bets: he knows that almost every other country in Europe has devolved regional government—apart from places such as the Vatican, Luxembourg and Malta, where there are obvious geographical obstacles—and that here in Britain a great deal of Government activity has a regional nature.

The current regional structures outside London are not accountable to the regions and often involve regional government by quango. Those who take the decisions are usually well intentioned, but are not answerable to the public whose lives and prosperity they are deciding or influencing. Furthermore, because they involve separate bodies that are closely focused on their own subject, they often fail to secure a joined-up and co-ordinated approach.

Our task is to give the people the option of a more accountable, more democratic, more joined-up structure with the powers to make a difference on matters that need to be dealt with at a regional level, such as jobs, housing, transport, planning and the environment. Elected regional assemblies will bring a new perspective, a new vision and a new opportunity to the regions. They will not add to bureaucracy—on the contrary, our proposals could well lead to a substantial streamlining of local democracy.

Regional assemblies are about choice, democracy, prosperity and more effective government. In summary, they are about the future. By contrast, the Opposition's position offers nothing: it is incoherent, remorselessly negative and backward looking. It is the product of a party that failed the people when it was in government and has been wrong about every devolution debate in the past decade. The Opposition have learnt nothing and forgotten nothing; the House should decisively reject their motion.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 179, Noes 281.

Division No. 53] **[7:00 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, David *(Bour'mth E)*
Bacon, Richard
Baker, Norman
Barrett, John
Beggs, Roy *(E Antrim)*
Beith, rh A. J.
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brake, Tom *(Carshalton)*
Brazier, Julian
Breed, Colin
Brooke, Mrs Annette L.
Browning, Mrs Angela
Burnett, John
Burnside, David
Butterfill, Sir John
Calton, Mrs Patsy
Cameron, David
Campbell, rh Sir Menzies *(NE Fife)*
Carmichael, Alistair
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Conway, Derek
Cormack, Sir Patrick
Curry, rh David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dodds, Nigel
Doughty, Sue
Duncan, Peter *(Galloway)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Field, Mark *(Cities of London & Westminster)*
Flight, Howard
Flook, Adrian
Forth, rh Eric
Foster, Don *(Bath)*
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
George, Andrew *(St. Ives)*
Gibb, Nick *(Bognor Regis)*
Gidley, Sandra
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Green, Matthew *(Ludlow)*
Grieve, Dominic
Gummer, rh John
Hammond, Philip
Hancock, Mike
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Hendry, Charles
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Holmes, Paul
Horam, John *(Orpington)*
Howard, rh Michael
Howarth, Gerald *(Aldershot)*
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Keetch, Paul
Kennedy, rh Charles *(Ross Skye & Inverness)*
Key, Robert *(Salisbury)*
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Laws, David *(Yeovil)*
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David

McLoughlin, Patrick
Malins, Humfrey
Maples, John
Marsden, Paul *(Shrewsbury & Atcham)*
Maude, rh Francis
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moore, Michael
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Opik, Lembit
Osborne, George *(Tatton)*
Page, Richard
Paterson, Owen
Pickles, Eric
Portillo, rh Michael
Prisk, Mark *(Hertford)*
Pugh, Dr. John
Randall, John
Redwood, rh John
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Ruffley, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Sayeed, Jonathan
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swire, Hugo *(E Devon)*
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Teather, Sarah
Thomas, Simon *(Ceredigion)*
Thurso, John
Tredinnick, David
Trend, Michael
Turner, Andrew *(Isle of Wight)*
Tyler, Paul *(N Cornwall)*
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Waterson, Nigel
Webb, Steve *(Northavon)*
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel *(Caernarfon)*
Williams, Roger *(Brecon)*
Willis, Phil
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Gregory Barker and Mr. Peter Atkinson

NOES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allen, Graham
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atkins, Charlotte
Bailey, Adrian
Barnes, Harry
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, rh David
Boateng, rh Paul
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brennan, Kevin
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Cairns, David
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Cousins, Jim
Cox, Tom *(Tooting)*
Cranston, Ross
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Darling, rh Alistair
Davey, Valerie *(Bristol W)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Dobson, rh Frank
Donohoe, Brian H.
Doran, Frank
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul *(Newport W)*
Foster, rh Derek
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gardiner, Barry
Gerrard, Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hermon, Lady
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Keen, Alan *(Feltham)*
Kemp, Fraser
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McCartney, rh Ian
MacDonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mahon, Mrs Alice
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Merron, Gillian
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Moran, Margaret
Mountford, Kali
Mudie, George
Munn, Ms Meg
Murphy, rh Paul *(Torfaen)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
O'Neill, Martin
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pollard, Kerry
Pond, Chris *(Gravesham)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken

Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Robertson, John *(Glasgow Anniesland)*
Roche, Mrs Barbara
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruddock, Joan
Ryan, Joan *(Enfield N)*
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Spellar, rh John
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Jack
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Wills, Michael
Winnick, David
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Ms Bridget Prentice and
Mr. Jim Murphy

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments)*:—

The House divided: Ayes 315, Noes 133.

Division No. 54] **[7:15 pm**

AYES

Adams, Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Bob *(Cov'try NE)*
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale & Darwen)*
Armstrong, rh Ms Hilary
Atkins, Charlotte
Bailey, Adrian
Baker, Norman
Barnes, Harry
Barrett, John
Barron, rh Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beggs, Roy *(E Antrim)*
Beith, rh A. J.
Bennett, Andrew
Benton, Joe *(Bootle)*
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, rh David
Boateng, rh Paul
Borrow, David
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom *(Carshalton)*
Breed, Colin
Brennan, Kevin
Brooke, Mrs Annette L.
Brown, Russell *(Dumfries)*
Browne, Desmond
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Burnham, Andy
Cairns, David
Calton, Mrs Patsy
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, rh Sir Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Caplin, Ivor
Carmichael, Alistair
Caton, Martin
Cawsey, Ian *(Brigg)*
Challen, Colin
Chaytor, David
Clapham, Michael
Clark, Mrs Helen *(Peterborough)*
Clark, Dr. Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, rh Tom *(Coatbridge & Chryston)*
Clarke, Tony *(Northampton S)*
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Clwyd, Ann *(Cynon V)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Connarty, Michael
Cook, rh Robin *(Livingston)*
Cooper, Yvette
Corbyn, Jeremy
Cousins, Jim
Cox, Tom *(Tooting)*
Cranston, Ross
Cruddas, Jon
Cryer, Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Coventry S)*
Cunningham, Tony *(Workington)*
Curtis-Thomas, Mrs Claire
Darling, rh Alistair
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, rh John
Dismore, Andrew
Dobbin, Jim *(Heywood)*
Donohoe, Brian H.
Doran, Frank
Doughty, Sue
Dowd, Jim *(Lewisham W)*
Drew, David *(Stroud)*
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff *(Barnsley E)*
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul *(Newport W)*
Foster, rh Derek
Foster, Don *(Bath)*
Foster, Michael *(Worcester)*
Foster, Michael Jabez *(Hastings & Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, Andrew *(St. Ives)*
Gerrard, Neil
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Green, Matthew *(Ludlow)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, rh Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, David *(Midlothian)*
Hancock, Mike
Hanson, David
Harris, Tom *(Glasgow Cathcart)*
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hendrick, Mark
Hepburn, Stephen
Heppell, John
Hermon, Lady
Heyes, David
Hill, Keith *(Streatham)*
Hodge, Margaret
Hoey, Kate *(Vauxhall)*
Holmes, Paul
Hood, Jimmy *(Clydesdale)*
Hoon, rh Geoffrey
Hopkins, Kelvin
Howarth, rh Alan *(Newport E)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan *(Braintree)*
Iddon, Dr. Brian
Ingram, rh Adam
Irranca-Davies, Huw
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, rh Tessa
Keetch, Paul
Kemp, Fraser
Kennedy, rh Charles *(Ross Skye & Inverness)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby)*
Knight, Jim *(S Dorset)*
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laws, David *(Yeovil)*
Laxton, Bob *(Derby N)*
Lazarowicz, Mark
Leslie, Christopher
Levitt, Tom *(High Peak)*
Lewis, Ivan *(Bury S)*
Linton, Martin
Love, Andrew
Lucas, Ian *(Wrexham)*
Luke, Iain *(Dundee E)*
Lyons, John *(Strathkelvin)*
McAvoy, Thomas
McCabe, Stephen
McCafferty, Chris
McCartney, rh Ian
MacDonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKechin, Ann
McNamara, Kevin

McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahmood, Khalid
Mahon, Mrs Alice
Mann, John *(Bassetlaw)*
Marris, Rob *(Wolverh'ton SW)*
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Merron, Gillian
Miller, Andrew
Mitchell, Austin *(Gt Grimsby)*
Mole, Chris
Moore, Michael
Moran, Margaret
Mountford, Kali
Mudie, George
Munn, Ms Meg
Murphy, rh Paul *(Torfaen)*
O'Brien, Bill *(Normanton)*
O'Hara, Edward
O'Neill, Martin
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Perham, Linda
Picking, Anne
Pickthall, Colin
Pike, Peter *(Burnley)*
Plaskitt, James
Pond, Chris *(Gravesham)*
Prescott, rh John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Ken
Purnell, James
Quin, rh Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd *(Portsmouth N)*
Raynsford, rh Nick
Reed, Andy *(Loughborough)*
Reid, Alan *(Argyll & Bute)*
Rendel, David
Robertson, John *(Glasgow Anniesland)*
Roche, Mrs Barbara
Rooney, Terry
Roy, Frank *(Motherwell)*
Ruddock, Joan
Russell, Bob *(Colchester)*
Ryan, Joan *(Enfield N)*
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheridan, Jim
Simon, Siôn *(B'ham Erdington)*
Simpson, Alan *(Nottingham S)*
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, rh Chris *(Islington S & Finsbury)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'rns & Kincardine)*
Smyth, Rev. Martin *(Belfast S)*
Spellar, rh John
Steinberg, Gerry
Stewart, David *(Inverness E & Lochaber)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Jack
Stunell, Andrew
Sutcliffe, Gerry
Tami, Mark *(Alyn)*
Taylor, rh Ann *(Dewsbury)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Teather, Sarah
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth *(Harrow W)*
Thurso, John
Tipping, Paddy
Todd, Mark *(S Derbyshire)*
Touhig, Don *(Islwyn)*
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr. Desmond *(Brighton Kemptown)*
Turner, Neil *(Wigan)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul *(N Cornwall)*
Tynan, Bill *(Hamilton S)*
Vaz, Keith *(Leicester E)*
Vis, Dr. Rudi
Walley, Ms Joan
Wareing, Robert N.
Watson, Tom *(W Bromwich E)*
Watts, David
Webb, Steve *(Northavon)*
White, Brian
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Alan *(Swansea W)*
Williams, Betty *(Conwy)*
Williams, Roger *(Brecon)*
Willis, Phil
Wills, Michael
Winnick, David
Woodward, Shaun
Woolas, Phil
Worthington, Tony
Wright, Anthony D. *(Gt Yarmouth)*
Wright, Tony *(Cannock)*
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Ms Bridget Prentice and
Mr. Jim Murphy

NOES

Ainsworth, Peter *(E Surrey)*
Ancram, rh Michael
Arbuthnot, rh James
Atkinson, Peter *(Hexham)*
Bacon, Richard
Barker, Gregory
Bellingham, Henry
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, rh Virginia *(SW Surrey)*
Brady, Graham
Brazier, Julian
Browning, Mrs Angela
Burnside, David
Butterfill, Sir John
Cameron, David
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clarke, rh Kenneth *(Rushcliffe)*
Collins, Tim
Conway, Derek
Cormack, Sir Patrick
Curry, rh David
Davies, Quentin *(Grantham & Stamford)*
Davis, rh David *(Haltemprice & Howden)*
Djanogly, Jonathan
Dodds, Nigel
Duncan, Peter *(Galloway)*
Evans, Nigel
Fabricant, Michael
Fallon, Michael
Flight, Howard
Flook, Adrian
Forth, rh Eric
Francois, Mark
Gale, Roger *(N Thanet)*
Garnier, Edward
Gibb, Nick *(Bognor Regis)*
Gillan, Mrs Cheryl
Goodman, Paul
Gray, James *(N Wilts)*
Green, Damian *(Ashford)*
Grieve, Dominic
Gummer, rh John
Hammond, Philip
Hawkins, Nick
Hayes, John *(S Holland)*
Heald, Oliver
Hendry, Charles
Hoban, Mark *(Fareham)*
Hogg, rh Douglas
Howard, rh Michael
Howarth, Gerald *(Aldershot)*
Jack, rh Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert *(Salisbury)*
Knight, rh Greg *(E Yorkshire)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, rh Oliver
Lewis, Dr. Julian *(New Forest E)*
Liddell-Grainger, Ian
Lidington, David
Lilley, rh Peter
Llwyd, Elfyn
Loughton, Tim
Luff, Peter *(M-Worcs)*
McIntosh, Miss Anne
Maclean, rh David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mawhinney, rh Sir Brian
May, Mrs Theresa
Mercer, Patrick
Mitchell, Andrew *(Sutton Coldfield)*
Moss, Malcolm
Murrison, Dr. Andrew
Norman, Archie
O'Brien, Stephen *(Eddisbury)*
Osborne, George *(Tatton)*
Page, Richard
Paterson, Owen
Pickles, Eric
Portillo, rh Michael
Prisk, Mark *(Hertford)*
Randall, John
Redwood, rh John
Robathan, Andrew
Robertson, Hugh *(Faversham & M-Kent)*
Robertson, Laurence *(Tewk'b'ry)*
Rosindell, Andrew
Ruffley, David
Sayeed, Jonathan
Selous, Andrew
Shephard, rh Mrs Gillian
Shepherd, Richard
Simmonds, Mark
Simpson, Keith *(M-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spink, Bob *(Castle Point)*
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John *(Solihull)*
Taylor, Sir Teddy
Thomas, Simon *(Ceredigion)*
Tredinnick, David
Trend, Michael
Turner, Andrew *(Isle of Wight)*
Tyrie, Andrew
Walter, Robert
Waterson, Nigel
Whittingdale, John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, David
Winterton, Ann *(Congleton)*
Winterton, Sir Nicholas *(Macclesfield)*
Yeo, Tim *(S Suffolk)*
Young, rh Sir George

Tellers for the Noes:
Mr. Hugo Swire and
Mr. Mark Field

Question accordingly agreed to.

MADAM DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes the Government's proposals for elected regional assemblies set out in their White Paper, Your Region, Your Choice: Revitalising the English Regions, based on the principles of increasing prosperity, pride and democracy in the regions; further notes that the White Paper also set out the way in

which the Government intends to build into its policy development the opportunities offered by the creation of elected regional assemblies to further decentralise responsibility for policy and delivery where this will improve regional outcomes; applauds the opportunity afforded to people in the three northern regions of England to have their say about whether they want an elected assembly for their region; commends the Government's endeavours to ensure that people voting in the referendums have information on which to base their choice; notes that the principal confusion about the proposed powers and role of elected regional assemblies appears to be on the Opposition benches; and condemns the continuing attempts by the party opposite both to deny people a say in how they want to be governed and to denigrate the value of that choice.

DELEGATED LEGISLATION

Madam Deputy Speaker (Sylvia Heal): I propose to put together the Questions on motions 5 and 6.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

IMMIGRATION

That the draft Immigration (Provision of Physical Data) (Amendment) Regulations 2004, which were laid before this House on 15th January, be approved.

That the draft Immigration (Leave to Enter and Remain) (Amendment) Order 2004, which was laid before this House on 15th January, be approved.—*[Margaret Moran.]*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Tuesday 24th February,—

(1) notwithstanding the provisions of Standing Order No. 16 (Proceedings under an Act or on European Union documents), the Speaker shall put the Questions necessary to dispose of proceedings on the Motions in the name of Mr Secretary Smith relating to Social Security and Pensions not later than three hours after the commencement of proceedings on the first Motion; proceedings may continue after the moment of interruption; and the Orders of the House of 28th June 2001 and 6th November 2003 relating to deferred Divisions shall not apply; and

(2) notwithstanding the provisions of paragraph (2)(c)(i) of Standing Order No. 14 (Arrangement of public business), proceedings on the Motion in the name of Mr Michael Howard may continue, though opposed, for three hours, and shall then lapse if not previously disposed of; and the Orders of the House of 28th June 2001 and 6th November 2003 relating to deferred Divisions shall not apply.—*[Margaret Moran.]*

PETITIONS

Ongar Fire Station

7.27 pm

Mr. Eric Pickles (Brentwood and Ongar) (Con): I wish to present a petition in the name of constituents who are concerned about the possible removal of a full-time fire station at Ongar and its replacement with a part-time fire station. My constituents are particularly concerned because Ongar fire ground is the largest in Essex, and they are concerned about the level of coverage.

Some 5,506 constituents, covering all age groups, have signed the petition. I was particularly impressed by the collection organised by the pupils of Chipping Ongar primary school.

The petition states:

The Petition of residents of the Parliamentary constituency of Brentwood and Ongar and areas served by the Ongar Fire Station

Declares that they are concerned that our local Fire Station's status will be changed from full time to part time.

The Petitioners therefore request that this House of Commons brings this concern to the attention of the Office of the Deputy Prime Minister and ask him to use his good services to prevail upon the Essex Fire Service to review their proposals.

And the Petitioners remain, etc.

To lie upon the Table.

Council Tax

7.29 pm

Andrew Selous (South-West Bedfordshire) (Con): I present a petition signed by 559 of my constituents who are concerned about the unfairness of council tax for people on low or fixed incomes.

The petition states:

The Petition of residents of South West Bedfordshire

Declares that a major review of Council Tax is required for people who are on fixed incomes and pensions, and raises their concerns about reassessment of properties in 2005 which will bring further worries about impending increases in taxes.

The Petitioners therefore request that the House of Commons urge the Government to establish a major review of the Council Tax system, and to examine in particular the effect of Council Tax rates on those people who live on fixed incomes and pensions.

And the Petitioners remain, etc.

To lie upon the Table.

Cervical Screening

Motion made, and Question proposed, That this House do now adjourn.—*[Margaret Moran.]*

7.30 pm

Mr. Gary Streeter (South-West Devon) (Con): Susan Van Neck was born on 10 January 1967. She married in 1991, and became Mrs. Susan Spratt. She died of cervical cancer in September 1999, at the age of 32. She had three smear tests during her life, which were examined in the laboratories of two different hospitals. As events have proved, two of those tests were inaccurate. They did not detect the first signs of cancer that would have made it possible to treat her fully and save her life.

As we all know, every woman in the United Kingdom between the ages of 25 and 64 is eligible for a free cervical smear test every three to five years. In 1988, Sue's first test gave her the all-clear, but recommended a further test a year later. The outcome of her second smear test in 1989, examined by the cytology laboratory at Derriford hospital in Plymouth was an all-clear, suggesting that no further test was necessary for five years. In 1993, the test result conducted by the cytology laboratory at the Taunton and Somerset hospital was also an all-clear and suggested no retest for five years.

Sadly, in 1995, just two years later, Sue was admitted to the accident and emergency department at Yeovil hospital with evidence of advanced cervical cancer. She received intensive treatment, which seemed to work for a while, but in April 1998 she was found to have a recurrence of the tumour. This time, she failed to respond to chemotherapy and after a brave struggle she died on 28 September 1999.

Since then, the NHS has admitted that it had been negligent and compensation has been paid to Sue's husband. The debate tonight is not about compensation, blame or looking backwards: it is about looking forwards. As part of the contact with the NHS following Sue's death, an eminent medical expert, Professor Dulcie Coleman, was invited to re-examine the original smear tests. She produced a report showing that, among other things, the 1989 smear test that pronounced Sue all clear should have found the early signs of cervical cancer and referred her for further examination by a specialist and treatment. The professor also found that the 1993 test, which again pronounced Sue to be all clear, should have found the traces of cervical cancer that were present and should have sent her for further examination and treatment.

Professor Coleman concludes her report with these words:

"If Mrs Spratt's smears had been correctly read in 1989 and 1993, her cervical cancer would have been diagnosed 6 years or 18 months earlier when it was still in the pre-invasive stage. She would have been treated conservatively by local ablation and her prognosis would have been excellent. The local treatment would have been unlikely to affect her chances of becoming pregnant and she would not have had a hysterectomy, radiotherapy or chemotherapy."

Sadly, that was not to be, and Sue became one of the thousand or so women who die from cervical cancer every year in the United Kingdom.

Before Sue died, Mrs. Van Neck promised her daughter that she would do all she could to improve cancer screening for Sue's sister and nieces and for all women, so that fewer families would have to suffer the trauma and tragedy of a life so full of vitality and promise being cut short. Since then, Mrs. Van Neck and her husband have been very active, delivering on that promise. They have been in contact with the hospitals in Taunton and Plymouth to chase up improvements in the system. In June 2001, they learned that clinical trials of a new type of cervical cancer screening—liquid-based cytology—were being carried out at a number of hospitals across the country. They made contact with each to set out their tragic family experience and to urge rapid progress.

As the House will know, until recently all smear tests were conducted by the traditional Pap method. Unfortunately, over the years, it has been found that about one in 10 smear tests using that method have to be repeated, because the person checking the test at the laboratory cannot see whether pre-cancerous cells are present. The errors and anxiety that may arise are amply demonstrated by the Van Necks' experience and by several similar cases.

The Van Neck family were delighted when, in October 2003, the National Institute for Clinical Excellence, as a result of the trials, recommended the use of liquid-based cytology throughout the NHS. As the Minister will know well, liquid-based cytology is a new way of collecting and preparing cell samples from a woman's cervix. Samples are collected using a brush-like device, rather than a spatula. The head of the brush is rinsed or broken off into a container of preservation fluid that protects the cervical cells. The evidence of the trials was that liquid-based cytology results in samples that are of better quality and easier to read, thus reducing the number of tests that need to be repeated.

Obviously, the introduction of liquid-based cytology would offer a much improved service for all women and would be a positive step forward, so Mr. and Mrs. Van Neck decided to do all in their power to ensure its early introduction. They first visited me at my constituency surgery in November 2003 to tell me of their tragic experience and of their determination to see a better smear test system introduced in this country. I found their story deeply moving and their determination to redeem the promise that they had given their daughter very impressive. I welcome their presence, with their other daughter Debbie, in the House this evening.

Following that meeting, I tabled a written question on 4 December, which was answered by the Under-Secretary of State for Health, the hon. Member for Welwyn Hatfield (Miss Johnson), on 10 December. She set out the welcome news that the Government had decided that liquid-based cytology would be rolled out nationally across the national health service, for everybody. The reply also stated:

"We expect the roll out to take up to five years, due to the retraining of all laboratory staff who read cervical screening tests and all sampler takers in primary care."—[*Official Report*, 10 December 2002; Vol. 415, c. 506W.]

I have also written to the South West Peninsula strategic health authority, and its chair, Judy Leverton, replied that the authority hoped to introduce the new

[Mr. Gary Streeter]

system in the next financial year, depending on a number of factors, especially on whether all the necessary staff could be trained in the use of the new procedures.

Mr. Andrew Lansley (South Cambridgeshire) (Con): My hon. Friend makes a compelling case for the speediest possible introduction of cytology in screening. Does he agree that the HART—HPV in addition to routine testing—study suggested that the human papillomavirus test, in conjunction with cytology, might be the most effective mechanism for primary screening? Three implementation pilots are due to report but have not yet done so, and it would be helpful for the House to know when we might receive more information about that further improved screening method.

Mr. Streeter: I am grateful to my hon. Friend for that intervention. He is right: the HPV testing method will give additional support to the cytology process that we hope will be introduced. I hope that the Minister will be able to say a few words about the likely speed of the roll-out when he responds. The Van Neck family, too, will be keen to see the HPV test become part of the procedure.

The purpose of the debate is to urge the Government to ensure that the roll-out of that new screening system happens as quickly as is humanly possible, to give every woman in this country the best chance of detecting cervical cancer at the earliest moment. If at all possible, the new screening procedure should be rolled out within the next 12 months.

It would also be helpful if the Minister could place on the record tonight detail about the age at which it is now intended that women will have their first smear test, and the intended frequency of subsequent testing.

More than 3 million women are screened each year. No doubt this year, 2004, will be little different. Under the old system one in 10 of those tests—300,000 of them—might have to be redone. That is not to say that all 300,000 would produce an inaccurate result. Of course that is not true, and I have no wish to cause any unnecessary alarm. But it is certainly the case that accuracy will be improved under the proposed new system. So every year counts; every month counts.

We understand the need for retraining and the never-ending claims on finite resources, but I urge the Minister to make sure that resources are made available to enable the new liquid-based cytology screening process to be introduced within the next 12 months.

The Van Neck family know full well that nothing can be done to bring back their lost daughter. All of us who are parents can stand with them tonight and acknowledge their loss. We can also admire their fortitude and perseverance in pursuing the improvement of the system of smear testing in this country, a redemption of a promise made to Sue while she was terminally ill. But most of all we can respond to their courage and tenacity by advancing the plans to roll out the liquid-based cytology system as soon as is humanly possible, so that not a single life is lost unnecessarily to this dreadful disease. I call upon the Minister to assure the House that this will indeed be done.

7.41 pm

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): I congratulate the hon. Member for South-West Devon (Mr. Streeter) on obtaining this debate and on representing the views of his constituents so well.

I also congratulate the Van Neck family on their campaigning. It must have been a horrible tragedy for them to have their daughter taken in the way that occurred. It highlights exactly why we need a high-quality cervical screening service, and why we must take every opportunity to improve it. As new techniques become available, and we obtain evidence to support them, we must try to implement them as rapidly as possible.

That said, and acknowledging that tragic mistakes do happen, I have to begin by pointing out that the United Kingdom has one of the most successful cervical screening programmes in the world. That is something that we should be very proud of. Experts estimate that the programme prevents up to 3,900 cases of cervical cancer each year. Experts also agree that that the NHS cervical screening programme is responsible for a reduction of over 40 per cent. in the incidence of cervical cancer in the last decade.

But we are not complacent. We are always striving to improve the programme, and that is why the National Institute for Clinical Excellence was asked to look at the liquid-based cytology technique. As the hon. Gentleman said, LBC is a new way of preparing cervical samples for examination in the laboratory, and it has the potential to improve efficiency and ensure that fewer women have to be recalled because their test could not be read.

Following the evaluation of a Government-funded pilot of LBC, NICE issued its final appraisal document on LBC on 22 October 2003, concluding that it should be rolled out across the NHS. My hon. Friend the Member for Welwyn Hatfield (Miss Johnson), who has ministerial responsibility for public health, announced on that day that LBC would indeed be implemented across the service, as part of a package to modernise the NHS cervical screening programme. That is the first indication for the hon. Gentleman that we do not intend to waste any time.

The independent evaluation of the pilot concluded that LBC resulted in a clear reduction in the number of inadequate tests, from 9 per cent to between 1 and 2 per cent. Inadequate tests are those that cannot be read in laboratories for a variety of reasons. When LBC is fully rolled out, 300,000 women a year will not suffer the anxiety and uncertainty of an inadequate test, and will not need to be re-tested.In addition, the evaluation showed that the productivity of laboratories rose by 9 per cent., and backlogs were reduced, meaning that women will have to wait for a shorter time to get their test results.

There are therefore clear benefits in introducing LBC, and that is why the Government are providing £7.2 million to kick-start the process over the next two years.

However, we do not underestimate the challenge that implementing LBC across the NHS presents.

As LBC is a totally new technique, the time scale of implementation in England will be determined by the need to retrain all laboratory staff involved with cervical

cytology—all the doctors and nurses who take the samples—and to install equipment in laboratories. About 3,000 laboratory staff currently read cervical screening tests in England, and it will take around six months of training before an individual is competent to use LBC techniques satisfactorily. Rigorously developed courses can accommodate only 10 to 12 people at a time. In addition, 40,000 doctors and nurses who take the samples will need to be retrained. For that reason, we anticipate that implementing LBC will take up to five years to complete nationally. Implementation could not progress more quickly even if we provided more funding.

The key to LBC implementation is retraining the staff in LBC techniques, both in primary care and in laboratories. The programme is already successful, and we must be very careful not to jeopardise its quality. LBC is being rolled out nationally. All those in cytology training schools in England will be trained as part of the first phase of implementation. Strategic health authorities have been issued with advice on how best they can roll out LBC for their local populations, laboratories and primary care.

We are also taking the opportunities presented by LBC to modernise the NHS cervical screening programme in other ways. The frequency with which women are invited for screening has been standardised across England for the first time, thus correcting a long-standing inequality. Following the publication of research from Cancer Research UK, the Advisory Committee on Cervical Screening has advised that clinical best practice is that women should receive their first invitation when they are 25 years old and that they should be invited every three years until they are 49, and then every five years until they are 64.

A fundamental tenet of any screening programme is that it should do more good than harm. Cervical cancer is very rare in women under the age of 25. Research presented to the advisory committee, coupled with 15 years' experience of screening, shows that screening women under the age of 25 may do more harm than good. They may undergo unnecessary investigations, after false positive results suggest that they appear to have cervical abnormalities when, in fact, they do not. Screening women from the age of 25 onwards will help to reduce anxiety, as well as the number of unnecessary investigations and treatments in younger women.

We will further modernise the service. In some areas, there are difficulties with the recruitment and retention of cytology screeners, which has been attributed partly to low morale and low pay. We appreciate the hard work of all the staff in the programme, particularly over the past few years, when morale has not been helped by adverse publicity.

We are taking steps to modernise pathology services through the Department of Health's pathology modernisation programme. We recognise that pathology's most valuable resource is its staff and that the need to support and develop those staff is vital. A number of long-term initiatives are in place—which, in time, will provide the NHS with the pathology staff it needs. That will also bring staff into the cytology-screening programme.

We are also committed to developing new and innovative ways of working, such as extended roles, improved skill-mix and more flexible career pathways, providing new opportunities and better ways to work for staff. One example of that is the new advanced practitioner in cytology grade, which increases the opportunities for staff to extend their skills and improve their pay. Furthermore, my right hon. Friend the Secretary of State for Health recently announced that, as part of the broader NHS recruitment drive, health care scientists who decide to return to the NHS will also now be eligible for a returner's package.

More broadly, as part of the Government's improving working lives initiative, by 2003, all NHS employers must be able to demonstrate that they are delivering flexible working arrangements, that they are offering good quality, affordable and accessible child care, career breaks and flexible retirement and that they are investing in staff training and development, tackling discrimination and harassment and providing healthy and safer workplaces and other measures to support staff and improve retention.

I shall now touch on the issue of human papilloma virus that the hon. Member for South Cambridgeshire (Mr. Lansley) mentioned. As part of the LBC pilot, we also piloted the use of human papilloma virus testing as triage for women with mild or borderline test results. HPV is a group of more than 80 virus types, some of which are associated with an increased risk of cervical cancer. Most women, and indeed men, are infected with the virus at some point, but it is not yet possible to tell which infected women will go on to develop cervical abnormalities, or which of them will naturally expel the virus by the normal functioning of their immune system. Most HPV infections disappear, and even those women who contract high-risk HPVs rarely go on to develop cervical cancer. Carrying out an HPV test at the same time as a smear test may help to decide how to manage a woman if her smear shows minor abnormalities, and could avoid referral to colposcopy, with its associated anxiety.

There is currently insufficient evidence to support the use of HPV testing as a primary screening tool. However, we know how important HPV is in the development of cervical cancer, and that is why we are piloting the use of HPV testing. The independent evaluation report of the HPV arm of the pilot is expected in the summer. In addition, Professor Henry Kitchener, professor of gynaecological oncology at St. Mary's hospital in Manchester, is co-ordinating a study to investigate HPV as a primary screening method. It began in January 2001 and will take six years, including the follow-up of the data, and will involve 28,000 women. The Department of Health is funding equipment for the study at cost of £90,000 per annum. The health technology assessment programme is funding the rest of the study.

However, we must all remember that early detection by screening and follow-up treatment can prevent only 80 to 90 per cent. of cervical cancers from developing. Like any screening test, cervical screening is not perfect. It might not always detect early cell changes that could lead to cancer. There are three main reasons why abnormal cells on a slide might not be recognised. First, sometimes they do not look very different from normal cells. Secondly, there might be very few abnormal cells on the slide. Thirdly, the person reading the slide might miss the abnormality. This happens occasionally, no matter how experienced the reader is. It is always very unfortunate, but these errors do occur.

[Dr. Stephen Ladyman]

Women invited to participate in the NHS cervical screening programme need to understand the potential benefits and harm in doing so, in order to be able to make an informed choice about whether they wish to proceed. Information provided to women must be honest, comprehensive and understandable. Following the target set in the NHS cancer plan, all women now receive a national evidence-based information leaflet with their invitation for cervical screening.

Strict quality assurance is operated within the cervical screening programme at a cost of £4 million a year. Laboratories that read cervical screening tests as part of the screening programme are subject to rigorous external quality assurance procedures that aim to spot potential problems before they become serious, and quickly to identify solutions. When a laboratory consistently fails to meet quality standards, the strategic health authority or primary care trust can require it to stop reading screening tests.

In conclusion, we do not yet know if LBC will be more accurate than conventional cervical screening, but we hope that it will prove to be more sensitive. We do know, however, that 300,000 fewer women a year will have to undergo the anxiety of a repeat test, and that laboratories will be able to process samples more quickly. But this will take time. Retraining all the staff who work in the programme is an enormous task, and we must do it properly. The issue of quality, both of the programme and the people who work in it, is paramount. We would do a disservice to the 4 million women a year who participate in the NHS cervical screening programme if we were to rush the training of the staff who provide the service. Nevertheless, the Government and the Department of Health are committed to rolling out the technique as quickly as possible. I am therefore pleased to give the hon. Gentleman and the Van Neck family the assurance that we shall not waste a single day—or, we hope, a single life—in introducing this technique.

Lady Hermon (North Down) (UUP): I am always reluctant to intervene in an Adjournment debate, especially when I have not spoken to the hon. Member who initiated it, but I am increasingly concerned that the NICE guidelines do not extend to Northern Ireland. The Minister, perhaps unwittingly, has mentioned England several times. Will he confirm that what he has said about liquid-based cytology and the retraining of staff will apply to Northern Ireland as well? Women there who read this debate or watch it on Sky television will be worried that only England has been mentioned this evening.

Dr. Ladyman: I am grateful to the hon. Lady for that question, but I am a health Minister for England. Devolution means that my responsibilities are only for England, so it is not for me to speak about what will happen in Northern Ireland. However, I undertake to make sure that the attention of the relevant Northern Ireland Ministers is drawn to this debate. I will also make sure that any evidence that we in the Department have is shared with colleagues in Northern Ireland. I will ask those Ministers them to write to her about their intentions, and I will put a copy of the correspondence in the Library.

Lady Hermon: I am grateful for that response, but I remind the Minister that the devolved Northern Ireland Assembly was suspended in October 2002. Many months have passed since then, and it is important that the women of Northern Ireland are not forgotten.

Dr. Ladyman: The hon. Lady is right to say that the Assembly is not sitting at present. However, the legislative framework in which Northern Ireland Ministers take decisions is very different from what applies here. My responsibility is for England only, but I accept that women in Northern Ireland will want this technique to be rolled out there. I undertake to ensure that Ministers in Northern Ireland are aware of the concern that she has expressed, and that they respond as positively as they can.

Once again, I give the hon. Member for South-West Devon and the Van Neck family the assurance that they seek. We will not waste any time in rolling out the technique. We know how important it is. We cannot guarantee that it will be any more accurate than the other technique, but we can guarantee that it will be more sensitive. Fewer women will have to undergo the distress of re-tests, and I believe that fewer mistakes will be made in the future.

Question put and agreed to.

Adjourned accordingly at three minutes to Eight o'clock.

House of Commons

Thursday 12 February 2004

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION AND SKILLS

The Secretary of State was asked—

Apprenticeships (Plumbers)

1. **Miss Anne McIntosh** (Vale of York) (Con): What recent representations he has received on the number of apprenticeships available for trainee plumbers. [154510]

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Ivan Lewis): I have had a small amount of correspondence on this issue, mostly in respect of young people in some areas having difficulty in finding employer placements, particularly with very small businesses. In response, the Learning and Skills Council is working with employers and colleges to expand training provision and the placements available. Plumbing is proving popular, with 7,000 on modern apprenticeships and 30,000 on college courses.

Miss McIntosh: Many apprenticeships are available, but there is a lack of information about the host of organisations to which young people can apply. The son of one of my constituents was keen to enter a plumbing apprenticeship but was advised to obtain a waiter's position at Betty's—a popular tea room in north Yorkshire but not the best placement for a plumbing apprentice. Can the Minister give an assurance that all the agencies involved—the Employment Service, county councils and learning and skills councils—will place in the public domain information on where apprenticeships are available?

Mr. Lewis: I can give the hon. Lady that assurance. I refer her to the work of the Modern Apprenticeship Task Force, which comprises many large employers and is chaired by Sir Roy Gardner, and the Government will announce in the next few weeks a major upgrading of our commitment to apprenticeships—with a particular emphasis on employer engagement. We are committed at local level to making it clear that modern apprenticeships are a high quality, high status route. I celebrate the fact that 230,000 young people—a record number—are undertaking modern apprenticeships this year and we intend to increase that number significantly.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend agree that modern apprenticeships are in a bit of a mess and that it is time the Government got a real handle on them? Whether one is talking about plumbing or any other sector, too many people have got their fingers in the pie. What sort of qualification is offered? Will the standard be the same throughout the country? Will the qualifications mean something and be transportable, with all employers recognising their value?

Mr. Lewis: I thank my hon. Friend for displaying with particular clarity his independence in his role as Chairman of the Education and Skills Select Committee. I do not accept that modern apprenticeships are in a mess but many changes lie ahead, including improving completion rates and the introduction of apprenticeships for 14 to 16-year-olds—the details of which I will announce soon.

Many organisations across industry welcome our intention to lift the age cap and introduce adult apprenticeships. In a global economy where the job for life is dead, it is vital to give people hope and support by ensuring that adults can retrain, upskill and change career direction. Adult apprenticeships will also be an important part of our programme.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): Does the Minister agree that there is a tendency when talking about plumbers to mean people who are not capable of high academic achievement? Evidence from pathfinder projects for 14 to 19-year-olds shows that the majority of participants—particularly those age 14 to 16—will not get five good or very good GCSEs. Does the Minister agree that that group should be targeted? Will the Government tell all students at age 14 that a vocational route is of equal worth?

Mr. Lewis: I agree entirely. We await Mike Tomlinson's interim report with great interest. Central to the credibility of the Tomlinson process will be a capacity to identify for the first time in generations a high status, high quality vocational route. The false choice often posed, as between higher education and vocational education, is damaging and dangerous. We want to make it clear to young people that they can go from a high status vocational route into higher education or go the mixed academic and vocational route—which can also lead to higher education when one is young or later in life. Those who offer that false choice prove why vocational education has often failed.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Will my hon. Friend say more about ensuring that young people between the ages of 14 and 16 on apprenticeship schemes can link to academic studies, so that there is a clear connection between vocational and academic work? How will the learning and skills councils fit in?

Mr. Lewis: It is important to support progression for young people and to create not cul-de-sacs but a climbing frame. There is no reason for a young person not choosing at 16 to go down the academic route to return to a modern apprenticeship and continue in education. The great challenge facing this country is to

develop an education programme that supports young people in their motivation to continue learning, to achieve and to be successful, not to drop out of education at 17.

Mr. Mark Simmonds (Boston and Skegness) (Con): Further to the point raised by the hon. Member for Huddersfield (Mr. Sheerman), the Chairman of the Select Committee, does the Minister accept that modern apprenticeships in plumbing and other sectors are, to put it politely, in need of attention? Take-up targets are likely to be missed, drop-out rates in some sectors are up to 75 per cent., and up to two thirds of entrants lack the supposed entry requirement of level 2 skill qualifications. What measures is the Minister taking to correct those failings before he expands modern apprenticeships to pre-16 and post-28?

Mr. Lewis: In the hon. Gentleman's desire to turn this into a party political bunfight, we should not the get the facts wrong. We are very much on the way to meeting our target for the number of young people we want to get into apprenticeships next year, and we have record numbers now, so the idea that we are struggling to get young people in and missing our targets is complete nonsense.

I accept the hon. Gentleman's point that we face a challenge in improving completion rates in apprenticeships and raising the quality of apprenticeships. However, let me cite the example of plumbing completion rates. For advanced modern apprenticeships, the success rate rose from 28 per cent. in 2001–02 to 42 per cent. in 2002–03; for foundation modern apprenticeships, it rose from 29 per cent. to 42 per cent. over the same period—up 13 per cent. The Government accept that improving completion rates is a major challenge, but let us build on success, not denigrate those young people's achievements.

School Building

2. **Mr. Peter Pike** (Burnley) (Lab): How many new (a) primary and (b) secondary schools have been built in England since 1997. [154511]

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Stephen Twigg): Twenty thousand schools have benefited from additional Government capital investment since 1997. We do not hold information about the precise number of new schools that have been built. However, we have made available significant support to build new schools and to expand, replace and repair existing school accommodation.

Mr. Pike: I thank my hon. Friend for that answer. The Government's record since 1997 has been excellent. However, I was disappointed to learn, following today's announcement of wave 1 of the building schools for the future programme, that the Lancashire bid, which includes schools in Burnley and Pendle, is first reserve and has not been given the green light. Yesterday, one of the head teachers in Burnley—Stephen Ball from Ivy Bank school—told me that heads in Burnley are devastated by that news. We need those new schools now. We want a green light, not an amber light, so what can my hon. Friend tell me?

Mr. Twigg: I understand my hon. Friend's disappointment, because Lancashire's proposal has real strengths in terms of its education vision and capacity to deliver. As he will know, given his comment about the amber light, Lancashire is one of only two authorities that have been placed on the reserve list: some 40 applications have not yet received even an amber light. We are absolutely committed to working with Lancashire and other authorities to secure the renewal of secondary schools in every community. That will take 10 to 15 years.

Sir Nicholas Winterton (Macclesfield) (Con): The Minister may be aware that a new secondary school is planned for Macclesfield to replace two schools that are closing, one of which does not have enough pupils entering it. That is part of a huge, ambitious learning zone project. I understand that the decision to pass the learning zone project is likely to be made in a matter of days, if not hours. Can the Minister give me good news for my local parents, students and all the partners in that fantastic project?

Mr. Twigg: I fear that I must give the hon. Gentleman another amber light, rather than a green one or, as he might fear, a red one. I am not in a position to answer him now, but I will check on the situation and contact him later today.

Mrs. Lorna Fitzsimons (Rochdale) (Lab): Rochdale has been one of the many net beneficiaries of the huge investment in education, both primary and secondary—since 1997, primary schools have received an increase of more than 40 per cent. In furthering that commitment, will my hon. Friend ensure that the new buildings will be built in line with agreed policy on enhancing schools for the future, and reward authorities such as Rochdale that are co-locating special schools with primary schools?

Some schools built as private finance initiative projects have only one hall. In the light of yesterday's warning about childhood obesity, that creates a problem, especially in rainy places like Rochdale—beautiful, rainy Rochdale—because children cannot take part in lunchtime activities, which generally help in maintaining their health and well-being. Will my hon. Friend consider that issue?

Mr. Speaker: Order. The hon. Lady should try for an Adjournment debate on the subject.

Mr. Twigg: I should be happy to respond to an Adjournment debate; my hon. Friend represents her constituency very well.

My hon. Friend is right. We are considering an important programme of investment, but it is not simply about replacing existing buildings. It means investment and reform going hand in hand. One of the aims is precisely to address issues of healthy education, to which she rightly referred.

Bob Russell (Colchester) (LD): The House will find it difficult to accept that the Department for Education

and Skills does not know how many new schools have been built since May 1997. Will the Under-Secretary undertake an audit of all the demountable classrooms in my constituency in 1997 compared with today to ascertain how many have been replaced with permanent accommodation? Will he also hold an inquiry into the expansion of the Gilberd school?

Mr. Twigg: I have to say to the hon. Gentleman that I was slightly surprised when I was given a brief that told me that we do not know the number of new schools. However, I think that that is because in some cases we are considering brand new schools, and in others refurbishment and the co-location on one site that my hon. Friend the Member for Rochdale (Mrs. Fitzsimons) described. The local process is the asset management planning process, which the hon. Gentleman's local authority should pursue with regard to demountable classrooms. If that is not happening, I encourage him to write to me.

Primary School Funding (Leicestershire)

3. **David Taylor** (North-West Leicestershire) (Lab): What recent representations he has received about the level of funding available to Leicestershire primary schools in 2004-05; and if he will make a statement. [154512]

The Minister for School Standards (Mr. David Miliband): We have received few recent representations about funding for primary schools in Leicestershire for 2004–05. My right hon. Friend the Secretary of State's proposals to restore stability and certainty to school funding include an increase in all authorities' school formula spending share of at least 5 per cent. per pupil next year—that is what Leicestershire will receive. In addition, Leicestershire will receive £3.7 million of transitional grant, which must be used to help schools in specific financial difficulties to balance their budgets by 2006–07.

David Taylor: The quality of education in Leicestershire primary schools has been transformed by extra Government investment since 1997, but can the Minister understand local frustration that the higher standards, improved buildings and the provision of more and better paid staff are significantly constrained by a grant settlement that leaves us the least well funded local education authority in the land? We are 7.5 per cent. behind the average shire county, and the position is worsening. Will my hon. Friend meet local Members of Parliament to discuss our anomalous position and review the Leicestershire internal distribution formula?

Mr. Miliband: My hon. Friend has been a doughty and effective campaigner for extra funding for Leicestershire. He recently attended an Adjournment debate with my hon. Friend the Member for Loughborough (Mr. Reed), when we discussed the specific needs in Leicestershire, which is, overall, a prosperous county, but has particular areas of need. Of course I will meet him and other Leicestershire Members of Parliament who are worried about the matter. However, I am glad that he acknowledges the increased funding and the base for moving forward.

Mr. Andrew Robathan (Blaby) (Con): I am sorry to tell the Minister that, notwithstanding the assurances that the Secretary of State gave last summer, Leicestershire's problems have not gone away. Local headlines read, "Schools in cash crisis". Primary schools in Leicestershire are funded £4,000 per pupil less than the best-funded authority. If that is untrue, the Minister should take it up with the *Leicester Mercury*. Is it the case that schools that balanced their budgets through all the problems last year will not receive any transitional funding? That means that schools that managed to balance their budgets on the promise of more cake this year now have to lay off staff.

Mr. Miliband: The hon. Gentleman was doing well until he asked me to compare Leicestershire with the Isles of Scilly, which leads to the figure of £4,000 that he cited. He knows that there has been an increase of 41 per cent. per pupil in funding for schools in Leicestershire. That is £950 extra per pupil per year compared with 1996–97. I acknowledge that there are some substantial difficulties this year and, of course, we are determined to address them. However, I am convinced that the assurances that my right hon. Friend gave the hon. Gentleman last July will be effected.

Mr. Andy Reed (Loughborough) (Lab/Co-op): I declare a slight interest in that my son has just started at St. Bartholomew's school in my village, an excellent primary school. Both as the Member of Parliament for Loughborough and as a concerned parent, therefore, I take a great interest in these matters. I want to reiterate the comments of my hon. Friend the Member for North-West Leicestershire (David Taylor), because at that school he will receive £600 a head more than in 1997. We therefore recognise the advance that has been made. Given the difficulties that occurred last year, however, and the £3.75 million grant, we recognise that we are now moving on again and once again getting an above-inflation increase in the county. The difficulties last year have caused real problems across the county, however. I hope that my hon. Friend will agree to an urgent meeting so that we can look properly at the transitional relief that has been given to the county, and see whether we can work a way through to make sure that we build on the stability that we have had since 1997.

Mr. Miliband: Obviously, I agree with a lot of what my hon. Friend says. We share responsibility with local government both for raising and distributing funds. How local formulae distribute money to different parts of the local education authority is a key issue for parents, pupils and teachers. Of course, I am happy to discuss that with him. We are of course keen to help with anything that we can do to ensure that the transitional grant flows to the right places.

Student Finance

4. **Mrs. Anne Campbell** (Cambridge) (Lab): What plans he has made for financial support for part-time students in higher education. [154513]

The Minister for Lifelong Learning, Further and Higher Education (Alan Johnson): More money is being invested in part-time students. As a result, the number who will get help with their fees should more than double. From 2004–05, low-income, part-time students

will qualify for a course grant of £250 and a fee grant of up to £575 a year. The part-time sector makes a valuable contribution to our widening participation agenda, and the needs of part-time students will continue to be taken into account as we develop student support policy further.

Mrs. Campbell: That is indeed welcome news and will be greatly appreciated by the 35 per cent. of students at Anglia polytechnic university who are mature part-time students. Can my hon. Friend tell me, however, whether his future plans for higher education will include the abolition of up-front fees for part-time students as well as full-time students, as well as access to the generous maintenance loans that he also proposes for full-time students?

Alan Johnson: There are couple of points there. First, for mature full-time students, the grant is particularly important because all that they could access previously was a loan, on which an age limit applied. Now, however, that does not apply to the grant, so some of those mature students will qualify for a grant, whereas they did not qualify for a loan. On fee remission, it would be enormously expensive, as I am sure my hon. Friend recognises, for us to introduce fee remission for 42 per cent. of the higher education student population. Nevertheless, our current focus on part-time students and, with the passage of the Bill, the facility for a fee remission system, which does not exist at present, will be enormously helpful. Finally, in terms of extra help for part-time students, we do not currently know much about their difficulties because they have not been included in any previous student income and expenditure survey. From this year, they will be included for the first time, which will help us to identify their specific problems and to include them in future proposals for assistance with grants and loans.

University Science Departments

5. **Dr. Brian Iddon** (Bolton, South-East) (Lab): What representations he has received on the closure of science departments in universities. [154514]

The Secretary of State for Education and Skills (Mr. Charles Clarke): Both Ministers and officials have discussed this issue with a number of interested bodies and individuals, including some vice-chancellors. I have also received correspondence from several hon. Members.

Dr. Iddon: Has my right hon. Friend noticed the quickening pace of the closure of science, engineering and technology departments? Recently, for example, the closure has been announced of chemistry departments at King's college London, Queen Mary college London, and now the prestigious department at Swansea. It is not just a matter of falling numbers, and increased tuition fees will not end those closures. Therefore, will my right hon. Friend look at the high cost of maintaining SET departments, at the damage that the research assessment exercise has already done, and at the ratio of Higher Education Funding Council for England funding between arts and humanities courses, SET courses and medical courses, which I understand is currently 1:1.7:4?

Mr. Clarke: I will look at all the points that my hon. Friend raises, and I pay respect to his consistent campaigning on this issue. I do not accept his phrase "the quickening pace", although I am aware of the particular proposals that he mentioned. During the period 1994–95 to 2002, total enrolments in full-time science-based first degrees in UK higher education institutions increased by 12 per cent., from 328,000 students to 377,000. What that hides is a varying pattern. Chemistry has been studied in the same number of universities in that time. Materials science, physics, oceanography and combinations of physical sciences have had a reduction in the number of departments. Astronomy, geology, environmental and other sciences, archaeology and geography, however, have had an increase. It is therefore a moving pattern, but I am happy to look at the issues raised by my hon. Friend.

Mr. Nigel Evans (Ribble Valley) (Con): Does the Secretary of State accept that engineering, science and technical subjects are not seen as being as sexy as some arts subjects, which seem to attract all the funding? We are looking for value-added employment, which means that we need technicians, scientists and engineers. Is it not therefore about time to incentivise our youngsters into universities to study those subjects? If we do not do so, there will be a skills shortage at the top end, and this country will come a cropper.

Mr. Clarke: I am happy to give the hon. Gentleman a short tutorial on the action that we are taking in each of those areas. One reason why we have proposed our foundation degree programme is to strengthen the important engineering and science base. He should also appreciate the shifting movements between subjects: yes, it is—in his words—about making those subjects sexier; yes, it is about specialist schools to encourage engineering, science and technology; and yes, it is about a better relationship between the science and engineering industries and education. All those measures are necessary and they are all happening. We will continue to take them further.

Mr. Tony McWalter (Hemel Hempstead) (Lab/Co-op): Does my right hon. Friend accept that many hon. Members do not view his reply with equanimity? In particular, there has been a catastrophic decline in people doing A-level mathematics, which is a feeder subject for engineering and other sciences. As a result, the figures that he has just quoted on those studying science contain fewer and fewer people with advanced mathematical skills. Does he accept that many students think that maths is much more difficult than other subjects, and will he make sure that that perception is rectified?

Mr. Clarke: I take my hon. Friend's point and do not view the situation with equanimity. We commissioned a major inquiry by Professor Adrian Smith on mathematics education, which will report in about 10 days' time, and it will reinforce my hon. Friend's concerns about the quality of higher-level mathematics

education, so Professor Smith and I take his point. The report will point to a number of important steps that we must to take to rectify the long-term decline in those skills. There is no equanimity because we think that the matter is burningly important.

Mr. David Rendel (Newbury) (LD): The funding system that the Government are currently trying to introduce is likely to put enormous pressure on universities—particularly the less prestigious universities—only to run courses where they can charge full top-up fees and which are comparatively cheap to put on. Does the Secretary of State accept that the new scheme is likely to lead to increased acceleration in the rate of closure of science departments?

Mr. Clarke: As a matter of fact, I do not accept that in any respect whatsoever. My hon. Friend the Member for Bolton, South-East (Dr. Iddon) raised the issue of the money available for particular courses through the HEFCE formula, which is a key factor for universities. We must address that point, which is why I told my hon. Friend that I would examine those particular points. The Higher Education Bill, which is currently in Committee, will have a positive effect rather than the negative effect implied by the hon. Member for Newbury (Mr. Rendel).

Open University

6. **Brian White** (Milton Keynes, North-East) (Lab): If he will make a statement on the future funding of the Open university. [154515]

The Minister for Lifelong Learning, Further and Higher Education (Alan Johnson): The Higher Education Funding Council for England is about to undertake a comprehensive review of how funding for university teaching is allocated. In accordance with the statement made by my right hon. Friend the Secretary of State to the House on 8 January, a major focus of this review will be how the funding system might further support the development of part-time study. The review will relate to those institutions with large numbers of part-time students and will be particularly relevant to the Open university, where all students are part-time. The Open university currently receives around £14 million in widening access and improving retention funding from HEFCE, and that will improve next year when ward-based data are used to measure social disadvantage.

Brian White: I thank the Minister for his reply and for the work that he did in January to try to ensure that the review covers the needs of the Open university. Given the ongoing concern that the largest university in the country does not have the same access to funding mechanisms as full-time institutions, will my right hon. Friend ensure that officials in his Department and the funding agencies are aware of the objective of securing the future of the Open university?

Alan Johnson: I congratulate my hon. Friend, who has been a great advocate for the Open university. As he says, it is the biggest university in the country, but it and Birkbeck have a particular problem because they are entirely composed of part-time students. I understand that the first meeting of both organisations with the chief executive of HEFCE, Howard Newby, went well and involved positive discussions. We will ensure that we keep on top of the issue and that the review comes to fruition as soon as possible.

Mr. Robert Key (Salisbury) (Con): Quite apart from the funding review, can the Minister confirm or deny that the Government are considering cutting or closing the Open university and transferring distance learning functions to other new universities?

Alan Johnson: I deny that emphatically. In a letter to my hon. Friend the Member for Milton Keynes, North-East (Brian White) on 22 January, I described the Open university—in a fit of verbosity—as the "jewel in the crown" of British higher education. That has particular relevance on this side of the House, given its origins in the days when my hon. Friends were student revolutionaries. I reassure the hon. Gentleman that we have no plans to damage the Open university in any way.

Helen Jackson (Sheffield, Hillsborough) (Lab): In discussions with the Open university, will my right hon. Friend pay some attention to the important international role that its excellence plays? It can be exported by supporting and developing links with universities in developing countries, where often the only method of communication for learners is the radio. The Open university has an important role to play in the help and support that we give to developing and poor countries.

Alan Johnson: My hon. Friend raises an important point. Wherever we go in the world, the Open university is even more famous than some of the other more mentioned universities in the UK. *[Interruption.]* My right hon. Friend the Secretary of State reminds me that the Open university is now running a teacher training programme in South Africa. That is just one of the reasons why the Open university is successful. It is not concerned about imminent collapse: the concerns centre on the ability of other universities to obtain additional funding through the proposals in the Higher Education Bill. Because the Open university is composed of part-timers, it will not have the same opportunity, and the feeling is that the funding from HEFCE does not properly reflect the cost of part-time education. Those problems will be addressed in the review that my right hon. Friend announced on 8 January.

Mr. Tim Collins (Westmorland and Lonsdale) (Con): Does the Minister accept that Harold Wilson deserves immense credit for the creation of the Open university and that it has prospered and expanded under Governments of both colours so that it now represents a treasure for the whole nation? Does he recall that in times past the Open university pioneered breakfast television programming? Today, it has a successful presence on the internet. What can the Minister do to encourage the Open university to use the new possibilities created by digital interactive television?

Alan Johnson: I welcome the hon. Gentleman's comments about the formation of the Open university.

I have spoken about the issue he raises on many occasions, but I have a meeting arranged with the vice-chancellor of the Open university in the coming fortnight and I will ensure that the issue is on our agenda.

Specialist Schools

7. **Mr. James Gray** (North Wiltshire) (Con): How many schools achieved specialist status in business and commerce in the latest group he has announced. [154516]

The Minister for School Standards (Mr. David Miliband): Twenty-five schools were awarded business and enterprise status as a result of the October 2003 specialist school round. In addition, two schools achieved specialist status in a combined specialism—business and enterprise with sport, and business and enterprise with visual arts.

Mr. Gray: I thank the Minister for that answer and I congratulate him on his commitment to business and commerce specialism in schools. Will he spare a thought for Abbeyfield comprehensive, a brand new school in Chippenham in my constituency, which was built under a private finance initiative scheme introduced by the Conservatives? The school spent much money and time on preparing a bid for business and enterprise specialism. It was told by the Department that the length of existence of the school did not matter and that the lack of exam statistics would not count against it, but was then very surprised to be turned down, apparently on the ground of its lack of exam statistics. Can the Minister comment on that and can he tell me whether Abbeyfield should reapply next year? If it does, will he give that application his personal and careful attention?

Mr. Miliband: The Department does owe an apology to Abbeyfield school, in that it was given mistaken information. However, its application for specialist status did not fail because of that error; rather, there were some significant weaknesses in its bid. I can assure the hon. Gentleman that we would welcome a further application for the March round, and I should point out to him and to all Members that the Department is there to work with schools to help their bids reach the right level, so that as many as possible go through as fast as possible. That applies as much to Abbeyfield as to any other school.

Mr. David Drew (Stroud) (Lab/Co-op): Does my hon. Friend accept that this important venture overcomes the dreadful divide between academic and vocational studies that has bedevilled this country? Does he agree that specialist schools are an important way in which we can develop consumer education and debt advice, for example, in line with the financial education that has become more widely taught in all aspects of our secondary education?

Mr. Miliband: My hon. Friend makes a good point. The development of business and enterprise specialisms does hold out the prospect that, along with curriculum reform, which the Tomlinson committee will discuss next week, we can overcome the academic and vocational divide and encourage youngsters to combine such subjects, or general and specialist subjects, according to their aptitudes and interests. I very much welcome my hon. Friend's support for the programme.

Ann Winterton (Congleton) (Con): I know that the Minister will want to congratulate three schools in my constituency—Congleton high, Eaton Bank and Alsager—which have recently secured specialist status. I understand that to date, although specialist schools can select 10 per cent. of pupils by aptitude, very few do so. Bearing in mind the difficulties that might arise in a large rural constituency because of transport issues, and so on, will the Minister encourage flexibility in admissions to ensure that in a town such as Congleton, children go to the school to which their aptitude is best fitted, rather than to the one nearest their home?

Mr. Miliband: There is some flexibility in the specialist schools programme to allow up to 10 per cent. of pupils to be selected on the basis of aptitude in particular specialisms, such as music and sport. We certainly would not want flexibility of a type that suggested a return to anything approaching the 11-plus. *[Interruption.]* Perhaps I have not understood exactly what the hon. Lady is getting at. Schools need to adhere to the code of practice on admissions, which gives some room for the flexibility that she describes. However, if she would like to explain the matter to me further afterwards, I shall get back to her.

Jonathan Shaw (Chatham and Aylesford) (Lab): Will my hon. Friend congratulate Aylesford school on becoming a specialist sports school, hard on the heels of its receiving a share of a £60 million private finance initiative, which will provide bright new buildings? However, Ofsted has expressed the concern that specialist schools do not always fulfil the community links that they talk about in their applications. Is his Department keeping this issue under review, and what lessons has it learned in offering guidance to schools, particularly when they are reapplying for specialist status?

Mr. Miliband: Needless to say, Aylesford school is rarely far from my thoughts, and I am delighted to offer my sincere congratulations to all concerned. My hon. Friend raises an important point. Specialist schooling is about developing centres of excellence in every school in the country that are not just for the benefit of those schools' pupils, but which are available to the wider community, other pupils and the extended community of adults. Some difficulties have arisen, and we are working with the Specialist Schools Trust on precisely that point, to ensure that all new specialist schools deliver on the community aspects of their plan and on providing a resource for the whole community, as well as on improvement of their own institutions.

Student Finance

8. **Simon Hughes** (Southwark, North and Bermondsey) (LD): How much the average student loan taken out by students was in each London borough in the 2002–03 academic year. [154517]

The Secretary of State for Education and Skills (Mr. Charles Clarke): On the basis of information provided by the Student Loans Company, the provisional average income-contingent student loan taken out by full-time students in the London borough of Southwark in the 2002–03 academic year was £3,900. I will write to the hon. Gentleman giving the average loan figures for other London boroughs, and place a copy of such information in the Library.

Simon Hughes: I am grateful to the Secretary of State for that reply. Those figures—and figures given by his right hon. Friend the Minister for Lifelong Learning, Further and Higher Education for last year for the whole region—show that students who are resident in inner-London graduate with a much higher level of debt than those living anywhere else, and that outer-London students are placed third in the league table. What will he do, therefore, to ensure that his current policy, with top-up fees included, does not inevitably result in students who live in London graduating with higher debt than those who live elsewhere? That would inevitably prove a disincentive to students' coming to, and staying at, universities in the capital.

Mr. Clarke: First, as I announced in the debate about this, the level of maintenance loans for students in London will be increased significantly. One of the main reasons why they get into debt now is the fact that they have to borrow to live, because their maintenance loans are insufficient to meet their costs. We are dealing with that, and what we are doing will make a very positive difference.

Secondly, the decision to abolish the up-front fee means that students will no longer have to borrow money on plastic, for instance, to pay a fee that, for whatever reason, their parents would not pay. That has been happening in many homes in London.

Both those moves represent a significant improvement for students in London.

Kali Mountford (Colne Valley) (Lab): People such as my constituents who want an education in London are not supported by their families in the same way as many who already live in London. Is it not important for loans and fees combined to reflect the actual cost of the education that they want? My right hon. Friend mentioned credit cards. The average cost of a credit card this Christmas was £6,500. The rate of repayment is what matters, and students should be made aware of the benefits of an interest-free, affordable rate.

Mr. Clarke: My hon. Friend is entirely right. First, we have addressed the up-front fee question. People have been getting into debt because it has not been addressed properly until now. Secondly, we have addressed the problem of the maintenance loan in London, thus reducing the pressure on those living there while receiving their education. Thirdly, as my hon. Friend pointed out, repayments after graduation will be made at a zero real rate of interest and through the tax system. That is a major improvement, at each stage, on the current state of affairs.

Mr. Tim Yeo (South Suffolk) (Con): Now that it is clear that the next generation of students will be burdened with a record level of debt because the Government broke their promise not to introduce top-up fees, may we be clear about what that means to universities? Will the Secretary of State confirm that just as the introduction of tuition fees five years later has left universities with less funding per student in real terms, the introduction of top-up fees will not increase universities' net income by a penny, because he has not persuaded the Treasury to increase his departmental limit? This is a policy that, uniquely, achieves the triple whammy of being bad for students, bad for universities and bad for taxpayers.

Mr. Clarke: What an extraordinary question. Perhaps the hon. Gentleman should spend a bit more time on his health or golfing responsibilities.

The fact is that there will be upwards of £1 billion of extra money coming into universities. Do not ask me; ask Universities UK, and ask every vice-chancellor. Vice-chancellors are telling Conservative Members, just as they are telling Labour Members, that they should support the Higher Education Bill because they know that the extra resource will make a difference to their universities. What must be borne in mind—and we will point this out every day between now and the next general election—is that the vote of the hon. Gentleman and his colleagues in the House the other day was a vote to take money away from universities and to damage them. We will not forget it; the country will not forget it.

Children's Fund

9. **Norman Lamb** (North Norfolk) (LD): If he will make a statement on the children's fund. [154518]

The Minister for Children (Margaret Hodge): The children's fund was allocated £450 million in the 2002 spending review. By September 2003, 302,000 children and families were using the services provided by the fund. However, efforts to ensure that all allocations were spent have resulted in a projected overspend. Reductions were therefore made in allocations for 2003–04 onwards.

Following my discussions with key stakeholders, we have taken action from 2003–04 to address the most difficult problems, and I am now urgently re-examining the allocations for next year. I expect to write to partnerships in the next few days.

Norman Lamb: I thank the Minister for that response, but how does she respond to the real anger and frustration felt locally at the far too late announcement of cuts to next year's funding allocation, which puts at risk the important work of groups such as Asperger Norfolk? Representatives of that organisation wrote to me expressing its dismay at the Government's announcement—it may result not only in jeopardising important work for children, but in redundancies—and the fact that it was made at such a late stage in the planning process for next year. Yesterday the Prime Minister confirmed that work was ongoing, so can the Minister offer any help to local groups and would she be prepared to meet a local delegation to hear directly about their concerns?

Margaret Hodge: I certainly understand the concerns expressed by Asperger Norfolk—I received a copy of a

letter written to my right hon. Friend the Secretary of State—and by other voluntary organisations throughout the country. That is why we are urgently re-examining the allocations for 2004–05 to establish whether we can do any more to help. I would be happy to meet any delegations representing organisations from Norfolk to discuss their problems with them. I would also like to give an assurance that we greatly value the work of the voluntary sector in respect of the children's fund, which has been a successful programme. Such preventive work among a given group of children is precisely what we want to carry forward as we implement the Green Paper in the coming years.

Ms Sally Keeble (Northampton, North) (Lab): I accept the problems created for the programme by the underspend, but would my hon. Friend accept that, now the projects are under way and are spending up to profile, cuts that represent a quite small amount of overall Government spending will have profound implications for the ability of some of the projects to continue and to serve some extremely vulnerable children? The work is highly valued locally and many people are anxious to see it continue.

Margaret Hodge: Again, I am aware of problems in my hon. Friend's constituency, not least because she has talked to me about them. The projects are extremely important in providing a valuable contribution to the infrastructure and they are helping us to reach young people who could not be reached in other ways, thus preventing things from going wrong. That is precisely why I am having urgent discussions to see what we can do to help, and I hope to be able to write and inform the relevant authorities over the next few days.

Charles Hendry (Wealden) (Con): The Minister will recall the Chancellor saying:

"The war against child poverty requires not only additional cash but also the support and encouragement of all forces of care and compassion".

How hollow that sounds now. Against that background, will the Minister meet representatives of national voluntary organisations that work with children to explain face to face why they have been told to brace themselves for cuts of up to 30 per cent. over the next couple of years? They could then explain to her that it will mean redundancies and even the closure of some programmes. Are the budget cuts the result of mismanagement, incompetence or because the money is being diverted to other spending commitments? Does it not show that, in spite of the Chancellor's fine words, there is less rather than more cash available and precious little care and compassion?

Margaret Hodge: I am in constant communication with all the national organisations. Indeed, just this morning I had a conversation with one of the national charities that is responsible for running several partnerships in the country. Although I understand and applaud the hon. Gentleman's current commitment to the role of the voluntary sector, it is rather sad to note that he was among the Members who opposed the Budget, which enabled the Chancellor to provide the moneys to set up the fund, which has been so successful. However, I accept that there are lessons that the Government need to learn from the administration of the fund. That is why I am currently in urgent discussions with my colleagues to establish how to sort out the current position in order to ensure that the contribution of the voluntary sector to the well-being of children can be sustained over the long term.

"Every Child Matters" Green Paper

10. **Mrs. Ann Cryer** (Keighley) (Lab): What response he has received to the consultation paper "Every Child Matters". [154519]

The Minister for Children (Margaret Hodge): The response to the Green Paper "Every Child Matters" has been extremely high. We have received more than 4,500 responses, of which I am pleased to say that more than 3,000 were from children and young people. I propose to publish a report shortly, which will set out the way forward.

Mrs. Cryer: Did any of the responses suggest how young girls could be protected from unwanted marriage through early intervention by a school? If not, will guidelines be given to schools to help prevent these tragedies, which happen too frequently?

Mr. Clarke: First, I applaud my hon. Friend's very good work in connection with unwanted marriages in her constituency. She recently wrote me a very long letter on the subject. I have been studying it, and I hope to meet her to discuss the best way to make progress towards tackling what I accept is a difficult and distressing problem for the young women involved.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Anti-terrorism, Crime and Security Act

21. **Hugh Bayley** (City of York) (Lab): If she will make a statement on the report by the Privy Councillor Review Committee on the Anti-terrorism, Crime and Security Act 2001, in so far as it relates to bribery abroad. [154530]

The Solicitor-General (Ms Harriet Harman): The Privy Councillor Review Committee published its response to the Joint Committee on the draft Corruption Bill on 18 December. That report is due to be debated in this House on 25 February. The operation of the Anti-terrorism, Crime and Security Act 2001 continues to be under review.

Hugh Bayley: The Privy Councillors recommended a radical simplification of the law on international bribery and corruption. Will my right hon. and learned Friend assure the House that the provisions in the 2001 Act will not be repealed until there is better, clearer and simpler legislation on the statute book? Will she ensure that the new measures are phrased in such a way that investigations taking place under the existing legislation will still be able to proceed to prosecution?

The Solicitor-General: My hon. Friend raises various points, and I shall start by saying that the UK, as a

signatory to the convention on combating bribery of foreign public officials in international business transactions, takes its responsibilities seriously. The convention is the framework under which we operate. On 25 February, the House will debate the Privy Councillor report, which contains proposals on how provisions should be simplified to make them more effective. Obviously, we want simplicity, but the legislation must be effective. We need to make it work, and that is a matter that we will have to discuss and consider.

My hon. Friend asks whether the bribery clauses in the 2001 Act will be caught by the sunset clause. The Act contains a requirement for review, as its provisions were considered to be so important, as well as sunset clauses, which ensure that Parliament must positively re-enact those powers. However, there is no question that the Act's provisions in respect of bribery will fall into abeyance as a result of the sunset clauses. I hope that that reassures my hon. Friend.

Dr. Vincent Cable (Twickenham) (LD): The Solicitor-General may know that I and other hon. Members have corresponded with the police and the prosecuting authorities about allegations of bribery by UK companies in the arms export sector. Are any active investigations of that sector under way?

The Solicitor-General: The hon. Gentleman may know that, following reports in *The Guardian* in relation to BAE Systems, a number of items of evidence were passed to the Serious Fraud Office. The SFO originally considered a number of issues that broadly come under the heading of bribery, but decided that there was not enough material to warrant further investigations. It will always consider material that it is given, but I cannot tell the hon. Gentleman that any prosecutions are pending or that any active review is under way at present.

Parmalat

22. **Miss Anne McIntosh** (Vale of York) (Con): What activities the Serious Fraud Office is undertaking in relation to Parmalat. [154531]

The Solicitor-General (Ms Harriet Harman): For operational reasons, the SFO cannot confirm or deny whether this matter has been referred to it.

Miss McIntosh: That response is a little like the answers that I get from the Advocate-General. Will the Solicitor-General answer the more general question about what precautions are in place to ensure that nothing like the Parmalat scandal could happen in this country? It would reassure many businesses, and many people affected by the scandal in Italy, to know that nothing similar could happen in this country.

The Solicitor-General: The focus of a number of Departments would bear on that, such as the Treasury, through the Inland Revenue, and the Department of my right hon. Friend the Secretary of State for Trade and Industry, through the auditing processes. There are a number of mechanisms to combat fraud in this country. We are not complacent; we aim to be robust in ensuring that tax is paid and accounts are audited and that, if corruption starts, with its dreadful effects that can cause loss of businesses, homes and people's livelihoods, it can be nipped in the bud rather than continue to grow.

Mr. John Burnett (Torridge and West Devon) (LD): International financial scandals, such as Parmalat, invariably involve substantial amounts of tax evasion and tax fraud. Recent evidence of prosecution criminality in Customs and Excise has vindicated the decision to bring Customs and Excise under the aegis of the right hon. and learned Lady's Department. Even though the culture in the Inland Revenue is different, are there are any proposals to bring Inland Revenue prosecutors into her Department, not least to enable them to work more closely with the Serious Fraud Office?

The Solicitor-General: We have acted on the proposals, following the Butterfield review, to create a separate prosecution arm for Customs and Excise, and making it accountable to the Attorney-General. The hon. Gentleman is right to say that big scandals, such as the one we have just been discussing, often involve tax evasion and tax fraud. He asks whether we should undertake the same exercise at the Inland Revenue as with the Customs prosecutors. There is a different culture, but the Attorney-General and I frequently meet the Revenue prosecutors, and hear about their cases. There is a light-touch professional superintendence, although they work effectively in their home department—the Treasury. If there was evidence that that did not provide sufficient independence, and that professional standards were not sufficient, we should obviously have to look at the matter. However, that is not the case in relation to the Revenue.

Domestic Violence

23. **Mr. Elfyn Llwyd** (Meirionnydd Nant Conwy) (PC): How many representations she has received during the past 12 months on the approach taken by Crown prosecutors in cases involving women subjected to domestic violence. [154532]

The Solicitor-General (Ms Harriet Harman): I answered oral questions in March and May 2003 on policy in relation to domestic violence cases. I have also answered a number of written questions and received numerous representations from voluntary organisations and members of the public. I am afraid that I have not counted them—I hope that the hon. Gentleman will not ask me to do so.

Mr. Llwyd: I have no intention of asking the Solicitor-General to count them. The subject remains very important, as two women are killed each week. To be fair to the Government, they have introduced numerous useful reforms, yet Home Office figures show that in July 2002 domestic violence was, unfortunately, up by 22 per cent. Is any monitoring under way to look at the numbers of cases that fail, are discontinued or result in conviction, and whether the penalties are appropriate to the crime?

The Solicitor-General: On penalties, the Attorney-General and I can refer to the Court of Appeal unduly

lenient sentences if the case has taken place in the Crown court. Such cases go to the Court of Appeal and the response can then form guidelines that are effective in the magistrates courts as well as the Crown courts. That meets the point about sentencing, but, in addition, the Home Secretary has asked the Sentencing Advisory Panel to review sentencing across the board in domestic violence cases. The panel will report in a matter of months, so we shall be able to see whether we have got the guidelines right.

On the number of cases that fail, once a domestic violence case gets to court—whether the magistrates court or the Crown court—generally speaking, it is more likely to succeed than not. The difficulty is in actually getting such cases to court, because victims can be terrorised or pressurised to drop the case. The hon. Gentleman is right; we need to keep a close eye on cases that fall by the wayside before they get to court. My noble Friend, Baroness Scotland, the Minister for Criminal Justice System and Law Reform, leads an interministerial committee, which is examining a number of indicators so that we can report more clearly to the House whether we are succeeding in tackling domestic violence.

Mr. Huw Edwards (Monmouth) (Lab): Will my right hon. and learned Friend confirm that a disturbingly low proportion of those who perpetrate domestic violence are brought to court? What guidance is she giving the Crown Prosecution Service so that it can increase the proportion of those who are brought to justice?

The Solicitor-General: The first point is that we want to prevent domestic violence from taking place, which involves getting across to women very clearly the message that they should not have to put up with violence as part of their relationship; and to men that, if they are violent, they should not get away with it. The next step involves the police, the prosecution services and all the other agencies working closely together so that, as soon as there is a case of domestic violence, they all operate together to ensure that the offender is brought to justice.

There also needs to be plenty of support for victims to enable to them to get to court. As a result of one measure that will be brought into effect in April, victims will be given anonymity on application to the court. If they are not prepared to come forward unless their names are kept private, the prosecutors will be able to apply to the court to say, "In this case, please can we have reporting restrictions?" That is another new measure, designed to try to ensure that prosecutions go forward and that those who perpetrate domestic violence are brought to justice.

Mr. Dominic Grieve (Beaconsfield) (Con): I noted what the Solicitor-General said in relation to the majority of domestic violence cases that actually get to trial succeeding—of course, we all wish to see that happen—but does she agree that it is very important that, in any system to deal with domestic violence or any other crime, there should be a sense of fairness in the procedure? She will be aware that there is a principle in the Domestic Violence, Crime and Victims Bill to apply for restraining orders on acquittal. Does she agree that, if those restraining orders were to be granted on anything other than the higher, civil burden of proof, it would be seen as a way of getting round an acquittal and would bring the entire process into disrepute?

The Solicitor-General: The restraining orders are not a way of getting round an acquittal; they are a way of getting around a problem: there may be an acquittal in the criminal court, but there is still a need for protection—the equivalent of an injunction, a non-molestation order. Currently, the person involved has to go across town to another court to apply for an injunction, where the balance of probabilities is the standard of proof. Instead of making them go across town to another court, we ask, "Surely the criminal court could swap hats, become more like a civil jurisdiction and issue the equivalent of a non-molestation order?" That is proposed in the Bill, but I have described those orders as stay-away orders, generically, because it is not a question of the criminal court operating according to lower standards, but of that court operating more like a one-stop shop, so that a woman does not have to go from pillar to post and the court can deliver the necessary orders for her protection.

Business of the House

12.32 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): Will the Leader of the House please give us the business for next week?

The Leader of the House of Commons (Mr. Peter Hain): The business following the half-term week will be as follows:

MONDAY 23 FEBRUARY—Second Reading of the Gender Recognition Bill *[Lords]*.

TUESDAY 24 FEBRUARY—Motions relating to the Draft Social Security Benefits up-Rating Order 2004 and the Draft Guaranteed Minimum Pensions Increase Order 2004, followed by an Opposition half-day [5th Allotted Day] (2nd Part). There will be a half-day debate entitled, "Crisis in pension scheme wind-ups", on an Opposition motion.

May I express my gratitude to the hon. Member for North-East Hertfordshire (Mr. Heald) on behalf of the House for the early notice he has given of the title of the Opposition day debate? It is 12 days away, but such notice gives hon. Members an opportunity to plan. Perhaps we can continue to discuss the titles of such motions to ensure that what appears on the Order Paper is not only consistent with what I announce, but accurately reflects the contents of the Opposition motions that he wishes to table, given that the titles that I announce sometimes do not appear on the Order Paper because of the need to conform with House rules.

WEDNESDAY 25 FEBRUARY—Debate on the report from the Privy Counsellor Review Committee on the Anti-terrorism, Crime and Security Act 2001, on a Government motion.

THURSDAY 26 FEBRUARY—Motion to approve a money resolution on the Employment Relations Bill, followed by a debate on Welsh affairs on a motion for the Adjournment of the House.

FRIDAY 27 FEBRUARY—Private Members' Bills.

The provisional business for the following week will be:

MONDAY 1 MARCH—Remaining stages on the Asylum and Immigration (Treatment of Claimants, etc.) Bill.

TUESDAY 2 MARCH—Second Reading of the Pensions Bill.

WEDNESDAY 3 MARCH—Opposition Day [6th Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 4 MARCH—Motion to approve a money resolution on the Carers (Equal Opportunities) Bill, followed by a debate on women, equality and human rights on a motion for the Adjournment of the House.

FRIDAY 5 MARCH—Private Members' Bills.

The House may also wish to know that, subject to the progress of business, the House will rise for the Easter recess at the end of business on Thursday 1 April and return on Monday 19 April.

Mr. Heald: I should, of course, have asked for the business for the next parliamentary week, in which case it would have been quite in order for the Leader of the House to reply "gardening"; luckily, he did not.

May I raise two issues with the Leader of the House? Last year, he and I marched shoulder to shoulder through the Lobby to vote for a democratically elected second Chamber, which was the most popular option among hon. Members. The option that received the fewest votes was an all-appointed Chamber. Why, therefore, have the Government chosen to proceed with that option? Who was it who said:

"If there is one fault greater in a democratic society than not to consult, it is to consult and then to ignore the results"?

It was his predecessor. The Leader of the House has gone one better—he is now ignoring his own opinions, as set out in the Fabian Society speech that he made only last Saturday. If he wants to introduce a Bill, surely it must include ideas for electing the other place. May we have a statement in this place on the Government's intentions?

It has now emerged that the Home Office ignored warnings given last summer in a letter from the hon. Member for Morecambe and Lunesdale (Geraldine Smith) that illegal immigrants on pitiful wages were risking their lives collecting cockles among the currents and quicksands of Morecambe bay. The Minister's reply conceded that Home Office officials felt that

"little useful purpose would have been served by sending immigration officers",

and went on to point out that there were "resource issues". That attitude must have encouraged the gangmasters to continue the operations that led to the deaths of the 19 people. It was an appalling dereliction of duty, and hon. Members know nothing to suggest that any action has been taken to remedy the situation.

Do we live in a country where the Government do not care about clamping down on illegal immigration, or that reckless and greedy profiteers are putting people's lives at risk? Will the Home Secretary make a statement to the House today to explain his Department's lazy and complacent response to this dangerous situation? If not, we in the House and people throughout the country will know what the Government really think—they just do not care.

Mr. Hain: The idea that this Government do not care about a large number of illegal workers who died on the Morecambe sands is, frankly, beneath the hon. Gentleman—and beneath contempt.

As for doing nothing about it, may I place on record what did happen, and in doing so congratulate my hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith) on her excellent job in defending her constituents' interests and exposing the appalling gangmasters' rackets? Immigration officers were not present on that occasion, but police officers were. The purpose of the initiative was to ensure that the police got a grip and tackled the problem, which they, and the Home Office under the leadership of the Home Secretary, were trying to do.

Mr. Heald: Are you blaming the police?

Mr. Hain: No, I am not blaming the police; I am correcting the record. It is not true that the Government or the police did nothing. On the contrary, the appropriate officials—police officers—were on the case months ago, which is what the Home Office Minister

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concerned said in the reply that my hon. Friend the Member for Morecambe and Lunesdale received to her letter. We did not ignore the situation and there was no dereliction of duty. We were on the case, and we are on the case in other respects, such as seeking to eject a record number of illegal asylum seekers—more than any country across Europe—at the average rate of 1,500 a week.

I am glad that I stood shoulder to shoulder with the hon. Gentleman in the vote on the House of Lords. I have never hidden the fact that I have always believed in an elected second Chamber—I voted that way. The issue now is how we achieve that. First, we must get the Bill through, because it establishes a platform for subsequent consensus on final reform of the House of the Lords.

Mr. Eric Forth (Bromley and Chislehurst) (Con): No.

Mr. Hain: Yes, it does; otherwise we are defending the indefensible situation of hereditary peers remaining in the second Chamber and voting on laws of the land although they are there by accident of birth rather than by election or any other democratically accountable system of appointment. That is the position.

Interestingly, Conservative peers in the House of Lords voted solidly for a fully appointed Chamber.

Mr. Forth: They would.

Mr. Peter Hain: Ah—the cat has been let out of the bag. We have one message from Conservative Front Benchers, who are being purely opportunistic, as they always are on every policy, but another message from elsewhere—and not just a message, but a practical vote against the very policy that the hon. Member for North-East Hertfordshire (Mr. Heald) appears to be advocating. I am in favour of getting through the reform that will abolish hereditary peers and establish a more accountable and independent appointments system, and of building on that over the subsequent period. I shall happily talk to the hon. Gentleman about that. The Joint Committee, on which I hope Conservatives and Liberal Democrats will be represented, will be able to examine the system, which I hope will contain at least a strong element of direct election.

I have one final point on that matter, which is that I have been absolutely consistent in what I said to the Fabians last Saturday and in what I wrote in my book nearly 10 years ago. I have always believed that to have an entirely separate election for the second Chamber on a different date from the general election would be undesirable. I do not know what the turnout would be in such an election, and it would have the opportunity to offer a rival forum. We should examine, as the Lord Chancellor has said, the option of a secondary mandate whereby the votes cast at a general election would determine the composition of an elected second Chamber. It will be interesting to see what the Conservatives do in a serious debate on the matter, instead of their normal opportunistic posturing—which has been countered by the way in which they have voted in the other place.

Mr. Paul Tyler (North Cornwall) (LD): Will the Leader of the House tell us whether and when we will have an opportunity here to debate the 26th report on senior salaries, which was published this morning, and—more importantly—the Prime Minister's written statement that has just been released? Does the Leader of the House recognise that the Prime Minister's spokesman has confirmed that the report means that the Prime Minister's salary will be increased to nearly £179,000?

Interestingly, the briefing given this morning referred to performance-related pay. Can the Leader of the House explain precisely how that will apply to Ministers? What would happen if there were an error of judgment at the highest levels of government? Would salary be docked if, for example, the Leader of the House made a mistake, or if the Prime Minister made a mistake and led the country to war under false pretences? Would his pay be docked sufficiently to take account of that error?

On Lords reform, can the Leader of the House confirm that there will be a debate in Westminster Hall on Wednesday 25 February? Since he has already said that he has taken the lead on this issue, and since it would seem that he alone in the Cabinet is sticking to the manifesto commitment to make the House of Lords more democratic and representative, which everyone else signed up to but has since reneged on, will he lead for the Government in that debate?

Mr. Hain: As the hon. Gentleman knows, the lead Secretary of State on the House of Lords reform Bill, which will be introduced in due course and which will abolish the hereditaries and establish an independent system of appointment, will be the Secretary of State for Constitutional Affairs. Yes, I can confirm that there will be a debate on the House of Lords on the first Wednesday after we return.

On public sector pay, the Senior Salaries Review Body recommended that Members' pay and Ministers' pay be increased in line with the general rate of inflation, which is about 2 per cent., and the Government have accepted that. I do not know whether the hon. Gentleman was suggesting that Members' pay should be docked on a performance-related basis, so that he might take a dock in pay depending on whether he performed well or badly at business questions. All that we are doing is implementing what the House has decided. Ministers' and Members' pay is linked to civil service grades. The pay review looked at civil service pay, and this is the result. The increase is in line with inflation, so I do not think that his arguments apply.

I have one other point to raise with the hon. Gentleman. I am very concerned about the number of Opposition Members who turn up for their own debates. I found it amazing that no Liberal Democrat Back Benchers were present during their party's debate on the environment earlier this week. Even more galling is the fact that the hon. Member for Lewes (Norman Baker) has tabled an early-day motion—

Mr. Speaker: Order. I must stop the Leader of the House.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): Before we launch forth on messing up the arrangements in another place, could we look carefully at the arrangements in this House? Is the House of Commons going to continue to limp along on the totally inadequate changed hours, which are not only affecting the work of Select Committees but destroying the Refreshment Department? They are also making it impossible for schools in the north to visit the House of Commons at any sensible hour. They really are a negation of any sensible access to a democratic establishment.

Mr. Hain: My hon. Friend will be aware that I have announced that we shall review the hours, and I am taking soundings on that and consulting everyone across the Floor as well as our own Back Benchers, including her—*[Interruption.]* Perhaps I could address the specific issues that she has raised. First, the question of when Select Committees meet is a serious one. The Chairman of the Liaison Committee and, indeed, the Liaison Committee itself raised the issue with me when we met before Christmas. There is now an opportunity for Select Committees to meet in convenience, as it were, on a Wednesday morning, not least because the parliamentary Labour party has decided that, after the Easter recess, it will meet on a Monday evening. Perhaps my hon. Friend will look at whether that will give her an extra opportunity. I realise that there have been changes to the catering arrangements as a result of the new hours, but the Refreshment Department's income has actually gone up—*[Interruption.]*

Mr. Speaker: Order. The hon. Lady asked the Leader of the House a question. She should not then interrupt him.

Mr. Hain: Within the rules, I always enjoy my hon. Friend's heckling from the Bench Benches. Indeed, I admire her—

Mr. Speaker: Order. It does not help me, and the hon. Lady should not do it.

Mr. Hain: I realise the frustration that my hon. Friend and many other out-of-London Members, including me, feel about the limitation on tours and school visits. That is why I have talked to the official responsible for such visits, and we are considering making adjustments to improve the opportunities for school visits and other visits that Members arrange from their constituencies, because this has undoubtedly been a very negative outcome over the past weeks.

I think that we can move forward and resolve the three issues that my hon. Friend has raised, but I want to see a consensus created on the wider question of hours, by people on both sides of the argument talking to each other and finding a way to move forward. There is every sign that Members are showing a willingness to do that. I want us to have a vote that achieves a consensus rather than a narrow vote that leaves one side triumphant and the other side embittered.

Sir George Young (North-West Hampshire) (Con): The Leader of the House has just confirmed that a Bill will shortly be introduced on the House of Lords. Will he give the House an assurance that the Government will not draw the long title of the Bill so tightly that it will not be possible to table amendments on a directly elected element?

Mr. Hain: I can give the right hon. Gentleman no such assurance.

Tony Lloyd (Manchester, Central) (Lab): May I draw to the attention of the Leader of the House the importance of professional football to the national way of life? Many football supporters are extremely concerned about the recent spate of takeovers by billionaires from outside the country—such as the takeover of Chelsea—and about the current situation at Manchester United. Speaking as a Manchester United supporter, I must tell my right hon. Friend that it will not go down very well in Manchester if a takeover bid is made for United without reference to the interests of football, and if such a decision is made only in the interests of business. Can we expect an early statement from Ministers on how they intend to approach takeovers in professional football?

Mr. Hain: I recognise my hon. Friend's concern. I know that he is an avid Manchester United supporter, and that he will be mourning last night's results just as I, as an avid Chelsea supporter, am celebrating them. I understand his concern, however. The takeover of Chelsea football club, which has brought much needed relief and many tens of millions into our coffers, whereby we are now creating the best club in the world, has nevertheless raised the important issue of foreign takeovers that my hon. Friend identifies. I know that the all-party football group has done a lot of work on this matter and expressed much concern about it. It is an important issue that my right hon. Friend the Secretary of State for Culture, Media and Sport will want to take close account of. I am sure that she will also study what my hon. Friend has said and be happy to talk to him about the implications.

Mr. Dennis Skinner (Bolsover) (Lab): I do not know about the Chelsea PFI scheme from Russia, but will my right hon. Friend have a statement made by the appropriate Minister regarding the supreme court proposals and the statement by the Lord Chief Justice, no less, that he will oppose the proposals unless he gets a £50 million prestigious home for the supreme court? We are not talking about a few rolls of wallpaper here. I regard this as blackmail, extortion or bribery. I do not know whether some legal interpretation can be made, but it ill becomes a Lord Chief Justice to act in this fashion.

Mr. Hain: Knowing my hon. Friend's fearsome reputation, I am sure the Lord Chief Justice is quivering over what he said. If the reported remarks are correct—and I do not know—I find it surprising if that is the

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principal reason for objections by the Lord Chief Justice to modernising reforms, which will establish a genuinely independent senior judiciary and a new, modern system of a supreme court, and ensure that the system of appointments to the senior judiciary is independent, rather than being in the Prime Minister's hands. I would have thought that most people of common sense around the country, including those in the Lords, would recognise that. I hope that the Lord Chief Justice will in due course do the same.

Pete Wishart (North Tayside) (SNP): On Tuesday evening at Earls Court the British music industry will once again host the now annual, increasingly popular, Brit Awards ceremony, which, I am sure the Leader of the House is aware, is where the cream of the British music industry comes together to celebrate another year of success and achievement. The right hon. Gentleman will also be aware that the industry is currently experiencing real difficulties, mainly in the form of piracy, counterfeiting and illegal downloading. May we therefore have a debate on the British music industry, to examine these issues and to celebrate the success of what is still one of our most dynamic, creative and successful indigenous industries?

Mr. Hain: Unfortunately, I shall not be at the Brit Awards, as I shall be visiting people across Wales, although I received an invitation. I am glad that many hon. Members will take advantage of their invitations, because our music industry is vital in terms of exports and Britain's reputation world wide for being in the vanguard of modern music. I know that particular notice will be taken of the hon. Gentleman's concerns, as he was a distinguished rock musician in his previous career.

Huw Irranca-Davies (Ogmore) (Lab): Having recently returned from a visit to Israel and the occupied territories, and spoken to members of the Palestinian Authority and the Likud Government, two things are clear. One is that everybody knows the way forward and what needs to be done. The second is that there is a literally deadly impasse at present. Will my right hon. Friend therefore try to find time for a debate on this issue on the Floor of the House, particularly in the light of continuing loss of lives on both sides, issues over the line of the security fence and the possibility of unilateral withdrawal from Gaza? It is vital that the House keep an eye on these issues and lobby for the road map to peace and for long-term peace and prosperity for all the people—Palestinians and Israelis.

Mr. Hain: My hon. Friend eloquently puts what I think is a position widely shared across the House and across all parties. He will have the opportunity to question my right hon. Friend the Foreign Secretary on this matter very soon after we return. The vision that he has offered is that there must be negotiations for an independent Palestinian state, but one that gives the Israelis the security they need from suicide bombers and other attacks. That is the only way forward, and the sooner they get down to the road map again and the negotiations to achieve it, the better.

Mrs. Gillian Shephard (South-West Norfolk) (Con): There has already been a reference this morning to the tragic deaths of the Chinese workers in Morecambe bay. Council officials calculate that in the Breckland district council area, part of which I represent, there are some 15,000 foreign workers, some of whom are there legally, some illegally. I have been warning Ministers about the implications of this for at least two and a half years, but my efforts have been greatly hampered by the fact that it seems that no one Department is in the lead and that no one Department wants to know the facts.

There is no excuse now for Ministers not knowing the facts, in the light of the tragedy and also in the light of the report of the Environment, Food and Rural Affairs Committee on gangmasters, published last September. Will the Leader of the House arrange for an early debate on the implications of Morecambe bay and the issues raised in the Select Committee report, and allow Members to question the Government on their extremely limp response to the report?

Mr. Hain: I am grateful to the right hon. Lady for raising this point, which affects the coastline near her constituency. Indeed, it affects us all. I do not agree that there has been a limp response. We have been pursuing the gangmasters, and are doing so in the Morecambe bay area. That is the purpose of the investigation. The police—the appropriate security officials, rather than immigration officials—came in and were on the case in order to track down the gangmasters. My right hon. Friend the Home Secretary will want to consult closely on the matter—his consultations will include the right hon. Lady, if she wishes to make any representations—because this is a common problem that we have to solve together.

Mr. Kelvin Hopkins (Luton, North) (Lab): We have seen in recent days Eurotunnel yet again falling into serious financial difficulties. In one way or another it will have to be bailed out by the public purse. Will my right hon. Friend make time for a full debate on rail freight, because only by pushing more freight through the channel tunnel will it eventually become financially viable? The same is true of the channel tunnel rail link. The only way in which it will be fully utilised and really become viable is if more freight is put through the CTR tunnels currently being constructed. Will my right hon. Friend make time for that debate, so that we may also look in particular at the way in which we can get full-scale road haulage trailers on to trains? That is the way forward.

Mr. Hain: My right hon. Friend the Secretary of State for Transport will study carefully what my hon. Friend said. I agree with everything that he said, as, I am sure, does my right hon. Friend. The objective must be to get more freight on to rail and off the roads, for environmental and congestion reasons, apart from anything else. That is one of the many reasons why

record investment is going into the railways and will continue. The channel tunnel is a vital link for our exports.

Bob Spink (Castle Point) (Con): Following the NHS ombudsman's ruling against South Cambridgeshire primary care trust that a person with dementia should receive free NHS care at home, may we have a debate to explore the implications for people with all forms of dementia in residential care, whose health care should surely be funded by the NHS? We must now take the opportunity, after the South Cambridgeshire ruling, to end the discrimination against people with dementia.

Mr. Hain: The hon. Gentleman raises a problem that is common to all our constituencies. It is one of the reasons why we are introducing the Mental Incapacity Bill, initially in draft. He will have an opportunity to see whether it meets the concerns that he has identified. It is a serious issue, and I hope that those responsible locally will take note of his comments.

David Winnick (Walsall, North) (Lab): I congratulate the Government on implementing their ten-minute Bill on the 92 remaining hereditary peers. Of the Lords who sit in the upper House simply because their ancestors received titles, many have titles that were given centuries ago. Indeed, the ancestor of one was given the title on 28 June 1283. How can it be possible to defend people sitting in the House of Lords, part of Parliament, simply because their ancestors were given titles centuries and centuries ago? The matter should have been dealt with long ago, and I am pleased that the Government are to take action now.

Mr. Hain: I could not agree more with my hon. Friend. The idea that people sit in judgment on our laws, and vote on them, because a great, great, great, great grandmother was the mistress of Charles II is an astonishing democratic proposition. The Conservatives now support the hereditary peers and the principle of their remaining in the House. That will become a clear dividing line between a Labour Government who seek to modernise our democratic institutions and a Conservative Government who would seek to keep them in mediaeval times and put us in a situation in which our Parliament became a laughing stock internationally.

Mr. Eric Forth (Bromley and Chislehurst) (Con): On that very point, does the Leader of the House seriously think that this blatant cherry-picking and gerrymandering of the House of Lords will get through Parliament without full-scale reform? What the Government are trying to do—let us be quite clear about this—is to fiddle the figures in the House of Lords by removing the hereditaries, without giving us proper reform following that. The right hon. Gentleman knows very well that the official Opposition are pledged to a democratic upper House, which his party apparently now is not, so we will take no lectures from him until we have a debate to flush all of this out. We will defend the hereditaries until we get proper, full reform of the upper House, and we will not accept his crude attempt at gerrymandering.

Mr. Hain: How on earth getting rid of hereditary peers can be called gerrymandering, I have no idea. The present composition of the House of Lords, partly because of hereditary peers, is gerrymandered in favour of the Conservative party. That is the reality. There is a vast majority of Conservative peers, including hereditaries. The Government have fewer peers in the House of Lords than Cross-Benchers, let alone Conservatives. That is a form of gerrymandering against the will of the people, who elected the Government to carry out our manifesto.

The right hon. Gentleman should join us in getting rid of hereditary peers through an independent system of appointment, which is light years away from gerrymandering, taking the power away from the Prime Minister. We will then move on to find a consensus on an elected second Chamber, or at least a second Chamber with a large proportion of elected peers. If the Conservatives will back us in that venture through consultation in the Joint Committee, which my right hon. Friend the Prime Minister is calling for, we can move forward. I suspect that in the end Conservative Members, like Conservative peers, will vote against modernisation and democratisation, because they are the last vestiges of a commitment to an elitist democracy.

Andy Burnham (Leigh) (Lab): Can I persuade my right hon. Friend of the growing case for a debate in Government time on the future funding of the national health service? I understand that work is underway at Richmond house on primary care trust allocations for the next three years. I know that a number of my hon. Friends whose primary care trusts are still some distance from their target funding would welcome the opportunity to influence the work that is underway at the Department of Health.

Is the case not made more pressing by some of the mixed messages that we have seen this week about lower taxes and higher NHS spending, which can have only a destabilising effect on NHS staff throughout the country?

Mr. Hain: On targets and funding levels in certain areas, my hon. Friend will be aware that waiting lists have been coming down steeply throughout England. That is a sign of the huge investment that the Government are now making. Against that background, I am astonished that the Leader of the Opposition is quoted as saying in a speech this week that the Government have spent a huge amount more on the NHS and that this approach has been tried and has failed. We have recruited thousands of extra nurses, doctors and consultants to make sure that waiting times are driven down to give people relief from pain, and the Leader of the Opposition is saying that we are spending too much money. As for the shadow Chancellor, the editorial of 12 February in *The Daily Telegraph* says that "The Tories are all over the place on tax and spend." We are seeing opportunism again. The same old extremist policies are coming back.

Mr. Nigel Evans (Ribble Valley) (Con): Has the Leader of the House had an opportunity to read the report published yesterday entitled "Obesity, the Time Bomb" by three eminent bodies, which recommended a

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cross-Government taskforce to look into a strategy for this problem? Looking at the Leader of the House, it is clearly a problem that he does not face. He gets plenty of exercise running from Government Department to Government Department putting out fires and, indeed, starting them. However, he knows that there is a problem, particularly with youngsters, who seem to believe that they can have a Big Mac and large fries twice a day and that that will have no long-term effect on them, whereas clearly it will. They need good dietary information and good exercise opportunities. This is not a case of Billy Bunter versus Twiggy; it is a matter of getting the right balance and getting information out to our youngsters. Will the Leader of the House consider seriously setting up a cross-Government taskforce to give guidance on and a strategy for this problem?

Mr. Hain: There is a strategy for the problem that my right hon. Friend the Secretary of State for Health, in combination with my right hon. Friend the Secretary of State for Education and Skills and other Ministers, is pursuing, including my right hon. Friend the Secretary of State for Culture, Media and Sport. It is to encourage people to take more exercise. I get most of my exercise in the Neath valleys and in the gym rather than engaging in my departmental responsibilities.

We are bringing in new standards on nutritional content and we are increasing food labelling and food marketing, especially to stop or discourage advertisements that encourage young children to eat junk food and become obese. It is an extremely serious problem, and for that reason the hon. Gentleman is welcome to apply for a debate. However, the Government are on the case and will tackle the matter energetically. I am sure that his advice will be welcomed.

John Mann (Bassetlaw) (Lab): I know that my right hon. Friend the Leader of the House is a radical reformer. Does he think, therefore, that we should be having some full-day debates determined by Back Benchers? May I suggest as a starting point a debate that I know would have a great deal of support? We should have a full-day debate on the legacy of the National Coal Board, during which we could consider the unresolved issues concerning canteen workers. There are also issues involving the mineworkers pension scheme. In particular, we could have a proper and full debate about scandalous solicitors. One of them has today cited my right hon. Friend in defence of why they have been double charging miners, miners' widows and their families, despite the fact that the Government have already paid them. Given that we have a radical and reforming Government, does that not warrant at least a full-day debate?

Mr. Hain: My hon. Friend raises some important issues that I, like him, as a coalfield community Member, have been very concerned about. First, on the mineworkers pensions scheme, the Government's guarantee has ensured that despite the recent deficit, mineworkers' pensions have been topped up with taxpayers' funds. Therefore, they will be guaranteed their final salary pension schemes in a way that, unfortunately, people in the private sector are not. I think that former miners will welcome that.

My hon. Friend will know that the claim of canteen workers for equal pay is a long-standing grievance that was neglected by the Conservatives. It was resolved when I had responsibilities for energy. I know that some anomalies are still outstanding, with some individuals being not properly recognised and registered by the National Union of Mineworkers and by Arthur Scargill. That is a difficult problem.

I agree with my hon. Friend about applying for a debate on the scandal of solicitors who are taking Government money—taxpayers' money—to process compensation schemes. They are taking millions and millions of pounds of taxpayers' money and then penalising and exploiting often really sick miners by taking an additional cut of their compensation. That is a scandal. If it is not illegal, it is certainly against the code of the compensation scheme that was laid down by the court. The sooner that my hon. Friend is able to identify and, if necessary, name solicitors under privilege in the House, the better.

John Barrett (Edinburgh, West) (LD): Will the Leader of the House find time for an urgent debate on the Floor of the House on the future of air transport? Since the publication of the White Paper in December, there have been demands from Members on both sides of the House for a debate. With the exception of one Westminster Hall debate, it is clear that not enough time has been provided. There is a serious demand for such a debate.

Mr. Hain: I appreciate the point that the hon. Gentleman has raised. He is free to apply for a debate at any time. When my right hon. Friend the Secretary of State for Transport made his statement and published the White Paper, I think that it was widely welcomed. There was a full opportunity then to hold him accountable.

Dr. Alan Whitehead (Southampton, Test) (Lab): In view of the recent exchanges in the House on the contribution of taxpayers to provide Short money for political parties in the UK, will my right hon. Friend find time for a debate on the contribution of UK taxpayers to the funding of European political parties of which British Members are members, particularly perhaps the strongly pro-federalist European Peoples party?

Mr. Hain: The fact is that taxpayers' money does subsidise, quite properly, European political parties. It is interesting that the Conservatives have now decided to affiliate to the most federalist party in Europe. I encountered its members when I was representing the Government on the European convention. They were in favour of more and more integration, the creation of a European federal superstate and stripping Parliaments like ours of their power to maintain sovereignty over European decisions. It is an interesting body swerve by the new Leader of the Opposition that he has joined the federalist superstate fanatics in the European Peoples party.

Mr. Peter Viggers (Gosport) (Con): Is the Leader of the House aware of the Government's strategy on defence medical services? Is he aware that the two main

features of this strategy are the closure of the Royal hospital, Haslar, which is bitterly opposed, and the building of a new Royal College of Defence Medicine on the site of the Selly Oak hospital in Birmingham, at a cost of £200 million? Is the Leader of the House aware that the Government have now run out of funds and cannot develop the Selly Oak hospital, which means that their strategy is in tatters? It is not surprising that the admiral responsible for the policy has resigned from the Royal Navy rather than implement it, but it would have been more dignified if the Ministers responsible for those policies had resigned instead. Can we have a statement, because the Government policy is in tatters, and there is no plan B?

Mr. Hain: I recognise that this is an important constituency matter for the hon. Gentleman, who has raised it with the Secretary of State for Defence on numerous occasions. However, I do not accept his description of Government policy as being in tatters. Indeed, the Government are continuing to invest record amounts in defence and the defence of our country. I have read reports that the shadow Chancellor may be considering a cut in defence spending, but we shall no doubt find out next week. The issue is where we will get the money. If taxes are to be cut for the few, as the Conservatives apparently advocate, what will happen to our defence forces, let alone our hospitals and schools? That is the dividing line that is now opening up in British politics, and the people will decide that it is a Labour Government who can best protect their interests in defence and elsewhere.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Would the Leader of the House consider a debate on terrorist activity in the United Kingdom, and could it include consideration of the disturbing facts revealed this week on the BBC programme "File on 4", which looked at the recruitment of British citizens to terrorism? Would he also note the comments of Dr. Tamimi, a senior spokesman of the Muslim Association of Britain, who is reported in the English edition of "The Jerusalem Report" on 9 February as saying that he

"occasionally acts 'informally' as a public relations adviser for Hamas"?

Hamas, of course, is a proscribed terrorist organisation.

Mr. Hain: I am obviously disturbed by my hon. Friend's account of what has appeared in "The Jerusalem Report". I am sure that the Home Secretary and, indeed, the security authorities will want to study carefully the points that she has made.

Mr. Andrew Tyrie (Chichester) (Con): The Financial Secretary made a written statement today about Equitable Life, which raised more questions than it answered. We now know that the Penrose report, which was given to the Treasury more than seven weeks ago, has been given to the Financial Services Authority, the Serious Fraud Office, the Department of Trade and Industry, a group of independent actuaries and Equitable Life senior management, but it is not available to the public or the policyholders most affected. Could the Financial Secretary come to the House today to tell us when we will get that report, and whether it will be published in full or will be edited, given some of the comments by bodies that already have it, and given her response to a parliamentary question?

Mr. Hain: As I hope the hon. Gentleman is aware, the Financial Secretary made a written ministerial statement on 5 January which clarified our plans to publish the report in full as soon as possible, and said that Treasury Ministers will answer questions after publication. I am sure that he will agree that the issue is important. It has been raised with me on a number of occasions in recent weeks, and I am well apprised of its significance. It is an important issue to get right before a Minister comes to the House or the report is published with the Government plan of action in response. I am sure that he will understand that this is a complex matter. We have to get it right in the interests of everyone affected.

Mr. Paul Truswell (Pudsey) (Lab): Does my right hon. Friend agree that since deregulation in 1986 bus services have declined a great deal? On that note, I draw his attention to early-day motion 519, which calls for the extension of the bus franchising system in London to the rest of the country:

[That this House recognises the success of the franchised bus network in London which has improved service quality and resulted in much greater use of services; notes the decline in bus patronage and continuing reductions in socially necessary services since the industry was deregulated outside London; and therefore calls upon the Government to change the current legislative framework in order to make it easier and quicker for local authorities and passenger and transport executives outside London to introduce franchising in circumstances where the industry has failed to provide a socially inclusive service and deliver the quality necessary to achieve patronage growth in line with national targets.]

Does my right hon. Friend agree that if that system is good enough for the people of London, it is good enough for our constituents? Will he arrange for an early debate, so that we can talk about ways in which we can give bus passengers a much better deal?

Mr. Hain: My hon. Friend's desire for a better deal for bus passengers is one that the Government and I share. I agree that the bus deregulation carried out by the previous Government was a disaster, which is why we have encouraged the rationalisation of bus services and put record amounts of subsidy into the provision of local services, as I have seen in my own constituency, especially in remote areas. That is important in ensuring that people living in rural areas have a better quality of life and much easier forms of transport.

Mr. Graham Brady (Altrincham and Sale, West) (Con): Does the Leader of the House share my disappointment that we did not reach question 14 in Education questions earlier, as that deprived Members on both sides of the House of the opportunity to express concern about the continuing crisis in school funding? Last year, there was a dreadful situation in which schools throughout the country threatened redundancies of teaching and non-teaching staff. We were assured that it would be better this year, but I have

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already received communications from schools in my constituency. The head teacher of Woodheys primary school, Mrs. Daniels, wrote to me:

"I have spent hours and hours agonising over an impossible task—I am supposed to give staff more support time, release and a better work/life balance (as promised by the government) and through not fault of my own or my governors we will have to lose all support staff, many trained in-house, in September '04."

It is a dreadful problem, which the Government promised would not happen again this year. Can we have an urgent full-day debate in Government time on school funding so that we can try to head off the crisis before it causes redundancies next year?

Mr. Hain: The real crisis would arise if the Conservatives' policy of 20 per cent. cuts in school funding were implemented. The hon. Gentleman is free to apply for a debate on this subject at any time, but the Secretary of State for Education and Skills has frequently answered questions on it. As the hon. Gentleman will be aware, an estimated 180 schools across England will benefit from the £2.2 billion capital investment programme announced today, on top of the recruitment of 25,000 more teachers and 80,000 more support staff, as well as the repair or refurbishment of 21,000 schools. That is a dramatic contrast with the Tories' record of cuts, closures and teacher redundancies. However, two problems remain. The first is getting the school funding route through local authorities right—my right hon. Friend the Secretary of State is working on that—and the second is falling rolls in certain areas, which is a big problem in my own constituency.

Mr. Gordon Prentice (Pendle) (Lab): May I ask my right hon. Friend about the membership of the Standing Committee considering the Higher Education Bill? What happened to the convention that the composition of a Bill Committee reflects the vote on Second Reading?

Mr. Hain: We have a significant reduction in the Government's usual majority for that Committee to just three, to reflect precisely the balance of opinion in the House. That is something of which we took account, and the usual channels accepted it, so the hon. Gentleman's point has been recognised.

Mr. Harry Barnes (North-East Derbyshire) (Lab): Has my right hon. Friend seen early-day motion 532?

[That this House believes that the powerful campaign being run by the Daily Mirror for medals recognising the bravery of six military policeman killed in Iraq also shows the need for medals which recognise all British servicemen and women who have been killed in the line of duty as proposed in Early Day Motion 445.]

The motion supports the *Daily Mirror*'s campaign for medals to recognise the bravery of the six military policemen killed in Iraq, but goes on to argue that there should be general provision to recognise all British servicemen and women who have died in the line of duty. As I would love to be a friend of the Ministry of Defence, will it make a statement saying that that request will be looked at favourably and granted?

Mr. Hain: This matter has been raised before by the hon. Gentleman and hon. Members on both sides of the House. I know that it is an important issue, as one of my constituents died in Iraq only a few months ago. However, if we focus on granting awards to people who have died on active service, there is a problem of balancing that against recognition for those who carry out their duty and come back safe and sound. We will certainly look at the matter very closely indeed, but the traditional view of the armed forces is that it would be wrong to overcompensate, as it were, for those who unfortunately die and sacrifice their lives, when others come back, having performed individual acts of bravery.

Kevin Brennan (Cardiff, West) (Lab): As the pensions Bill was published today and as the Leader of the House has announced both a Second Reading and an Opposition debate on a related subject, will he take the opportunity in the meantime to speak to his Cabinet colleagues at No. 10, the Treasury and the Department for Work and Pensions to emphasise the fact that the plight of people who have lost their pensions as the result of insolvency is not the same as the Equitable Life issue, not least because many of them were compelled to join their pension schemes and never received a health warning that it was possible that their pensions would not be paid in full? Will he make sure that that point gets across while compensation is still being considered?

Mr. Hain: My hon. Friend makes an important distinction affecting Allied Steel and Wire workers in his constituency—precisely the kind of issue that my right hon. Friend the Secretary of State is studying. The question is, where can a boundary be drawn on such claims? The ASW workers were treated absolutely appallingly, along with thousands of others who suffered a similar predicament. The Government are looking at the issue in a way that will not extend the boundaries, such that could give rise to millions of potential claims but recognises the particular plight of the workers concerned. I hope that my hon. Friend will continue to discuss that matter with the Secretary of State. I am sure that my hon. Friend will welcome the pensions Bill published today, which will provide protection against precisely such exploitation and scandal in future.

In response to a note helpfully passed to me by the shadow Leader of the House, perhaps I may add to an earlier reply. If I misled the hon. Gentleman or the House in my remarks about the usual channels, I meant to say that the Committee of Selection had a Division and that the hon. Gentleman's side lost—that is the usual way of doing things when there is disagreement.

The fact remains that we have significantly reduced the normal majority for a Committee with a membership of 25 to just three. Included among its Labour Members are some who voted against the Government. [HON. MEMBERS: "One."] That shows that we recognise the strength of opinion on the Floor of the House.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Will my right hon. Friend arrange a debate on the Strategic Rail Authority and its ability to remove from train operators obligations to service improvements in their original franchise agreements? Such a debate would allow me to pay tribute to the *Yorkshire Post* for helping to expose

the fact that the SRA has removed from Midland Mainline the obligation to provide an hourly fast service between Sheffield and Leeds, which is badly needed. Apparently, that obligation was removed because Midland Mainline is so poor at delivering the rest of its services that the company cannot be trusted with a new one. That action was taken without consulting the passenger train executive and Members of Parliament, and with no compensation payable by Midland Mainline. The PTE was told that if it could find another operator to deliver the service, it would have to meet the cost. That unaccountable and unacceptable decision strikes at the heart of the SRA's activities and deserves a debate.

Mr. Hain: My hon. Friend will have the opportunity for a debate and my right hon. Friend the Secretary of State for Transport will want to take note of that matter. There is a record investment totalling billions of pounds to improve the railway infrastructure, with 1,400 new vehicles and many more train journeys. The railways are carrying more passengers than for more than 40 years. The Government will continue modernisation and investment to meet the transport and congestion challenges of the future.

David Taylor (North-West Leicestershire) (Lab/Co-op): In the gaps between gardening next week to which the shadow Leader of the House referred, will my right hon. Friend find time to read the National Audit Office report on the Criminal Records Bureau's early years of operation, in particular the debacle surrounding Capita's computer systems? Will he consider whether we should re-evaluate the love affair with private finance—now that the first flush of romance has paled and the initial ardour has cooled—and examine why we are being further seduced down a path that has already produced commitments for future taxpayers of £120 billion? Is not the private finance initiative prohibitive in cost, flawed in concept and intolerable in its consequences for the British people?

Mr. Hain: I do not recognise that description or outcome in the many schools and hospitals throughout the country that have been built with the benefit of private sector investment. Nor is the NAO report likely to be at the top of my reading list next week—when I will not be gardening but visiting various parts of Wales.

The report to which my hon. Friend refers stated that the Criminal Records Bureau has made many improvements since the problems that arose originally:

> "It is now reliably delivering over twice the number of checks undertaken by the police each week than under the old arrangements into children and vulnerable adults."

That is a sensitive area and the CRB is doing much better. Admittedly, that is at extra cost, but I am sure that my hon. Friend welcomes our clamping down on all sorts of problems affecting children and vulnerable adults.

Mr. Tony McWalter (Hemel Hempstead) (Lab/Co-op): Will my right hon. Friend organise an early debate on the extraordinarily laid-back attitude of the Post Office's major shareholder—the Government? The Post Office wants to shut sub-post offices in my constituency, meaning that many residents will have to spend 10 per cent. of their pension on a taxi to collect it or wait hours for a bus—and bus drivers can accept only three passengers with Zimmer frames before others must be turned away. Where sub-post offices are closed, pensioners' quality of life is massively reduced. Will my right hon. Friend please call in such decisions for urgent review?

Mr. Hain: I can see that at this stage in the Government's life, we have a new definition of being on message among some Back-Bench colleagues. My hon. Friend makes the important point that sub-post offices often represent a vital facility in small communities. We aim at keeping as many offices open as possible and are providing record amounts of subsidy to help ensure that that is done in areas where there is no alternative facility. Lifestyle changes are helping to close local post offices, almost regardless of what the Government could do—except at prohibitive cost. The ease with which pensioners can travel to post offices is a critical issue and one of which the Post Office takes close account. I am sure that my hon. Friend's strong representations will be recognised.

CAP Reform (England)

1.26 pm

The Secretary of State for Environment, Food and Rural Affairs (Margaret Beckett): With permission, Mr. Speaker, I should like to make a statement.

Last June, I had the pleasure to announce that we had secured the most radical reform of the common agricultural policy since its inception. Today, I will make a statement on how I propose to implement key features of that groundbreaking reform in England.

To place the proposals in context, it is—as I said to the House at the time—hard to overstate the importance of reform in transforming the core elements of the common agricultural policy and laying down a new direction for its future evolution. Crucially, the link between the subsidy paid to farmers and the level of production has been broken—so called "decoupling". That means that farmers' activities will no longer be dictated by what the subsidy regime requires them to produce—with all the costs and bureaucracy entailed—and frees them to farm in accordance with what the market wants.

Decoupling also reduces the environmental impact of farming by removing an incentive for intensification and over-production and by making subsidy dependent on compliance with a range of environmental standards. Moreover, decoupling of subsidy from production reduces the trade-distorting nature of the common agricultural policy and paves the way for a deal in the current round of world trade negotiations.

The challenge before us is now how best to maximise the potential benefits of the reform with our approach to implementation. In particular, which of the options available to member states should we take up? How far should we decouple? How should we apply the new decoupled scheme—the single farm payment? We consulted widely on those issues in the autumn of 2003, and received more than 800 responses. I have given careful consideration to the arguments put forward, which advocated a wide range of different approaches.

In reaching my decision, I have been guided by several key principles. They are: coherence with the Curry commission report and our own sustainable farming and food strategy launched in 2002—with the emphasis in both cases on bringing the industry closer to the market and the increasing importance of environmentally sensitive farming; consistency with our wider objectives for the CAP—including greater simplicity, transparency, minimal bureaucracy and as few deductions as possible from the basic payment available; and the need to attract the widest possible support of the stakeholder community for continuing payments to farming—which, we believe, requires moving towards a system in which public money delivers public goods. I was also determined to give as many details as I could at this stage of the scheme in order to give the industry a clear path of adjustment so that farm businesses can plan.

Those principles led me to a conviction that the more fully support is decoupled, the greater the degree of freedom farmers will be given in respect of their own business decisions. So I have decided that in England we should fully decouple all direct payments in 2005, including the new payments for milk producers. Therefore, a single farm payment will replace the plethora of existing schemes and simplify the bureaucracy that is associated with them. However, the exact form of the payment is also important. The options available included a straightforward allocation of available moneys on the historical basis of an individual farmer's receipts in the reference years 2000–02; and allocation of different flat-rate payments on the basis of whether land was under grass or under crops in 2003.

I have concluded that we should avoid a situation in which subsidy is allocated solely on the basis of past activities that were themselves undertaken in the context of production-linked support policies. For England, I do not believe that it would be right to adopt a purely historical approach. I do not believe we can justify to our public a situation in which at the end of this decade or later, farmers continue to receive aid wholly based on business decisions taken 10 or more years earlier in a very different policy context.

Instead, guided by the principles I outlined earlier, and having listened carefully to the many compelling and carefully argued cases put to me by the National Farmers Union, the Country Land and Business Association, the Royal Society for the Protection of Birds and others, I propose to exercise the option in the agreement to adopt a flat-rate payment per hectare.

Of course, a fully flat-rate system paid immediately in 2005 would have been the simplest and cheapest to implement. However, the redistribution and the immediate impact on some incomes that would result would be too destabilising. More importantly, it might act against the sort of behavioural change that we want to take place in helping the industry to become fit for purpose in getting closer to the market.

In order to mitigate these effects, I propose to introduce the flat rate progressively and to divide England into two regions: land in the severely disadvantaged areas—SDAs—of the less favoured areas; and all other land. A different flat rate will apply in those two regions. During the transition years—it will be the same period in both regions—a steadily increasing proportion of the funds available would be directed towards the simple flat-rate payment, with most farmers receiving an additional, but over time diminishing, payment related to the subsidies that they received in the reference period 2000–02.

I have also decided that the period for the phasing in of the flat-rate payments will be eight years, starting in 2005 and ending in 2012. The proportion of the available funds to be allocated on the flat-rate basis in each year will be 10, 15, 30, 45, 60, 75, 90 and 100. In other words, 10 and 15 in the first two years, after that rising by 15 per cent. a year until we reach 100. My intention is that the flat-rate payment element should be low in the early years to allow farmers time to adjust and plan for the situation that will appear by the end of the decade.

I recognise that the framework that I intend to implement will involve some redistribution of current subsidies between farmers and between sectors and areas, but it will be introduced over a reasonably extended period of time that allows farmers to adjust during the transition. We will end up with a system that

is increasingly equitable between farm types; is much more market focused; has a greatly simplified bureaucracy; and can deliver a better landscape and environment, and a more sustainable long-term future for English farming.

There are many related issues that will need to be addressed over the coming months. I can say now, however, that I do not propose to take advantage of the option for so-called national envelope measures in England. Although in certain circumstances they could offer potential benefits, I judge that the accompanying complexity and loss of transparency outweigh those advantages in English conditions.

As to cross-compliance, conditions will attach to the subsidies that are payable, and we will consult on the approach to be taken in respect of those to ensure that they are implemented effectively, proportionately and, again, with the minimum of bureaucracy—an approach that we shall take to all forms of regulation. In addition, I am keen to ensure that our implementation of cross-compliance will fit into the approach of the whole farm model for regulation that is being piloted in England.

I believe that this approach constitutes a forward-looking package of measures that fits the principles I outlined earlier. It is a decisive and irreversible shift which offers huge opportunities to the industry. I know that many in the farming industry would have preferred the Government to adopt the approach of allocating aid on the basis of historic subsidies received. However, many others, including some in the farming industry, took a different view, as did some members of the wider stakeholder community; I have to take all those views into account in developing a workable system.

My Department and I will work with the industry over the coming months to implement these decisions in the best way possible, and in the spirit of partnership and co-operation with all stakeholders that has run through the Curry commission and our own sustainable farming and food strategy on the central issues here, and any other measures that might be helpful in due course.

Everybody in the farming community told us that they sought clarity in the direction of policy, and simplicity and transparency with less bureaucracy, and that they hoped that we would not implement all the options for deductions from the basic payment that were available to us. We are heeding all those calls.

I have set out today a basis for payment that I believe to be the fairest, because it moves us in the direction of public money going to support public goods across the whole of farming.

Mrs. Theresa May (Maidenhead) (Con): I begin by thanking the Secretary of State for coming to the House to make this statement and for giving me prior sight of it.

I thank the right hon. Lady, too, for at last trying to end the uncertainly that has dogged our farmers for so long. British farming has been through the most difficult of periods in recent years, particularly in recovering from the foot and mouth outbreak, and after a great deal of uncertainty and anxiety, our farmers will at least begin to have a clearer picture of their future fate.

The right hon. Lady will know that my party has actively backed Commissioner Franz Fischler in his desire radically to reform the expensive and unwieldy common agricultural policy. We support the need to end the red tape, form-filling and over-regulation that came to embody the CAP, and we agreed wholeheartedly when he said that the reform could lead to a new, more market-focused agricultural industry under the slogan "freedom to farm".

However, it is hard to see how the scheme laid out before us today will achieve those goals. The last few months have indeed seen vigorous debate in the farming community about what method of allocation to adopt, but the Secretary of State has managed to come up with the one scheme that absolutely nobody recommended. She said that she received 800 responses to the consultation. How many of those supported this scheme?

Moreover, although the Secretary of State explained that in England there will be a dynamic hybrid model for the single farm payment, Wales will have an historical system with a national envelope, Northern Ireland will have a static vertical hybrid system, and Scotland, as I understand it, will have a different historical system. That means that there will be four different systems for farmers in the United Kingdom; and that will mean four different sets of rules with four different armies of civil servants implementing them on our shell-shocked farming industry. It is hard to see how that is likely to cut red tape or do away with bureaucracy. One of the clear aims of decoupling was to reduce bureaucracy. The Secretary of State said in her statement that her aims were simplicity, transparency and minimal bureaucracy. Perhaps she could explain how replacing one system with four is a simplification.

I am not alone in my concerns. Franz Fischler, the commissioner who was the architect of these very reforms, said in a letter to Ministers:

"the original intention . . . was that the Single Payment should be based on the historical payments . . . The idea was to promote competitiveness and market orientation while securing the income of farmers".

He continued:

"I would like to point out that such a departure from the historical model could have important redistributive effects in terms of payments to individual farmers resulting in some farmers obtaining significantly lower amounts".

Franz Fischler is not alone in voicing his concerns. Sir Ben Gill, president of the National Farmers Union, said earlier this month:

"The hybrid option will bring the worst of both worlds, but the advantages of neither. There is no point in changing one complexity for another."

That hardly sits well with the original idea of cutting bureaucracy.

Of course there may not just be four systems in the United Kingdom. As the Secretary of State said, there will be yet another scheme for disadvantaged areas. Britain's farmers compete not only on a global basis and with competitors throughout Europe, but with each other. Under the proposed systems, Britain's farmers will receive different levels of support but compete in the same marketplace. With four different systems, surely someone will be better off and someone the loser. Who is it likely to be? There will be huge disparities in the continuing support that our farmers receive in the coming years.

Let us look at the practicalities. Take two farmers, one on the Welsh border in Leominster and one on the other side of the border in Brecon, both currently

[Mrs. Theresa May]

growing exactly the same crop and getting the same entitlement and both continuing to grow the same produce in future. One could experience a difference of tens of thousands of pounds in the aid that they receive in future. Does the Secretary of State really believe that to be fair or amicable? Does it not encourage the perception that the English farmer will be put at a disadvantage compared with his Welsh, Scottish or Northern Ireland colleague, let alone with the French, who are doing their best to retain production subsidies?

The Secretary of State has not made clear what the announcement will mean for cross-border farms. Are we likely to see farms that straddle the border having to adopt two different systems? Will they have a choice to opt for the best one? Or has she not addressed that problem at all?

Many farmers around the country will be asking themselves today what the new scheme means for them. What figures does the Secretary of State have for possible losses to farmers in England, most notably in the dairy and beef sectors and tenant farmers, compared with other UK farmers as a result of today's decision? What, if any, mitigating measures has she put in place to deal with those problems?

The proposal is the biggest disruption that our agricultural industry will have seen in a generation. It involves a huge redistribution of support and upheaval to the lives of our farmer communities. It is essential that they know, as a matter of urgency, what the implications will be for their businesses and their families. What measures has the Secretary of State put in place to inform and guide farmers across the country about the implications for their businesses? That must be a matter of urgency. What studies have been conducted on the impact not only on farm structures but on the environment of implementing this hybrid model?

The Secretary of State said in the statement that implementation with the minimum of bureaucracy is "an approach which we shall take to all forms of regulation". She also said that she wanted to attract the widest possible support from the stakeholder community. Sadly, the statement suggests that, far from minimising bureaucracy, the Government have changed one complexity for another. Far from attracting the widest possible support, it is the one scheme that no one recommended. Far from ending uncertainty, it will leave many farmers wondering what future they have under the Labour Government.

Margaret Beckett: I am grateful to the hon. Member for Maidenhead (Mrs. May) for her initial welcome for the CAP reform proposals, although I note—and perhaps she has not caught up with this—that her view does not seem to be shared by her colleagues in the European Parliament, who have just voted against them all.

However, I am grateful to the hon. Lady, and she is right to say that we need to reduce red tape and form filling and connect people with the market. There is no question but that the biggest impact of the changes that we have negotiated is the decoupling itself, which will have a major—and, everyone believes, a positive—effect on farm incomes.

The hon. Lady said several times that none of the consultation responses supported a fully flat-rate option. That is not correct. I am afraid that I do not have the figures with me, but it is not the case that no one supported that option.

The hon. Lady dwelt at great length on the freedom for the different constituent parts of the United Kingdom to have different structures. Northern Ireland is looking at its relationship with us, and also over the border to Ireland, where there is 100 per cent. decoupling but not on the same basis. I remind her that Wales and Scotland are able to adopt a different system—it is their free choice; they are responsible for agriculture under the devolution settlement—precisely because I negotiated that freedom for them. It would be ridiculous for me, having sought to obtain that freedom, to attack them for exercising it. It is for them to make the decisions that they believe to be right in their own context.

The hon. Lady drew attention to a letter that Commissioner Fischler sent to Ministers the other day, referring to the potential advantages of a historical payments system. I have read it with care and subsequently talked to Commissioner Fischler. I have also spoken to him since we made the decision that I announced today. I note that what concerned the commissioner particularly was whether any member state would be seeking a redistribution of itself and for that reason: seeking to redistribute the subsidies that are paid. That is not what we are doing. We are seeking to institute a different system. That system brings in its wake some redistribution, but we are seeking to minimise the degree of that. That is a rather different issue.

The hon. Lady described the system as being neither fair nor amicable and said that English farmers would be at a disadvantage, particularly vis-à-vis the French. If she speaks to the English farming community—indeed, the UK farming community—which almost universally supported decoupling, I think she will find that it believes that the French are putting themselves at a disadvantage by not 100 per cent. decoupling. I remind her of the example of Ireland, which campaigned as hard as anybody against full decoupling in the negotiations. However, once its farming community began to examine the implications—keeping two sets of systems and keeping bureaucracy in perpetuity for one of those sets—Ireland speedily decided to decouple 100 per cent. I believe that, over time, farming communities throughout Europe will reach the same conclusion as British farmers, who, perhaps because of the impact of the terrible problems that British farming has experienced in recent years, were looking more acutely at their future, rather than protecting their historical position.

The hon. Lady asked me about the overall level of redistribution. I cannot give her detailed figures for each sector immediately, but we will do what we can to make information available. What I can tell her is that the overall level of redistribution will be 13 per cent. to 15 per cent. of moneys now distributed, but that will happen over eight years. She asked about mitigating measures. Of course, we are acutely conscious of the impact on tenant farmers and various of the sectors, and we will be talking to the farming community about what is available to it.

Let me return to one point that the hon. Lady made repeatedly in a number of contexts. She said that Ben Gill had attacked the so-called hybrid option. That is true; he said that it was not an option that we could possibly advocate. Let me emphasise that what we propose is not a hybrid system, but a flat-rate system, towards which we are moving on a transitional basis. The two are not the same. *[Interruption.]* If the hon. Lady waits a second, I shall explain the big difference. When the system is completed, there will be one form, one payment date and one payment for one producer. I call that simplicity.

Mr. David Drew (Stroud) (Lab/Co-op): I largely welcome the statement, which some Labour Members will perceive as a dynamic compromise. However, some of us believe that one element has possibly been missed out, although I appreciate that the leading farming organisations would not necessarily have argued in public for it. We continue to pay a subsidy to some of the richest people in the country. I have always taken up the cause of tenant farmers, and I should like some genuine redistribution to take place, if not in the current review, to those who need some subsidy to continue their work. Will my right hon. Friend comment on that?

Margaret Beckett: As I said earlier, the Commission would certainly have set its face against a proposal for redistribution for its own sake. However, I am grateful to my hon. Friend for reminding me that I could have said a little more about one aspect that the hon. Member for Maidenhead raised. This is obviously no more than a very general picture in terms of gains and losses, but generally speaking the flat-rate payments will redistribute subsidy from more intensive to less intensive producers and to land that did not previously receive a subsidy. However, the size of the redistribution is mitigated by having two flat rates, not one. Analysis of the farm business survey suggests that general cropping farms and horticulture will gain relative to historical payments, as will cattle and sheep, both in less favoured areas and in the lowlands, but other farm types will tend to lose. Within farm types, however, there will always be cases of individual winners and losers, so even though, for example, typically, lowland cattle and sheep farms gain as a group, it will tend to be sheep farms that gain, and cattle farms, particularly intensive beef producers, that lose. In addition, in the dairy sector, larger producers tend to lose while small producers tend to gain. In relation to my hon. Friend's general remarks about smaller and less well-off farmers, one impact of the redistribution will probably be to move income towards some of those smaller farms that have had less support in the past, particularly in the hills.

Andrew George (St. Ives) (LD): I am grateful to the Secretary of State for advance notice of the statement, and for the statement itself, albeit after the decision is made.

This announcement represents the most significant change to agricultural support in more than a generation and is likely to have a significant and far-reaching impact on farming, as the Secretary of State acknowledges. I am surprised that the Government have not given any indication of assessments that they have made, with or without the Treasury, on the likely impact of the proposed model on a variety of sectors—not just on tenant farmers, traditional farming practices, the environment and new entrants to agriculture, which were mentioned today, but on many other sectors.

I do not know whether the Secretary of State intended it as a deliberate steer, but the statement as circulated to me, and to the rest of the House now, includes an adviser's note halfway down page 2: "Secretary of State: Andy"—I do not know whether that is a familiar reference to me—

"feels that, if possible, we should clarify this point about deductions".

My question to the Secretary of State—[HON. MEMBERS: "And Andy."] And to Andy. My question is whether the Secretary of State can clarify the point about deductions. I noticed that it was not clarified in the statement.

The Secretary of State said in her statement that a key principle in reaching her decision was coherence with the Curry commission and the food and farming strategy. Does she not recognise, however, that one clear outcome of that commission was the establishment of the tenancy reform industry group, which was facilitated by her Department, the key objective of which was to create a viable tenant sector for the long term? Does she not realise, however, that payment based on land will shift fundamentally the balance of agricultural support towards landowners? Given that in this country 40 per cent. of land, formally or informally, is rented, does she not accept that that will have significant impacts on the viability of tenanted farms? I thought that a Labour Government would support the sons of the soil rather than landowners who will ultimately reap the benefits from this system. What assessment has she made of the likely impact, as I think that it is likely to be far-reaching?

What assessment has the Secretary of State or her Department made of the impact of this model on new entrants to farming? It is vital that we get new blood into farming, and we need a system that enables that to happen. I am not sure whether the Secretary of State has properly accounted for that in her assessment. What assessment has she made of the impact on family farming structures? She said in answer to previous questions that she believes that the proposals will favour small family farming. She must recognise, however, that it is the bedrock of many of our rural communities and it is important that we have a system that supports that fundamental part of our rural communities.

I agree with the Secretary of State that taxpayers will not tolerate for long paying farmers merely for existing. Which public goods, however, does she have in mind—access, amenity, archaeology or farming traditions? For which of those does she want cross-compliance, and how will that be measured and enforced? As the hon. Member for Maidenhead (Mrs. May) said, concern exists about different systems in different countries and about those farms that cross those border areas. How will those questions be handled? Will she consider mitigating measures for those sectors that we know will be hard-hit? The dairy sector, as we know, is particularly hard hit, and is already going through a severe crisis.

This is the most significant change in agricultural support in a generation. So that we do not conclude that the Secretary of State is treating this House with

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breathtaking disdain, will she ensure that she allows the House an opportunity to debate these measures? This decision has been taken, and as with genetically modified crops, decisions will be taken before we get an opportunity to debate such measures. Will she ensure that we have an opportunity to debate this measure so that we can identify the problems, influence and alter those aspects, and put it to a vote of the House?

Margaret Beckett: It is a bit odd that the hon. Gentleman should talk about treating the House with disdain when we have come here to make the statement. I share the hon. Gentleman's view, however, that this is the most significant change in farming support in a generation, and that it will impact on all sectors. There are lots of figures and graphs, which I am sure we will be able to make available to the House, but which we do not have the time or opportunity to discuss now.

"Andy" is Andy Lebrecht, the director-general of the food, farming and fisheries directorate. We indeed heeded the advice and fleshed out the section on deductions. For greater accuracy, as the hon. Gentleman asked the question, let me tell him the potential deductions that we would still have to make. One would be a deduction on some scale for the national reserve—I cannot answer all the questions about the precise figures, because those are still in negotiation, they are not agreed, and we do not have the detail from the Commission. Another would be the deduction that is made for modulation, which in future will be made across the EU—and let us not forget that in this country we began voluntarily to modulate to make a deduction from the payment to support wider rural activities, when no other member state was doing that. The competitiveness pressures that Members have sometimes identified will be eased on that basis, because everybody will have to follow the same step. There will be whatever decisions we take on national modulation. In the fullness of time, there will probably be some deduction for financial discipline. That remains to be argued out and negotiated, however, and currently it does not apply. Those are therefore the only deductions that we need to make at present.

The hon. Gentleman then talked about the tenancy reform group. Yes, it has done excellent work, and I look forward to hearing from it about what we can do to assist and support tenants in the present circumstances. I also say, however, that I of course understand—we took full account of it and considered it very carefully—the anxiety that this system of payment would shift the balance of moneys towards landowners. It seems to me, however, that potential exists for landowners to reap the benefit of a changed system, no matter what we do. I am aware that situations have already occurred in which tenancies have happened to come to an end and the renewal of the tenancy has been made conditional on the entitlement being part of the landowner's asset in the new system. That is before anyone knew that we were planning to go down an area payment route. I accept, of course, that there will be an impact, and we will want to look at it.

The hon. Gentleman asked about new entrants. In relation to the deduction to which I referred for the national reserve, that is exactly the kind of purpose for which a national reserve could be used, and we will consider it on that basis. He also talked about the need to maintain family farming structures. Of course, one of the reasons that we began to make deductions to put them into the so-called pillar 2 was exactly so that we could do other things to support rural areas and social and economic structures in rural areas. I anticipate that that shift will also continue to occur, not just in this country but across Europe. It is therefore not just through this payment that those concerns would be addressed. We are discussing cross-border issues with the devolved bodies, but again we must talk to the Commission about what and how regulations can be drawn up, and clearly, we will examine measures in mitigation.

I make one simple point to the hon. Gentleman, who is, in effect, asking why we have made this shift. The thrust of his remarks is that we should have stayed with the historic basis, which would not, for example, have caused the shift from landlord to tenant. I take the view that it would not be consistent with my duty to this House and to the farming community as Secretary of State to encourage people to believe that over the long term it is sustainable to base the farming system wholly on historic payments in England. It is one thing to say that payments will be made in 2008, 2010 or 2012 based on what a specific farmer did in 2000–02, but entitlements and land will be traded. Soon, payments will be based not even on what the individual concerned did on a farm in 2000–02, but on what somebody else did in 2000–02. Perhaps I am unduly cynical, but the British public would require a justification, and the justification that we are offering is the best that they will get.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next speaker, may I say to the House that we have had a statement on a very important matter today, and that a large number of hon. Members are seeking to catch my eye? Unless questions, and perhaps answers, are shorter, an awful lot of hon. Members will be disappointed.

Paddy Tipping (Sherwood) (Lab): Does the Secretary of State accept that she has made some difficult but decisive and correct decisions? It is decisive to change the CAP radically, it is right to decouple entirely, and it is different to accept that less favoured areas should be compared with the rest. I am sure that she knows that the announcement will not be universally welcomed in the farming community. Will she therefore ensure that the details are publicised to farmers as quickly as possible, that the Rural Payments Agency is in a position to make the changes and, most importantly, that she speaks loudly and clearly about the reforms so that the general public know that they will benefit in terms of both public good and environmental enhancement?

Margaret Beckett: My hon. Friend echoes a remark made to me a couple of days ago by an experienced individual in the farming community, who said that in his judgment this was the most difficult decision that any Agriculture Minister has ever had to take—as hon. Members can imagine, that made me feel good. My hon.

Friend said that the decision would not be universally welcome. I shall be honest with him and the House: I expect it to be universally condemned, because people who want us do more on environmental issues will say that we are not doing enough, and people who want us to do something different on farming will also say that we are not doing enough. That is life, is it not? I assure him that we have carefully discussed the matter with the RPA. Whatever we do, the RPA must begin by establishing a system based on historic payments, and the pace of transition will assist it in making the scheme work efficiently.

Mr. Michael Jack (Fylde) (Con): In welcoming the new opportunities for farmers to move closer to the markets, may I follow the comments made by the hon. Member for Sherwood (Paddy Tipping) by pointing out that if the Secretary of State is right to say that she wishes to introduce the proposals from 2005, nine months is a somewhat heroic timetable in which to introduce a change of such enormity? At this stage we do not know the shape of the final regulation or the cross-compliance requirements, and we have received no detail from the RPA about the procedures that will be involved. When will such details be made available to farmers, and in what form?

Margaret Beckett: I am grateful to the right hon. Gentleman, because his question allows me to clarify one or two points. The closing date for applications to take part in the scheme will be 15 May 2005. During this year, the RPA hopes to issue to all farms, particularly those who are in receipt of subsidy—obviously people who receive nothing at the moment and who will get something under the new scheme will have to apply—an illustrative outline of what they can expect to get under the new system. It hopes to begin making payments in December 2005 and issue them between then and June 2006.

Mr. Kelvin Hopkins (Luton, North) (Lab): I congratulate my right hon. Friend on negotiating this significant change. I am one of those who were sceptical about previous statements, which did not seem to change very much, but this statement is clearly very different. I am also one of those who have called for a long time for a shift from price maintenance to income support systems for agriculture, and this statement seems to be a decisive shift in that direction, in which I hope that we will make further progress later. The statement also seems to be a step towards the dissolution of the CAP and the beginning of a gradual move towards national systems of agricultural support. I wonder whether my right hon. Friend will comment on that point. Will she also comment on how this decision might affect the rest of the world in the wake of the Cancun debacle, and on how poorer producers across the world react to the CAP and other unjustified systems of agricultural support that benefit only richer countries?

Margaret Beckett: May I begin where my hon. Friend ended, by saying that this decision will help to get across the message that a great deal is changing in the CAP? I had a conversation in Geneva in January with the Brazilian ambassador, who said that one of the reasons why countries such as his own had not fully realised or accepted the scale of change in Europe was because the negotiating mandate for the world trade talks had not changed, which is testament to the flexibility that the commissioner negotiated for himself. None of us realised that that signal had been taken in quite that way.

My hon. Friend is not right to say that this is basically the dissolution of the CAP, because there is still a great core of common provision and common circumstances. On 10 February, Commissioner Fischler said that it did not matter if different states went down different routes because that is allowed and is part of the compromise, and that the challenge was to get the best model for each situation. He also made the point that redistribution in, for example, the UK might be limited compared with that in countries with varied climates such as those bordering the Mediterranean. There is still a core element to the CAP, but I share my hon. Friend's view that the change is big and that it will be beneficial in the long term.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I remind the right hon. Lady that one of the anxieties faced by British farmers is that they are confronted with a raft of animal welfare regulations that are not matched in third countries that export products to the European Union? One of the important changes that should be made is to enable the EU to impose restrictions on imports into the EU of products that are not produced in accordance with animal welfare regulations imposed within the EU.

Margaret Beckett: I understand that British farmers are concerned about whether there are welfare requirements here that are not imposed elsewhere. I touched on cross-compliance but I did not deal with it in great detail. Every member state—there will shortly be 25—will, of course, be required to meet cross-compliance measures in order to obtain entitlement to payment. Many of those measures are contained within existing directives, but there is also the requirement to maintain land in a generally good agricultural condition. Events are moving in the direction of narrowing the previously perceived gap between standards in this country and those elsewhere.

Alan Simpson (Nottingham, South) (Lab): The Secretary of State is right to turn her back on the historic system of funding agriculture, which was effective at shovelling bucketfuls of money into the pockets of a small number of grain barons as opposed to the larger number of working farmers. What assessment has she made of the danger of falling into the different trap of moving from funding the richest farmers to funding the richest landowners? She will know that under the proposed scheme the Duke of Westminster will probably be entitled to subsidies of £1,000 a day whether he bothers to get out of bed in the morning or not. Will she re-examine the EU proposals to impose a ceiling on the land-based subsidies so that the money clearly goes into sustainable farming, rather than sustainable and profitable landholding?

Margaret Beckett: I hear what my hon. Friend says, and obviously I am familiar with the argument on the

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issue. It is fairest to have a system that pays the same on each hectare—which it broadly will, within the two different regions—irrespective of the nature of the ownership. I repeat that it is the public goods that will be required for which public money will be paid. Although the SDA—severely disadvantaged area—split will make a difference to the receipts of the richest landowners, I urge my hon. Friend to look at the wider impact of the redistribution and not just at that one comparatively narrow point.

Mrs. Angela Browning (Tiverton and Honiton) (Con): I am sure that the Secretary of State will be aware that the south-west branch of the NFU calculates that the scheme announced today will mean a reduction of £18.6 million a year in payments to the south-west area, primarily because it is a livestock and dairy area. She said earlier that some sectors would be adversely affected. Will she do an analysis of self-sufficiency in the livestock and dairy areas, and put it in the Library? The key test of the changes announced will be whether we produce more of our own food as a result, or suck in more imports. UK self-sufficiency has dropped in the past 8 years, from 75 per cent. to 65 per cent. Will the changes improve that situation or make it worse?

Margaret Beckett: Frankly, it would be hard to assess what impact the changes will have on self-sufficiency, because the effect on the marketplace will make an enormous difference. I recognise the concerns that the hon. Lady expresses about the impact in the south-west, but it will not be disadvantageous to everyone. People on Exmoor, Dartmoor and Bodmin moor, like those in the north Yorkshire moors, will benefit—

Mrs. Browning: They are not in my constituency.

Margaret Beckett: I am sorry that they are not in the hon. Lady's constituency. Unfortunately, we are not able to allocate subsidy per constituency. We have already got a lot of analysis and we will continue to do more. I am sure that everyone else will also analyse the proposals in detail, and that will illuminate the exact position for all of us. In overall terms, there will be winners and losers, as always happens when things change, but the impact of the movement of resources is anticipated to be about 13 to 15 per cent. over eight years. We will then have a system of support that is much more defensible, and that will be worth it.

Mr. Michael Wills (North Swindon) (Lab): I congratulate my right hon. Friend on a skilful and historic statement. I also lend my support to those who have asked her to continue to explore how best that huge public subsidy can be used to support those who actually work the land, rather than simply to inflate the asset value of land. Now that subsidy has been decoupled from production, will it mean an end to export subsidies under the CAP, which have been so damaging to so many of the world's poorest people?

Margaret Beckett: I am grateful to my hon. Friend for his welcome, and I am especially grateful to him for taking that point on board. I know that he has been greatly concerned about the distorting effect of export subsidies and has expressed his anxieties about the form of reforms hitherto. He is right: what created the need for export subsidies was the overproduction for the European market. There will be no incentive for overproduction any more, so the need for export subsidies should wither on the vine. If my hon. Friend can get that message across to some of the well-meaning and honourable people who campaign against this reform, I would be grateful to him.

Mr. John Burnett (Torridge and West Devon) (LD): Complex rules will be necessary to calculate the payments made in the transitional period, and especially to fix the base historical payment—although admittedly that will be phased out. Can the Secretary of State confirm that there will be a fair, independent and objective appeals system, so that individual farmers can appeal against determinations made by her Department?

Margaret Beckett: My understanding is that farmers in the hon. Gentleman's area will do rather well out of the changes. However, some will feel, for a variety of detailed reasons, that they will be disadvantaged. I urge all hon. Members to tell their farming constituents to provide us with as much information as they can as soon as possible, because the more information we have, and the more accurate it is, the less the likelihood of errors. Information will also assist us when we consider how great a provision we need to make for a national reserve. Part of the purpose of such a reserve will be to deal with anomalies that cannot be dealt with any other way, with hardship cases, and with unusual circumstances—perhaps land or leases changing hands in the reference period. [HON. MEMBERS: "Appeals?"] Yes, there will be an appeals system to correct the basis of payment, but just as important is a system that deals with harmful anomalies even if the payment has been assessed correctly.

Mr. John Grogan (Selby) (Lab): Does my right hon. Friend accept that today's announcement will be particularly welcomed by the completely unsubsidised horticultural sector? Indeed, the NFU horticultural committee, under the able chairmanship of my constituent, Mr. Graham Ward, has argued long and hard that if the historic payment system had been adopted it would have created market distortions in that highly successful sector.

Margaret Beckett: I am grateful to my hon. Friend. He is right, although it is important to utter the caveat that it will not be open to people to expand the areas of enterprise that they have previously had and claim extra payment on that basis. The arrangements will be for existing areas, with some exclusions for top fruit. Generally speaking, however, he is right to say that the changes will be helpful to horticulture. Many in that sector have made the grade in an unsupported market, but the changes will make a difference for some.

Mr. John Maples (Stratford-on-Avon) (Con): Will one of the effects of the changes that the Secretary of State has announced be that a dairy farmer who currently receives a lot of subsidy but probably does not

make any money will gradually have much of that subsidy taken away and given to farmers who currently farm profitably without any subsidy?

Margaret Beckett: There will be impacts on dairy farmers, as on everyone else. At present the dairy sector receives direct support, but we are about to move towards a system with a dairy premium. It is our proposal to decouple that premium from the beginning, and to make that part of the general approach. However, there will be winners and losers in the dairy sector, as in other sectors, and we are willing to examine the redistributive effects and see what can be done to mitigate them. In the long term, a simple system such as we propose will be to everyone's advantage.

Mr. Peter Luff (Mid-Worcestershire) (Con): I invite the Secretary of State to say a little more about the impact on horticulture. She will know that the high-quality agricultural land in areas such as south Worcestershire and the Vale of Evesham can just as easily be used to grow subsidised cereals as unsubsidised field crops such as salad onions. Can she reassure horticulturists that they will not suffer an adverse competition effect as the high subsidies paid for arable crops such as cereals have an impact on the marketplace in the transitional period?

Margaret Beckett: I cannot say that there will be no effect in the transitional period, although I shall think some more about the point that the hon. Gentleman makes. In the longer term, payment will be made on the same basis for everyone. I know that those with unsupported crops were anxious that those who received support would be able to compete, with the assistance of that payment, against those who had never been entitled to a payment. That fear cannot be totally removed in the short term, but it should be diminished.

Mr. Andrew Robathan (Blaby) (Con): I declare a very real interest, as a farmer. The changes are a sensible step in the right direction and, as the hon. Member for Luton, North (Mr. Hopkins) said, signal the end for the CAP. Presumably the money paid under the flat rate will eventually be paid straight to the landowner. Many of my local farmers are council tenant farmers, the landlord being Leicestershire county council. How does she envisage the changes affecting the relationship between the landlord and tenant, especially in starter farms, which many people still want to take on? The proposals need fleshing out.

Margaret Beckett: I am grateful to the hon. Gentleman for his welcome. I am conscious of the fact that tenant farmers are anxious about whether some council starter farms will continue to be made available. We are looking at the issue in general terms and seeing whether we can do more to assist. I can tell the hon. Gentleman that the payment will go to the person who is farming the land.

Mr. Adrian Flook (Taunton) (Con): The Secretary of State said that Exmoor was a probable winner under this system, and I welcome that, but as I also represent other parts of Somerset, I cannot welcome the implications of her comments. Perhaps there is one silver lining—less bureaucracy, as she described it. I accept that the system is not hybrid, but the transition appears to be so. What assurances can she give that there will not be an explosion of associated regulations and bureaucracy as we move towards 2013?

Margaret Beckett: The hon. Gentleman is right: it is not a hybrid system and ultimately it will undoubtedly be less bureaucratic. But there is a transitional period, and the same invidious choice is before the House as was before the Government—between a much more compressed transition period, with a bigger impact on farm incomes and farm planning, or an extended period that would lead to greater complexity. I regret the need to make such an invidious choice, but we had to make it and on balance, given that people will understand clearly what the pattern of transition is, it will assist them in planning for the longer term.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Many farmers will be very pleased that they now have some information on which to make planning decisions—although the devil will be in the detail. But perhaps the Secretary of State should give us some background on her decision to split England into severely disadvantaged areas and the rest. If she is serious about supporting the most vulnerable farming businesses and those that make the biggest contribution to the environment, will she be putting more resources into severely disadvantaged areas, or doing the opposite?

Margaret Beckett: I am not planning to put more resources into farming through the CAP than currently exist, but we do intend to try to make better use of the resources over time. One of the best ways to do that is by reducing bureaucracy and moving to a more simplified system. The less we have to absorb, the better.

The reason for the split is simple and straightforward: otherwise, the redistributive impact would have been enormous, and many questions and concerns would have been raised. So we considered an explicit split between less favoured areas and others, and as I understand it, the impact is minimal, except in the beef sector. As we examined this issue, it became increasingly clear that that was the best possible way to mitigate. The structure already exists—the map of SDAs was last published in 1992, so everybody knows where they stand—and it seemed the best and simplest method. It was precisely because of our wish to avoid additional regulation and bureaucracy that we did not impose some other complicated system in order to mitigate, but went instead for a split between SDAs and non-SDAs.

Mr. Roy Beggs (East Antrim) (UUP): I should begin by declaring a small farming interest. I welcome the Government's decision to allow each of the regions to determine the way forward that is most suitable for them. Does the Secretary of State agree that the growing importance of, and emphasis on, environmentally sensitive farming may nevertheless impose additional costs on farmers? For example, when restrictions are placed on the spreading of slurry, farmers will have to

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invest in tanks or stores. Will grant aid be provided to encourage such investment, in addition to the single payment?

Margaret Beckett: The hon. Gentleman makes an important point, and he is right to say that there is increasing emphasis on moving towards more environmentally sensitive farming. That is why we are considering proposals under pillar 2, and the establishment of supporting schemes. As for slurry, grants are available to deal with the impact of changes that farmers will need to make in nitrate-vulnerable zones. All these issues will be considered over time, but I should point out that such developments are in the long-term interest of farming and of the wider community.

We should remember one simple point. Members who are not from farming areas often ask, "Why should farming receive support when other industries do not?" The farming community's answer is simple and straightforward: it is because farmers are the custodians of the land and the landscape, and, as such, of our environment. Indeed, 70 per cent. of our land is farmed land. The farming community is right, and we should recognise that fact. This scheme allows us to make that recognition, and to move away from the previous position.

Sustainable and Secure Buildings Bill
[Money]

Queen's recommendation having been signified—

2.25 pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): I beg to move,

That, for the purposes of any Act resulting from the Sustainable and Secure Buildings Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(1) any expenditure incurred by the Secretary of State in consequence or by virtue of the Act; and

(2) any increase attributable to the Act in the sums payable out of money so provided by virtue of any other Act.

The motion relates to a private Member's Bill promoted by the hon. Member for Hazel Grove (Mr. Stunell). In general, the Government support the Bill's provisions, except for those that I shall mention in a moment. The Bill will amend the Building Act 1984 to allow building regulations to be made for the additional purposes of protecting and enhancing the environment, facilitating sustainable development, and preventing and detecting crime. These purposes are fully in line with the Government's policies on dealing with greenhouse gas emissions, and on sustainable and safer communities, and would allow building regulations to make a greater contribution to dealing with those issues.

The Bill repeals the exemptions from building regulations requirements afforded to statutory undertakers, mainly in respect of utilities and transport undertakings. It also allows building regulations dealing with the conservation of fuel and power, or the reduction of greenhouse gases, to be applied to existing buildings.

The Bill's other main provision is the placing of a requirement on the Secretary of State to present biennially to Parliament a report on progress in the building stock in England and Wales, in connection with conservation of fuel and power, preventing waste or misuse of water, protecting the environment and facilitating sustainable development.

The Bill contains mainly enabling powers, and costs will not arise until those powers are used. Before regulations are made under the Bill, any proposals would be subject to full public consultation and the regulatory impact assessment process in order to look at the costs and benefits—including those that might need to be funded by money provided by Parliament—in respect of central Government and local government. The costs to central Government and local government would be small, and would be funded from existing resource allocations.

Mr. Oliver Heald (North-East Hertfordshire) (Con): On 30 January, when the Minister was discussing this issue at length, he made the Government's case that clauses 2, 5 and 6 should be substantially amended. Of course, that may well happen in Committee, but if it does not and the full cost of the Bill as drafted has to be met, what will it be?

Phil Hope: The hon. Gentleman makes a good point. The Bill will be amended in Committee, and the Government are clear about which of its provisions we cannot support. The only direct cost in respect of the provisions that we can support is the biennial report to Parliament. We estimate that it will cost £50,000 per report, which includes £5,500 in printing and publishing costs. This sum will be funded from the existing resources of the Office of the Deputy Prime Minister.

I want to make it clear to the House that the direct costs to which this money resolution relates—hopefully, it will be passed today—are in respect of that report. The other costs will not be incurred until the building regulations are passed. Indeed, a full public consultation process and a regulatory impact assessment will examine the various costs and benefits associated with any of the Bill's measures. The Bill contains enabling powers—it does not impose those costs.

However, there are three provisions in the Bill that the Government cannot support: the report relating to the Warm Homes and Energy Conservation Act 2000, which is dealt with in subsections (4), (5) and (6) of clause 5; planning authority energy efficiency targets in respect of development plans, as described in clause 7; and energy efficiency as a condition of licensing of houses in multiple occupation, as described in clause 8.

Mr. Eric Forth (Bromley and Chislehurst) (Con): Can the Minister make it clear whether the costs that he believes will flow from this money resolution arise from the Bill as drafted, or from the Bill in the form that he assumes it will take after consideration in Committee? Is he basing his figures on an assumption on his part of what the Committee will do to the Bill, or on the Bill as it is today?

Phil Hope: That is very similar to what was said by the hon. Member for North-East Hertfordshire (Mr. Heald). I have just specified the parts of the Bill that the Government will not support in Committee or on Third Reading, and the hon. Member for Hazel Grove has accepted what we have said. The only real issue tackled in the motion is the direct costs of the biennial report. Each of the measures that we do not support would require a significant input from central Government or local authorities. We have not costed those resources, as the hon. Gentleman said on Second Reading that he would withdraw the relevant clauses. That is why we can be confident about the security of the motion.

2.30 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): On 30 January the Front-Bench spokesman was my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), but I was present.

We support parts of the Bill. My hon. Friend made that clear when he said that no one could argue with a proposal to make buildings more energy-efficient and water-efficient, and to make homes and commercial properties more crime-resistant. He also said that clause 1 sensibly widened the ambit of the building regulations. He did, however, object to the breadth of the regulations proposed in clause 2, which he described as a mixed bag. He was particularly critical of the regime for regular inspection of security systems, because of the recurring costs to householders. He had further anxieties about clauses 2 and 3. It was clear that Conservative Members were worried about the breadth and cost of the Bill, and

[Mr. Oliver Heald]

about what would be imposed on home owners. Meanwhile, as the Minister very fairly said, the Government were concerned about the ambit of clause 2, and about the other three clauses that he mentioned.

All parties agreed that the Bill should go into Committee, where it should be carefully scrutinised.

Mr. Forth: No.

Mr. Heald: I do not suggest for a moment that my right hon. Friend held that view, but it was the view of the Front-Bench spokesmen. We should also bear in mind the fact that this is a private Member's Bill.

Mr. Forth: Ah, yes.

Mr. Heald: I am glad my right hon. Friend accepts that. Anyway, the feeling on all sides was that the Bill should go into Committee and be scrutinised properly, and that requires a money resolution. As I said earlier, however, it is incumbent on the Minister to tell us the costs as the Bill stands. It has not yet gone into Committee, and we do not know what the outcome will be. The hon. Member for Hazel Grove (Mr. Stunell) has given some assurances, but I understand that they do not cover, for example, all the objections to clause 2. We need to know what the Bill would cost if it retained its present form, and what it would cost if it were slimmed down, as the Minister hopes it will be.

The Minister seems to think that the cost would be £50,000. Surely, however, all the local authorities involved, all the Government buildings and all the other Government and public sector provisions would be affected by some of the duties that the regulations are likely to impose.

Phil Hope: I am sorry that the hon. Gentleman could not be with us for the debate on 30 January, but that is understandable. This is mainly an empowering Bill, enabling regulations to be made later. It is at the point when the regulations are made that issues of cost and benefit will come into play. As these are enabling powers, they will not incur the costs that the hon. Gentleman envisages.

Mr. Heald: What, then, is the point of the motion? Is it connected only with the biennial report? If clause 2(4), which would impose a wide range of enabling provisions relating to the building regulations, is passed unamended, the consequences will be much wider than the Minister suggests. If it is amended in the way that he and I hope, it will be a much cheaper proposition. The likely costs to business and home owners should be made clear at this stage. As I have said, the Conservative Front Bench has undertaken to allow the Bill to go into Committee and in those circumstances the money resolution is necessary, but we would like more information about the costs.

2.35 pm

Mr. Eric Forth (Bromley and Chislehurst) (Con): We find ourselves, do we not, in a very odd position on occasions such as this. The motion requests authorisation of expenditure of taxpayers' money without giving any indication of what that expenditure will be. I will come to the Minister's £50,000 in a moment, but we—the House of Commons, the guardian of the taxpayer—are being asked

"to authorise the payment out of money provided by Parliament"

—that is, provided by the taxpayer—of

"any expenditure incurred by the Secretary of State in consequence or by virtue of the Act"

and

"any increase attributable to the Act in the sums payable out of money so provided".

For a start, that is a blank cheque. I have always wondered why we are repeatedly asked to sign blank cheques. I think we should look at this procedure one of these days and make it much more effective and responsible, but for the moment all we have is the Minister's £50,000.

Mr. Heald: As far as I know, the money spent in consequence of the regulations for which the Bill provides will not be the subject of a separate money resolution. If that is so, would not this resolution approve expenditure "in consequence" of the Bill or "attributable" to it?

Mr. Forth: The definition of what will result from the Bill is not entirely clear to me. As the Minister said, all we are discussing is expenditure flowing from an enabling measure. Whether he will return to the House and ask for yet more money if and when the consequent regulations are approved remains to be seen. Perhaps he will tell us something about that when he sums up the debate.

I take exception to something that was said earlier. The Minister had the impertinence to say that the Bill would be amended in Committee. How can he possibly know that? Was he implying that he has control over members of a Committee considering a private Member's Bill? If that is so, it is a breakthrough even for this Government. I thought we maintained the fiction, at least, that private Members' Bills were just that, and that Committee members were independent- minded Members of Parliament accountable to their constituents. Now it has been revealed that the Government control what happens in such Committees. I hope the world will note that, because it may well have interesting consequences not just for this Bill but subsequently.

The Minister then compounded the felony by saying that the Bill's promoter would withdraw certain clauses. I need not remind you, Mr. Deputy Speaker, that he will do nothing of the kind. He may ask the Committee's leave to withdraw the clauses, but if it has any spine at all the Committee may well say "No: we are all eco-freaks and sustainable-energy nuts. We do not want all these good things to be withdrawn from the Bill." The promoter may be so weak and pathetic that he is prepared to be leant on by the Government and to allow material clauses to be withdrawn, but the other members of the Committee may not allow that.

I think we should make it absolutely clear at this stage that notwithstanding the Minister's impertinent assertion that he will eviscerate the Bill, or even worse that the promoter will allow his own Bill to be

eviscerated—it must be some sort of Japanese routine—we are discussing the Bill as it stands, not the Bill as we imagine it may be following its Committee stage or, indeed, as the Minister or the promoter hopes it will be.

Let us now come on to the £50,000. The Minister seemed to be confident in his assertion that the few remaining bits of the Bill, after all the gutting has taken place, would—ironically, as I read it—be the bureaucratic bits. I hope that that will not be the case. There are all sorts of gruesome things about Secretaries of State reporting, and the like. Most interesting are the provisions in clause 5(2)(c)(d) and (e), which require the Secretary of State to report on the

"effects or likely effects, of regulations"

that would emerge from the Bill,

"the efficiency with which energy is used . . . levels of emissions from . . . buildings, the extent to which . . . buildings have their own facilities for generating energy",

and so forth.

Those are bad enough, but worst of all are what I would call the Domesday provisions in clause 5 (3) (a) and (b). In other words, we are going to have to have a report on

"the number of buildings in England and Wales that are dwellings"

and

"the number of other buildings in England and Wales."

That is a pretty ambitious sort of measure, even for the hon. Member for Hazel Grove (Mr. Stunell) and his eco-friends. If we seriously expect the hapless Secretary of State to rely on the taxpayer to pay for that sort of nonsense, we will be into sums greatly in excess of £50,000. That is to say nothing about, as the clause continues, preparing

"a report on progress . . . in connection with the Warm Homes and Energy Conservation Act 2000",

which may or may not survive in the Bill. The Minister cannot say that for certain unless he is going to be rather more humble and acknowledge that he does not really know what the Committee will do. We should certainly hear more from him about that.

Mr. Heald: How confident does my right hon. Friend believe the Minister should be of the assurances given, when the hon. Member for Hazel Grove said in respect of clause 5 on 30 January 2004:

"I certainly give an undertaking to the Minister that, if the Bill gets to Committee, I will take very clearly into account what he has said . . . I wish to make it clear I want at least half a loaf . . . I shall certainly bear in mind what was said about the later provisions in clause 5, although I notice that the Conservative Front-Bench spokesman seemed to be strongly in favour of them, so that may be a matter on which further discussion is required."?—[*Official Report*, 30 January 2004; Vol. 111, c. 490.]

Mr. Forth: To start with, I hope that none of my hon. Friends is in favour of anything in clause 5. We claim to be the party of deregulation and repeatedly assert that we, as a party, are opposed to red tape—and clause 5 is the red tape clause. If my hon. Friend is suggesting that he and his Front-Bench colleagues are now supporting a virulently regulatory measure, I would be very interested to know it. If so, our deregulatory credentials are shot to hell—but that is a matter for my hon. Friend and his right hon. and hon. Friends, and they should not count me in on that.

Finally, to revert to clause 5, we are to have a report on

"the number of persons living in social housing removed from fuel poverty in the report period."

I have said before that I believe that the concept of fuel poverty is ridiculous. I shall not go into further details now, but I could elaborate if anyone wanted me to. Even if one accepts the absurd notion of fuel poverty, asking for a regular report on the number of persons removed from it strikes me as a somewhat onerous requirement, to say the least—even for the Secretary of State and his thousands of loyal and efficient officials.

We therefore find ourselves in a very odd position. We are being asked as custodians of the taxpayer to sign up to what looks like a blank cheque. We are then told to make assumptions about the form of the Bill that will emerge from a Committee that has not yet sat or deliberated. Then the Minister says that he has some mysterious control over the Committee, and we are assured that the sponsor is so unsure of his own Bill that he will withdraw—or seek leave to withdraw—half of it. Finally, the Minister tells us that all the nonsense in clause 5 will be produced at very little cost to the taxpayer. I find none of that remotely convincing. It is a sad episode in the history of private Members' Bills, in which, as the House knows, I take some interest.

I note, and I hope that the House will note, that many rather interesting issues have emerged from our brief deliberation today—in respect not only of this private Member's Bill, but more generally—on which we should reflect. Until I am much more persuaded that the House should support the measure today, we should all keep our options open.

2.45 pm

Mr. Stunell: I have enjoyed listening to the contribution of the right hon. Member for Bromley and Chislehurst (Mr. Forth), but I start by thanking the Minister and the hon. Member for North-East Hertfordshire (Mr. Heald) for accepting that it is appropriate for my Bill to go into Committee, and that, to do so, we need the money resolution. I hope that the House will give general assent to that proposition.

I believe that the Bill is useful and will still be useful, as amended. It would, of course, have been more useful in its grander form, though I accept that other hon. Members—particularly the right hon. Member for Bromley and Chislehurst—would have disagreed.

I briefly reiterate the point that this is an enabling Bill. It does not, of itself, impose costs on industry, households or, indeed, on the economy as a whole. The entire purpose of the money resolution is to deal with the one aspect that I would have thought the right hon. Member for Bromley and Chislehurst would approve of—holding the Government to account for their performance in respect of the Building Act 1984 and building regulations. I believe that such a provision—one that requires the Government to give an account of, and allows the House to monitor, performance—should feature in more of the legislation that the House passes. That does not amount, in my view, to excessive regulation, but to accountability. Clause 5 is designed to ensure a degree of Government accountability for the legislation that may flow from my Bill.

[Mr. Stunell]

I conclude by saying that the £50,000 involved is half what it cost the Fees Office to keep the right hon. Member for Bromley and Chislehurst in the style to which he is accustomed.

Mr. Forth: But I am working—that is the difference.

Mr. Stunell: It is well worth it.

2.48 pm

Phil Hope: We do not want a re-run of Second Reading, as we are debating a money resolution. I emphasise the fact that the Bill is an enabling measure, which explains why the costs are as described. I should like to clarify for the hon. Member for North-East Hertfordshire (Mr. Heald) the fact that there is no separate money resolution for building regulations, but that when the building regulations are made, the statutory instrument that enacts them is debatable. The House does therefore have another opportunity to debate them, and there is also a regulatory impact assessment.

I am wary of engaging with the right hon. Member for Bromley and Chislehurst (Mr. Forth) on private Members' Bills, but all Members of the House—not just members of the Committee—will have an opportunity to have their further say on the Bill when it returns to the Chamber. I regret that the right hon. Gentleman was not in the House when we described how to collect the information about which he was so concerned. If he had been in his place—he can, of course, read *Hansard*—he would have known that we have a method for collecting information that incurs only the costs that I described. The costs will not arise until the powers are used, and those powers will, as I said, be debatable at a later stage. The direct costs are only those that I spelled out earlier.

Question put and agreed to.

Public Accounts

2.48 pm

Mr. Edward Leigh (Gainsborough) (Con): I beg to move,

That this House takes note of the 64th to 68th Reports of the Committee of Public Accounts of Session 2001–02 and the 1st to 49th Reports of the Committee of Public Accounts of Session 2002–03, and of the Treasury Minutes and the Northern Ireland Department of Finance and Personnel Memorandum on these Reports (Cm 5728, 5770, 5789, 5801, 5802, 5823, 5849, 5953, 5961, 5962, 5963, 5984, 6016, 6051, 6105, 6110).

In introducing today's debate on the Public Accounts Committee, I should point out that today represents something of an experiment. Rather than have a traditional whole-day debate, we agreed this year to split it into two, with the second half to follow before the summer recess. That, I hope, will make matters more topical and allow Members to make an early start on their eager journey home for the half-term break—after, of course, listening to our debate first. I shall set a good example to those who are to follow by keeping my opening remarks briefer than in previous years. I am pleased to say that this has been a most successful year for the Committee. We have published more than 50 reports, covering the work of almost every part of the Government, from Departments of State to smaller but important and interesting bodies such as Victim Support and the Office for National Statistics. We have examined major defence spending programmes and high-profile health and private finance initiative topics. We have also considered what might be called the behind-the-scenes work that contributes so much to the quality of public services, such as that done by the various regulatory bodies. Our investigations touch on some very topical issues. I shall mention two that strike a chord in these times of increased terrorist threat: exercise Saif Sareea 2, and NHS emergency planning in England.

Saif Sareea 2, a major military exercise, took place in Oman in 2001. It was the subject of our sixth report, published just eight days before the opening shots of the war in Iraq. However, the National Audit Office report was published—and we had our hearing—some months before that. Our aim at that stage was to focus attention on learning lessons from the exercise that should have been addressed before the conflict began.

We have yet to report on the operation in Iraq, but we took evidence from the Ministry of Defence and the armed forces in January. Overall, the operation was a resounding military success. Problems with the Challenger tank during the Saif Sareea 2 exercise were overcome, and the tank performed well throughout the Iraq operation. When considering the exercise in Oman, however, we said that the MOD should ensure in future that troops sent into harsh environments were equipped appropriately. We said, for example, that they should be issued with suitable boots. We now know that there was a shortfall in desert clothing in Iraq, and that there was insufficient body armour—the latter with tragic consequences. Our hearing with Sir Kevin Tebbit, the permanent under-secretary at the Ministry of Defence, was feisty. No doubt, we shall return to the topic in July, when we have our next debate.

On the domestic front, we reported on NHS emergency planning. We found that parts of the NHS were not well prepared to handle emergency threats,

such as nuclear, chemical, biological and radiological incidents. Clearly, that is a fast-moving area. I am pleased to say that the Department of Health is acting on our recommendations.

I want to emphasise that the PAC is not political. It is an all-party Committee, with a Labour majority and an Opposition Chairman. Our work is based on consensus. We never have votes, and we do not try to replicate what goes on in the Chamber of the House of Commons. We simply try to establish the facts.

People are now very sceptical of politicians, but I think that they would be amazed at the care that members of the Committee take to reach a sensible, consensual and balanced view, and at the hard work that they put in. I like to think, however, that the work is not based merely on finding the lowest common denominator that we can all agree on. Our reports are very hard hitting indeed, and I pay particular tribute to the work done by the members of the majority party.

We are not Jeremiahs, despite what some people think. We do not set out with the objective of being critical, although I fear that we often are. Our aim is to discuss the facts involved with the body concerned, and to make recommendations that can improve the delivery of public services. I believe that we have a real impact.

Over the past three years, the PAC and the NAO have generated financial savings that we reckon amount to £1.5 billion. Our recommendations are invariably accepted by the Government, because they are well founded and pragmatic. They deal not with controversy over policy, but with administration. I shall give one example of the major impact that the Committee can have. Our tough questioning of Imperial Tobacco Group representatives helped the Customs and Excise authorities in their attempts to get the company to sign a memorandum of understanding. Through working with the tobacco manufacturers in that way, the Customs and Excise service has successfully restricted the availability of tobacco products to smugglers.

In this debate last year, I quipped that Imperial Tobacco was exporting enough cigarettes to some countries for every inhabitant to be smoking several hundred a day—thus illustrating the level of smuggling back into this country. I am pleased to say that exports of the company's products to the unlikely destinations of Moldova, Afghanistan and Latvia have now stopped altogether. Presumably, exports of Nicorette patches have rocketed, but we will never know.

In the past year, several valuable members have left the Committee. I pay tribute to my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb), and to the hon. Members for Croydon, Central (Geraint Davies), for Newbury (Mr. Rendel), and for Knowsley, North and Sefton, East (Mr. Howarth). It gives me great pleasure, however, to welcome to the Committee the hon. Members for Birmingham, Erdington (Mr. Simon), for Dagenham (Jon Cruddas) and for Sheffield, Hallam (Mr. Allan). The latter two are present in the Chamber today.

Membership of the Committee is not an easy ride. Members have to work hard in preparing to dissect two entirely different topics every week that Parliament sits, and they are often complex or technical. No other Select Committee has anything like our work load. Committee members work with energy, commitment and enthusiasm. I am indebted to them for their support, and pay tribute to them. I also pay tribute to Mr. Nick Wright, our Committee Clerk, and to the other staff, for the valuable service that they provide.

I want to focus on three themes this afternoon: how the Committee is working; how we can secure better procurement and project management; and how we can improve service delivery and regulation.

I shall deal with the Committee's approach first. We would not be effective without the considerable help of Sir John Bourn, the Comptroller and Auditor General, and his 800 staff at the NAO. The NAO's effectiveness depends, in turn, on access rights. Since last year's debate, there have been two major steps forward. In May, the Government moved the orders to implement Lord Sharman's recommendation that the CAG should audit all executive non-departmental public bodies, and that his access right should be on a statutory basis. That welcome step will enhance public accountability. I thank the Minister and his Treasury colleagues for listening to our recommendations.

The other step appears to be smaller at this stage, but may be very significant. It is the agreement between the BBC, the NAO and the Department for Culture, Media and Sport that the NAO should identify and carry out value-for-money reviews agreed with the BBC's audit committee. The results of that work will be reported to Parliament in due course. That is a very important step for which our Committee has been asking for years, and I am pleased that, with the help of the Treasury and other Ministers, we are making progress at last. I do not know why it is happening, but the Committee is grateful. Increasingly, the need for truly independent oversight of the BBC has come to the forefront of public debate. We are talking, of course, about accountability in respect of the efficient and effective use of resources, and not about the hot topic of editorial standards.

I give an absolute commitment that neither the PAC nor the NAO will ever get involved in controversies about what should or should not be said on the "Today" programme. That is not our job, which is to look at financial accountability. I believe that that is equally important, especially when more than £2 billion in licence fee payers' money is at stake. I consider the new arrangements for NAO access to be an important milestone, and a first step that I hope will pave the way for the improved financial accountability arrangements that we expect to feature in the renewal of the BBC's charter in 2006. When the charter is renewed, Committee members expect to get the same rights of access as we have for other Government Departments, although we recognise that the BBC is different.

Another development for the Committee is our expanding programme of visits. In the past, we hardly ventured beyond the Committee Corridor, but we are endeavouring to broaden our knowledge in advance of specific hearings. I hope that that innovation is welcome to Committee members.

Prior to our evidence sessions on private finance initiative prisons, we had a very impressive visit to Altcourse prison in the north-west of England. Prison officers do a very difficult job in very trying circumstances. What stood out on our visit was the general atmosphere in the prison, and the constructive and positive attitude of the staff we met. We spoke to

[Mr. Edward Leigh]

prisoners, and learned at first hand about the programmes for their education and training. These days, even prisoners are conscious of standards of service delivery. They were obviously delighted to be at Altcourse rather than down the road at Walton prison in Liverpool, where prisoners are banged up for up to 24 hours a day. The visit highlighted the fact that there is a strong case for greater co-operation and learning between publicly and privately managed prisons, and we made that recommendation in our report.

Our other visits have included a trip to see the Apache helicopter at Middle Wallop, and another to the Forensic Science Service headquarters in Birmingham. Last month, at Heathrow airport, we heard an excellent presentation from Sir David Omand on the progress of improving risk management in government, and we also had a chance to see behind the scenes of customs operations at the airport. Members of the Committee also visited our counterparts in France and Germany to gain an insight into their systems of accountability. It was especially interesting to learn about other systems for delivering health and education, and about the way in which those fields are audited.

The Committee's work is not just about financial savings. We are particularly concerned about public service delivery, and I shall turn to that later. We are interested in the proper management of valuable non-monetary resources. In our 47th report, we argued that clear priorities were needed for the national film and television archive to ensure that the nation's film heritage does not, literally, rot away—as it is doing in some parts. The DCMS, the Film Council and the British Film Institute, which is responsible for the archive, have launched a full review.

When considering fisheries enforcement in England, the Committee heard about the wasteful discarding of fish when fishermen are over their quota, or want to land only the best-quality catch. That practice may account for more than two thirds of the fish killed in some species or locations. We thought that ludicrous, and argued that the Department for Environment, Food and Rural Affairs should give careful consideration to allowing the landing and sale of such catches but with the proceeds used to fund research and conservation efforts.

Turning to procurement and project management, we are talking big business. The Government are spending more than £14 billion a year on goods and services. Not surprisingly, then, the Committee is interested in how good practice might be more widely applied. Some of the examples that I am about to give are not for the fainthearted, but it is important that where things have not gone well lessons are learned for the future.

In our 44th report, we examined the development of the national IT project for magistrates courts, known as Libra. We described it as one of the worst deals we had seen—given how much we see, that is indeed a damning indictment. In just four years, the cost has more than doubled, to almost £400 million, yet magistrates courts still do not have the IT systems they need to manage their workload properly. The handling of that project by the former Lord Chancellor's Department was disastrous at every turn. It procured a contract to provide services to 42 magistrates courts committees, over which it had no real authority or control. It ran a poor competition and attracted only one bidder, which should most certainly have sounded warning bells in the Department. It then failed to take decisive action when the contractor, ICL, did not deliver what was required. For its part, ICL did not understand the Department's requirements, took on excessive risk and underpriced its bid. It performed poorly throughout and could not meet the target dates for delivery of the core application.

We find such stories again and again in our work, and other Members can deal with other projects throughout the IT sector that we have examined. However, I said earlier that we were not Jeremiahs and if Libra is an example of how not to manage a project, the acquisition of the London Heart hospital is quite the opposite.

Our 23rd report describes how the University College London hospitals NHS trust, through quick and well-managed risk taking, swiftly seized the opportunity to acquire the private London Heart hospital in a matter of months. That increased UCL's cardiac treatment capacity and boosted the hospital's services to patients. It is an example of an organisation using innovation and creativity, and we applaud it. We try to give credit where we can.

I have already touched on one PFI project—the Libra debacle—but so that the debate is balanced, I must tell the House that, overall, we found no overwhelming argument for or against the PFI in our 28th report, which drew together our 18 reports on the initiative over the past four years. Perhaps we came to no overall conclusion because we were not trying to be political. We have seen well considered deals, which were carefully negotiated, managed effectively and offered substantial benefits, while others have been awful. We hope that the lessons from our work will help the public sector to get the best deal for the taxpayer.

Common to different contracting approaches is the need to observe standard procurement best practice and to transfer risk adequately. If that does not happen, millions of pounds can be wasted and the past year has uncovered another litany of cases. In a class of its own was the individual learning account programme. It is likely that half the budget for ILAs—nearly £100 million—was siphoned off in fraud and abuse, which reflects the number of shortcuts taken by the Department for Education and Skills. The scheme was poorly thought-out; it was put in place too quickly and the risk management was wholly inadequate. There were innovations designed to reduce bureaucracy for new learners and new providers but, to match that, the Department should have built counter-fraud measures into the design of the scheme and set up robust monitoring.

At the Committee's hearing, the accounting officer, the permanent secretary, was frank in his acknowledgement of the scheme's shortcomings and his regret that they had occurred. That is one way of dealing very well with a Select Committee: to apologise profusely. However, he was less able to explain why those shortcomings had been allowed to occur in the first place. Accepting responsibility is important, but so, too, is the need for reassurance that weaknesses have been properly analysed and understood so that they can be identified and action can be taken.

Departments need to make their contractors aware that being sacked is a real possibility—it should not automatically be seen as the most difficult and riskiest option. Risk transfer takes place only if Departments are willing to terminate the contract or to take legal action when a contractor fails to deliver. We will support Departments which take a tough line with the private sector.

Mr. Richard Bacon (South Norfolk) (Con): The Economic Secretary to the Treasury bears on his back the scars of ILAs. The first Adjournment debate that I initiated in this place was on ILAs and the hon. Gentleman, who then held a different portfolio, had the misfortune to have to answer it. My hon. Friend the Member for Gainsborough (Mr. Leigh) refers to the fact that ILAs were in a category of their own, but does he agree that one of the most depressing aspects of the case was that the actions of the Department took place despite shelf-loads of advice in advance and warnings about how to conduct, or not to conduct, projects of that type?

Mr. Leigh: Yes. The programme was undertaken with the best of intentions, but some people in government and the civil service are still, sadly, rather naïve about the sort of people out there who are prepared to take the Government and the taxpayer for a ride and commit fraud. I hope that we have learned our lessons from a project that I accept was undertaken with the best intentions.

Other examples of waste that we examined included the construction of nuclear submarine facilities at Devonport. In 1999, the Ministry of Defence gave my Committee assurances that that contract was under control, yet there were further cost overruns of £314 million. The MOD admitted that it had partly funded poor performance by the contractors and had borne the cost of risks originally transferred to the contractor. We found that unacceptable and urged the MOD to get a proper grip over the final phase of the project, to avoid further cost increases and to assess fully the risks that it retains.

There was also inadequate risk transfer in the public private partnership for National Air Traffic Services Ltd., which we considered in our 48th report. The private sector partner, the Airline Group, did not have to bear risk in proportion to the control it had over the company. Risks to the taxpayer come home to roost when blind optimism over future levels of air traffic, coupled with the raiding of NATS finances by the Department for Transport and the Treasury, left the company in a vulnerable financial state.

That may sound obvious with the benefit of hindsight, but we seek to ensure real improvements in procurement and related spheres, not just improvements on paper. For example, the MOD reported that a target to reduce stock holdings had been met, but the NAO was unable to validate that. The poor quality of information was underlined by the brass nuts that the MOD valued at £83 million when they were actually worth £1.17.

We all want better public services, which is my final theme. The Committee has covered a wide range of public service issues in the past year, from support for victims of violent crime to the—should I say engaging?—experience offered by Government call centres. The public increasingly find it more convenient to obtain public services through call centres, with demand up by more than 40 per cent. over the past three years to an annual total of nearly 100 million calls, but the public will continue to use them only if the service is good. An astonishing 5 million callers to the child benefit centre in 2001–02 were met with the engaged tone. Would that happen in the private sector? Perhaps it would. The problem is not only the speed with which callers get through; the quality of the advice given is critical and Departments should focus their efforts on that.

Mr. Richard Allan (Sheffield, Hallam) (LD): The point about call centres is reflected in all hon. Members' surgeries: when people cannot get through, they come to us. The difference in the private sector is that, if people cannot get through to one business, they will go elsewhere. With most Government services, there is simply no alternative.

Mr. Leigh: That is a good point. To be fair to the Government, it is worth while saying when considering such projects—whether call centres or IT projects—that the sheer size and complexity of the problem that the Government have to address is usually far greater than that ever addressed in the private sector, where call centres or IT projects are typically used to deliver one service or product, whereas, of course, inquiries to the Government are complex and range across the whole country. We must be fair to those who are trying to draw up such schemes. I acknowledge the problem, but the hon. Gentleman is right to suggest that at the end of the day we are dealing with the public and they have no choice. There is no competition or alternative, so standards should be much higher in the public sector. I am sure that we can agree with that, wherever we come from politically. Why should the standards that we expect in the public sector be inferior to those that we demand in the private sector?

Turning to an unsung but highly valued provider of public service, we considered the work of Victim Support, for instance. Although much respected by victims and witnesses, the same level of support is not available across the country, even where crime is high. Victims deserve the same support wherever they live, and that, in turn, is vital in encouraging people to report crime. We called on the Home Office to devise a proper, national strategy and to decide on the proper balance between public, private and charitable funding.

The effectiveness of the regulators is a further dimension of public service delivery on which the Committee has focused. The influence of regulation can be huge on the economy, producers, consumers as a whole and on individuals and small businesses. At its best, regulation creates a stable, reliable framework. It can improve life in all sorts of ways—protecting people's pensions, protecting them from hazardous waste and loan sharks, and so on. The key is that regulation should be effective, not heavy-handed, and should not create hidden costs and red tape.

The Committee has oversight of nearly all the major regulators, with the noticeable exception of the Financial Services Authority, and I say to the Treasury that we would like to have oversight of that as well. We

[Mr. Leigh]

looked at the progress that the Office of Fair Trading has made in protecting consumer interests. We found it disturbing that there is still far too little control to prevent unscrupulous lenders and debt collectors from obtaining consumer credit licences—even those with previous criminal convictions. We urged the OFT to improve its checking of applications and to work with the Home Office and the Department of Trade and Industry to get much needed access to information on criminal convictions. I am pleased that some progress has already been made. Since our report, the OFT has obtained an undertaking that it will be given access to information on unspent criminal convictions across the United Kingdom.

Public confidence in the safety of food has been undermined by high-profile issues, such as BSE, as well as up to 4.5 million cases of food poisoning a year. The Food Standards Agency was created to lead on food safety and standards, and to be an authoritative and trusted voice where public doubt occurs. Our report concluded that the agency has not yet demonstrated convincingly that it is able to do that. Despite its campaign to raise hygiene awareness in catering establishments, for instance, behaviour has not changed. More than a third of staff still do not wash their hands before dealing with the public and after using the toilet—it does not bear thinking about. We called on the agency to monitor the extent to which its advice and information are being used and to boost its profile both in the Government and with the public.

Increasingly, over recent years, individuals have been worried about the security of their pensions. The Occupational Pensions Regulatory Authority—OPRA—was set up in the wake of the Maxwell case to try and allay such fears. However, we found that it had focused too much on the detail of regulating pensions and not enough on pensioners' interests. Since then, it has embarked on an ambitious programme, supported by the Department for Work and Pensions, to establish a new kind of regulator: one that focuses on risks to pension scheme members and builds public confidence at the core of its functions.

We on the PAC are concerned not with Government policy, but with value to the taxpayer. We have seen well managed projects and programmes, we have seen successful and innovative approaches by the Government, but we have also seen huge waste over the past year. I have already mentioned the Libra project, with a £400 million overspend, £314 million additional costs on nuclear facilities at Devonport and the £97 million debacle of individual learning accounts.

I could have covered the £500 million hike in the price of Nimrod; the £3 billion spent on the foot-and-mouth outbreak, where prompter and more effective action could have reduced the toll in terms of cash and the impact on farmers; and the £2 billion that seeps out each year in benefit fraud and the fact that, for the 13th consecutive year, the NAO has not been able to accept the accounts submitted to it by the Department for Work and Pensions. I could also have talked about the working families and disabled person's tax credits, where up to £700 million has been overpaid, or the disastrous introduction of the new tax credits system, which has caused much unnecessary suffering to genuine and often vulnerable claimants.

Given the commitment of an extra £61 billion in Government spending over the next three years, how can we be confident that that money will make its way to improved front-line services and not be frittered away? I put that question to the Prime Minister at the Liaison Committee last week. I stress that that is not a party political point. The PAC has pointed to waste and inefficiency over many previous Administrations, and many examples of waste and inefficiency can be found in them. There is a risk—I put it no stronger than that—that those extra resources, £61 billion, might also result in extra bureaucracy, excess regulation and over-targeting. The Prime Minister gave me a limited assurance in reply, but we on the Committee will continue to watch this space.

In particular, the Committee will want to focus on the following questions. First, what is being done to reduce administrative bureaucracy on medical and nursing staff, teachers and policemen, so that they can spend more of their time providing services to the public, not in form-filling and bureaucracy? Secondly, do Departments and agencies still have excessive overheads and too many layers of management, and how can those be cut back so that resources can be ploughed back into front-line services? Thirdly, is there too much regulation and is it stifling innovation and limiting the performance of regulated services? Lastly, on targets, is there the right number of targets? Are they measuring the right thing? Are they sufficiently testing and stretching? What action is taken against those who fail to meet them?

This distinguished Committee, of which I am proud to be the Chairman, has a proud history in holding the Government to account. It continues to look at the topical issues of the day and plays a crucial role in improving the quality of public services. I commend its work to the House.

3.18 pm

Mr. Gerry Steinberg (City of Durham) (Lab): I congratulate the Chairman of the Committee on an excellent, comprehensive speech. He has covered most of the things that I was going to say, so that is a good start. I also congratulate the hon. Gentleman on the way in which he chairs the Committee. Even though he is an Opposition Member, he is very fair, as we would expect him to be, and it is a delight to serve on the Committee under him.

I very much look forward to this debate each year because it gives hon. Members the opportunity, if nothing else, to pay tribute to the National Audit Office. Its reports are the basis of all our work, and they can only be described as excellent. I now realise that, before I served on the PAC, my knowledge of most subjects was very limited indeed. Some would probably say it still is quite limited, but I can assure hon. Members that reading those reports gives us a lot of knowledge. We get an incredible amount of information from virtually every report on each subject, and a lot of information—details, facts and statistics—becomes available to us. When hon. Members are researching any topic, I suggest that they read an NAO report that covers it. I was shocked and amazed when I heard the Leader of the

House say, in answer to a question this afternoon, that he had not read an NAO report. Shame on him! He should read every report that comes from the National Audit Office. If he is listening to the debate, I am sure he will take that advice.

I had a little chuckle to myself a few weeks ago when I saw the publicity surrounding the Health Committee's investigation into obesity. Its members appear to have travelled all over the world—I am not criticising that at all—to find obese people. They even went to Finland—they were probably pronouncing it wrong and thought they were going to Thinland. They spent weeks investigating the subject, when all they had to do was read the report that we produced about two years ago and examine their own Chairman—that would have given them an insight into obesity. [HON. MEMBERS: "Ooh!"] I am sure he will not read *Hansard.*

I was surprised that the Chairman of the PAC did not mention the fact that our Committee won the parliamentary Committee of the year award—I am not quite sure whether it is a BAFTA. I thought he would have the trophy on display this afternoon. You, Madam Deputy Speaker, could have waved it above your head and shown the world what we are capable of. To be serious, though, without the NAO reports, I suspect that we would not be the Oscar winners that we are.

It is quite clear that the Public Accounts Committee is the Real Madrid of the Committee world—I was going to say Manchester United, but I changed my mind. That is particularly true since several Select Committees have come under severe criticism in the past six or seven months. There was an article by a Bernard Dineen in the *Yorkshire Post* last summer, entitled "Pompous MPs are feeble bullies". I shall quote directly from it:

"The worst moment in the David Kelly saga came when a loutish Labour MP said to him: 'Remember you are before the High Court of Parliament'. The High Court of Parliament? Who do these pompous MPs think they are? The Law Lords? If they had uncovered anything useful by penetrating questioning, their pomposity might be excused. But this pathetic bunch couldn't penetrate a rice pudding . . . The chairmen strut around, preening themselves as head of the 'powerful', 'influential', or 'formidable' watchdog . . . The worst committees have turned themselves into kangaroo courts, bullying witnesses and touting for publicity."

However, the article also says:

"With the exception of the Public Accounts Committee, most of them are a waste of space."

I have said how much I admire the NAO, and the same must be said of the PAC staff. They are also excellent, especially in the service that they provide for Committee members. Nothing is trouble for them and they are a pleasure to work with. I thank them for all the help that they have given me throughout the year.

Public Accounts Committee members are told that we do not have a good reputation with senior civil servants because we are supposedly a little too aggressive. They seem to forget that we work from National Audit Office reports that invariably show that the NAO has discovered weaknesses in Departments, fraud, incompetence, and so on. Frankly, the accounting officer who appears before us is responsible for those actions. It sometimes seems to slip accounting officers' minds that they sign NAO reports to show that they agree with their findings and conclusions. If they did not sign the reports, they could not be published or presented to the Public Accounts Committee. However, as I said yesterday, I sometimes feel that the report that I read and the report that the civil servants read are two different reports altogether, because they interpret them differently from Committee members.

There is nothing more galling to me than when an accounting officer appears arrogant and complacent, and dismissive of Committee members' questions. We have a right—indeed, a responsibility—both to Parliament and to the taxpayer to ask searching questions of the accounting officers and witnesses who appear before us. We have a right to be taken seriously and for our questions to be answered, even if Departments would rather not answer them or would prefer them not be asked so that the information would not go into the public domain.

I had a little spat with a chief accounting officer—a permanent secretary—only a couple of weeks ago. Believe it or not, it involved Sir Andrew Turnbull. Hon. Members might ask, as did I, who he is. Apparently, he is the head of the civil service. He complained to the NAO about my aggressive attitude, and Sir John Bourn passed the complaint on to the Chairman of the PAC who, I can assure hon. Members, has reprimanded me. However, perhaps Sir Andrew should take note of his Departments rather than worrying about what Committee members have to say and ask. He should look at the number of cock-ups over which he presides and the wasted taxpayers' money that goes down the drain each year which could be used to fund better public services. We are not talking about millions of pounds, but billions.

The hon. Member for South Norfolk (Mr. Bacon) is a valuable member of the Committee—even though he sits on the Opposition Benches, he is quite a nice chap. He wrote an article for *The Daily Telegraph* which he passed round all members of the Committee. Although I do not want to make his speech for him, I am sure he will not mind me quoting from the article. Incidentally, he took the figures from reports that the Committee had produced. I ask Sir Andrew to read the hon. Gentleman's article, which says:

"The Department for Work and Pensions has received a black mark from the auditors every year since 1988 because of the volume of fraud . . . Each year, between £3 billion and £7 billion goes south through fraud and error. Five years ago, civil servants running social security were slammed by MPs for not knowing if housing benefit fraud was going up or down. They still don't.

There are 40 new Apache helicopters worth more than £1.2 billion stored in a warehouse on Salisbury Plain, at a cost of £6 million, because the Ministry of Defence"—

guess what—

"didn't train enough pilots in time.

Customs & Excise loses between £7 billion and £10 billion on unpaid VAT and £7 billion on excise duties on alcohol, tobacco and fuel. The Inland Revenue says £2.5 billion is at risk annually because of income tax self-assessment."

The computer system for the magistrates courts has already been mentioned. The article says that it

"saw costs explode from £156 million to nearly £400 million",

yet it still does not work property.

"The new £500 million computer for the Child Support Agency isn't working, either: that's the one which replaced the old CSA computer"

system, which did not work either.

[Mr. Gerry Steinberg]

"The Government Communications Headquarters expected to pay £40 million for moving the signals intelligence computer systems into its new building. Managers told the GCHQ board it would cost £20 million ... it cost £400 million.

The Government thinks the National Health Service loses 16 to 20 per cent. of its budget each year through waste, mismanagement, incompetence and fraud.

Dirty hospitals kill 5,000 people a year and cost £1 billion ... Clinical negligence claims cost another billion."

Those facts are all widely available in NAO reports and in the reports that we have written. Yet Sir Andrew had the audacity to complain that I was asking questions about fraud, mismanagement and incompetence. Frankly, I think that he had some cheek. I suggest that he read the NAO reports and come up with ways of saving the taxpayer those billions of pounds that are going down the drain.

Not everyone agrees with me, and I have had one or two letters from members of the public—although not from my constituents, I am glad to say. One was from a gentleman—well, not actually a gentleman—who wrote to me and described me as a part of the female anatomy, and constipated at that. I shall leave that matter there, but perhaps we cannot always get praise from everyone.

I shall describe one investigation, to highlight what I mean by waste, and by not listening to what the PAC and NAO say. The Chairman of the Committee mentioned this matter. On 21 October 2002, we held a hearing with the Ministry of Defence and the Chief of the Defence Staff regarding an exercise that the military had undertaken named Saif Sareea, which was a key test of the United Kingdom's ability to conduct expeditionary warfare, and aimed at investigating what taxpayers get for their money from the MOD. That took place in Oman in September to October 2001, and was the largest deployment of UK forces since the first Gulf war, involving the movement of 22,500 personnel to Oman.

From the start of the hearing, the witnesses were defensive to the point of being dismissive of some of the questions put to them. I accept that the report from the hearing said that the exercise had been a success, but it also pointed out that two important pieces of equipment needed for desert warfare were inadequate: the Challenger 2 tanks, which the Chairman mentioned, and troops' personal equipment and clothing. Hon. Members who have been following the debate on equipment during the past year are perhaps beginning to realise what I am talking about. The problems with the Challenger tanks were addressed, but what about the personal equipment and clothing for troops in action in desert warfare? A major criticism of the 2001 exercise was that there were insufficient stocks of desert combat suits and footwear to equip the Joint Rapid Response Force.

Lo and behold, when the real thing happened less than two years later, the NAO tells us that a similar problem occurred. Again, personal equipment for the soldiers had not been provided and there may well have been—I am not saying that there definitely were—tragic consequences from some of the soldiers' not having the right body armour. Interestingly, I received a letter from a retired Major Thornton, ex of the Royal Northumberland Fusiliers. In something of a diatribe against the Government's policy, he made this valid point:

"It was plain to see from the TV pictures of the war that the troops did not have the correct kit, as some had for example Desert clothing whilst others had European clothing and you could clearly see some had the wrong boots on."

That criticism had been made of the Saif Sareea exercise, and yet two years later here was exactly the same thing happening again.

We are fully justified in making complaints and questioning vigorously to ensure that such things do not happen again. Questions must be asked as to whether lessons learned from the exercise were heeded in events two years later. Perhaps the most important failing that the Saif Sareea exercise highlighted was the problem with asset tracking: equipment was lost in transit and no one knew where it was. That is a long-standing problem, which has gone on for years and years and remains unsolved to this day. It was the main reason for some of the problems in the Saif Sareea exercise—again, we also saw it only a year ago.

Equipment in the Saif Sareea exercise was sent from the United Kingdom, but because of an unreliable tracking system, no one knew where it was or whether it had arrived. The report on the exercise made it quite clear that the two asset-tracking systems, named Global and Vital, were ineffective. The Global server routinely crashed throughout the exercise, although that was not acknowledged by the Defence Logistics Organisation. That is not surprising, because it never acknowledges anything. Vital, a consignment tracking system introduced as a result of an NAO recommendation following the first Gulf war, was by 2001 operating at around 500 per cent. capacity. During the exercise, it took 15 minutes for the in-theatre Vital system to discover the contents of a single ISO—individual spares order—container. The lack of the Vital system at the point of exit in the UK and the point of arrival in-theatre meant that if something was sent directly to the first line unit, there was no way of being able to check where it was—anywhere in the world—until it arrived at its destination.

Clearly, nothing had changed during the second Gulf war. The report on that told us that ammunition was present in abundance, although the press said that it was in short supply. However, it could not be transported from where it was to the front line because it was not known where the equipment was to transport that ammunition. The ammunition was there, but it could not be transported to the front line, so soldiers thought that there was a lack of ammunition. The problem with asset tracking had been strongly identified by the NAO and the PAC in October 2001, yet we saw the same problems a year ago. Nothing was done when we pointed out the problems. Although most Departments adhere to PAC recommendations, there are times when that does not happen and problems occur.

I have probably said more than enough, and other hon. Members want to participate, so I shall finish. I can already say that I am looking forward to the next debate on this subject, which should be in six or seven months' time.

3.37 pm

Mr. Richard Allan (Sheffield, Hallam) (LD): It is a pleasure to follow the hon. Member for City of Durham (Mr. Steinberg), who has clearly been cowed into abject submission by his second-hand telling off from the head of the civil service.

I am new to the Public Accounts Committee, as its Chairman has already pointed out, so I was not present for the hearings behind many of the reports that we are discussing today, but I have enjoyed reading them. I cannot confess to having read all 54, and if hon. Members look at the Table, they will see what a pile they make. However, I have looked at several of them, and I shall refer to those today.

I echo the thanks that have been expressed to the National Audit Office, which has been extremely helpful in breaking in a new Committee member and offering support. The concept of accountability to Parliament, which we talk about in many contexts, is very real in, and given flesh by, the work of the NAO. The mission of the Comptroller and Auditor General is clearly focused on accountability to Parliament, and as someone who feels that Parliament should have a life independent of the Government and the Executive, I found it quite refreshing to discover one aspect of our work in which that is absolutely the case. There are many aspects of our work that are necessarily dominated by the Executive, but that is certainly not so in the case of the NAO. Parliament is clearly the sovereign body in that regard. I also pay tribute to the Committee staff, who could not have done more to help me to get to grips with the complex agenda, and to the Chairman and fellow Committee members for treating me gently—or at least, more gently than some of the witnesses who come before us.

What is special about the reports that the PAC deal with is that they allow us to make evidence-based judgments on the performance of Government functions. Much of what we do in the House is based largely on anecdotal evidence. It is necessary, in a representative democracy, that Members pick up concerns in their constituencies and bring them to be raised in the House. We sometimes have a tendency to generalise from the particular, which might mean that we do not always make accurate judgments about Government services. However, the NAO reports provide serious evidence based on the work of 800 people beavering away, plus the large number of outside contractors and experts that the NAO bring in for specific reports. The value in that evidence perhaps exceeds anything else that we do.

We ask people in every other walk of life to move towards evidence-based work. If we expect doctors and educators, for example, to perform that kind of detailed analysis of their functions to find out what works and what does not, in order to decide their future strategy, it is entirely appropriate that we should use the work represented in these reports to provide us with the evidence to inform our decisions and help us to do things better in future. Indeed, in my time on the Committee so far, I have gained a strong impression that its work is not just about hauling people in front of us to answer for what they have or have not done; it is also about agreeing measures to improve future performance.

My particular area of interest is information technology; that is what attracted me to the Public Accounts Committee. It is an area that we have the opportunity to consider frequently, usually for all the wrong reasons, mainly that IT projects have gone sadly wrong. Speaking as someone who has worked in the IT industry and wants to see it do well, and who believes that IT has tremendous value to offer to the public sector as well as the private sector, I hope that we shall be able to shift the agenda away from the necessary work of saying what went wrong, and towards looking for solutions that will allow us to implement IT in a more successful manner in the public sector in future.

The Chairman of the Committee has already referred to the 44th report of the 2002–03 Session on the Libra project for magistrates courts. That is a classic example of how things go wrong, and how not to do them. That project ended up costing far more and delivering far less than was promised. That is precisely the problem that we usually end up with: an increase in costs and a failure to deliver what was required. In those particular circumstances, we not only paid more—the figures have been cited already—but ended up with only one part of the project, the infrastructure part. We did not end up with the specific magistrates courts applications, which would in the end deliver the extra value and allow us to do what we wanted—to get people through the courts more quickly. That would be in everyone's interest. That IT project became part of the problem, rather than being something invisible that simply allowed people to do their job better, which is what IT should be when it works.

We need to be aware that IT should never be an end in itself—certainly not in the context of public services. It is simply a means to an end. That end is to provide more time for doctors, nurses, teachers and, in this case, people who work in the magistrates courts, to get on with their work. The IT should give them more time rather than taking it away, but it was clear from this case that we ended up with a huge focus on the IT system rather than on the business of the magistrates courts.

The criticism in the report was incredibly strong. The Committee certainly did not mince its words. I believe that this is the strength of PAC reports: they do not shilly-shally. As the Chairman has already pointed out, the report stated:

"This is one of the worst PFI deals that we have seen."

There is no messing around there. It goes on to consider the reasons why the PFI deal was so poor, and to give recommendations for moving on from that. It is worth our while to consider how the lessons have been learned from that. An announcement was made earlier last year that we now had a presumption against PFI for IT projects. Obviously, the report on the Libra project was instrumental in leading to that presumption. Much of the debate last year concerned PFI as a general concept, and the Chairman has referred to the report that considered PFI projects in the round. However, there are certain specific features of IT projects that make them inappropriate for PFI projects, and we have rightly come to the conclusion that PFI is normally not going to be the appropriate solution.

That brings us back to the issue of risk. The whole concept of PFI involves the transferring out of risk, yet in the context of an IT project, it is impossible to do that. The risk will always remain with the public sector

[Mr. Richard Allan]

purchaser, because the risk is that they will not be able to do their business. We saw from the Libra project report that the purchaser had gone so far down the path that when the contractor said, "We want more money or we're pulling out," it could not say, "Well, that was your risk," because if the contractor pulled out, the risk would fall back on to the magistrates courts, in that they would have no IT system. We are starting to understand that there are contexts within which we cannot effectively or meaningfully transfer the risk out, because it will remain with the public body, in that it will not be able to carry out its business.

Another aspect of IT projects, which is relevant in the context of the Libra project, is that things move on very quickly. It is impossible to define the entire specification for an IT project at the beginning and expect that specification to remain stable throughout a two-year development process. That is simply unrealistic. Perhaps, as a result of this and the other reports, we are moving towards a notion of a public-private partnership—I hate that phrase, but that is how they are described—in which services are supplied in bite-sized chunks on a cost-plus basis in which the supplier clearly shows what it will cost to deliver the next module. The purchaser then offers the supplier the price for it, with an agreed margin. That is a far more sensible way to proceed than saying, "We are going to give you X for a two or three-year project," and expecting X to stay constant throughout. Our experience tells us that X never stays constant throughout.

Mr. Bacon: Did the hon. Gentleman notice the article in *The Independent*, either yesterday or today, about BAE Systems, which has advocated in a recent study carried out for it by Oxford Economic Forecasting a move away from smart procurement and a return to cost-plus for complex defence projects?

Mr. Allan: That was a helpful intervention. As a good Lib Dem, I should read *The Independent* every day, but I cannot say that I have read that article. I will, however, go and read it later. We have heard a Labour Member quoting *The Daily Telegraph*, and now a Conservative Member is quoting *The Independent*. Modern British politics is a wonder to me.

I shall give an example of the point that I am making from local government working, and in doing so, I shall praise a council that would not normally receive praise from these Benches. Westminster council's customer relationship management system was put in place precisely on those cost-plus terms. There is a lot of scope for expansion in that regard. I suspect that as we continue to re-evaluate PFI projects, one of the themes that might emerge is that the notion of transfer of risk is sustainable only in a far more limited range of contexts than was originally imagined. It was going to be the answer to everything. It might be the answer to some things, but there are usually other solutions that are far more appropriate.

Lessons have therefore been learned from that report; it has been extremely helpful. I want to refer to two of the other reports, which show us how much work remains to be done. The 66th report of the 2001–02 Session on government on the web, and the 20th report of the 2002–03 Session on the use of call centres, both raise questions about the extent to which we are still unclear about how to evaluate the use of new technology. We are going ahead and introducing it, but we have not necessarily got in place the measures that we need to be able to say whether it is a success.

In the early years, the Committee looked at NHS Direct, which uses both web and call centre technologies. We had an apparent success there, but it is sometimes difficult to dig far enough to see what genuinely constitutes a success. In the context of government on the web, it is not simply a question of counting how many people have accessed a web page. Similarly, in the context of a call centre, it is not simply a question of saying how many calls have been answered. There are measures of quality and ways of defining whether those calls and web accesses saved money for the Government, but they are still not being clearly set out.

Both reports are to be seen in the context of the Government's having set broad targets saying that by 2005 all Government services must be online. Online explicitly includes call centres, which are the online option for many services. Although the reports are written in that context, I do not think that the measures to allow us to define whether the investment has been a success have yet been spelled out.

At paragraph 4(vii), the report on government on the web is explicit about that matter. In its criticism the PAC puts down a marker that needs to be picked up more generally. It says:

> "Significant sums are being invested by departments and local authorities in developing Internet-based services. As yet there is very little reliable data, however, on the extent to which value for money is being achieved in terms of both better public services and improvements in efficiency. Public sector organisations need to set out the intended value for money benefits in the business cases justifying their expenditure on IT projects and monitor and report on their achievement."

That recommendation succinctly sums up the problem, which is that the Government drive has been to stick everything online. In many cases specific money has been allocated. The Government have said in this area or that area, "You can have some money to stick stuff online," but have done far less work in the form of asking whether what is online is effective and delivering an improved public service. If it is not, it is completely meaningless. Having a web page means nothing if it does not result in better delivery of public services. I say that as somebody who is interested in investment in IT. We need to remain sensibly sceptical about the outcome, unless it can be demonstrated.

Certainly some huge questions remain about government on the web. The UK online Government portal is appalling. It compares very unfavourably with those in other countries. I know that the Government recognise this themselves and are seeking to provide an alternative. We are still a long way from seeing it. If any hon. Members want to see how dire matters are, they should try looking for information about national insurance numbers. Unless one already has a degree in the structure of government, it is incredibly difficult to work out where one should go. National insurance numbers are somehow cross-cutting between the Department for Work and Pensions and the Inland Revenue. Those wanting to obtain one will find that that is administered by the employment service. There is

incredible complexity. If people know what they are looking for, they can find it; if they do not, they cannot. That completely goes against the whole principle of putting services online and making them accessible.

The report on call centres also says clearly that we do not yet have the measures needed to evaluate success. We read at page 3 of the summary:

"While it is for departments to decide whether to set up a call centre, the Office of the e-Envoy is responsible for electronic government strategy which includes call centres. The Office has, however, limited information on the performance of call centres and the quality of service which they deliver. The Office needs to obtain reliable data to benchmark call centre performance, identify and spread good practice and press departments to tackle poor quality service where it exists."

The Minister may agree that one way to improve the quality of call centres is to use the excellent call centre resource that exists in south Yorkshire, which many people have taken as one way of providing a good call centre service. The more substantive point is that we do not yet know, and have no way of evaluating, the true effectiveness of call centres. That remains an open question, subject to the same kind of concerns as the concerns about the web investment. Is this investment truly justified? We shall not know until we have the measures by which we can evaluate the centres.

I have greatly enjoyed serving on the Public Accounts Committee to date. I commend the report to anyone, whether a Member of the House or not, who is looking for evidence—that is the key word—to evaluate the effectiveness of Government expenditure properly.

3.52 pm

Jon Trickett (Hemsworth) (Lab): I join all hon. Members who have spoken so far in first expressing my pleasure at serving on the Public Accounts Committee, and, more importantly, in paying my tribute to the staff who serve us. There is no doubt that the Committee staff go out of their way regularly to be of assistance to Members in order to make the Committee as effective as it no doubt is. And without the support of the National Audit Office, which everybody agrees is a highly professional organisation, clearly the Committee would not be as effective, nor would the public purse be protected as well as it is in the United Kingdom. There is much for us to learn from that.

As has already been suggested, the Committee can from time to time become somewhat passionate and fierce, not to say robust, in its questioning, and that is probably an understatement when it comes to our exchanges with accounting officers. We would not want to stray into being personally rude to anybody. That would not be our intention, and I am sure that the Chair would never allow that kind of atmosphere to develop. But it is true that from time to time there can be extremely fierce exchanges between us and those representing the civil service, the accounting officers.

That probably reflects the strength of feeling of hon. Members of all parties on the Committee about waste in public expenditure. Ideologically we come from different backgrounds entirely. Some of us are passionate believers in public expenditure and the necessary taxation to put right the defects that, without public intervention, the market would leave in our society. There are others who have a different point of view. They feel that the public sector should be smaller, to reduce taxation for understandable political or ideological reasons. However, we can all share a hatred of waste and incompetence.

Members of the PAC are sometimes in danger of becoming anoraks, in the sense that whenever we examine public expenditure we tend to see waste. That is especially the case for those of us who are regular attenders of the Committee. The UK expends about £350 billion, and we know that the vast bulk of that is well spent. It is professionally spent by public servants who are doing their absolute best to provide a service to the public. We cannot look at the part of the iceberg that is invisible. Instead, we look at the part of it that is visible in terms of waste, and there is a great deal of waste to worry about.

I shall now reflect on the PAC and Select Committees in general. Probably the PAC is the only Committee to have a debate on the Floor of the House—it was once a year, and now it is twice, with two half days—about its work. In addition, it is the only Committee that has the support of the National Audit Office. That makes the Committee extremely powerful. The NAO has statutory rights of access to data and information, which in turn makes the PAC extremely powerful. Given the national debate about the nature of our Parliament and the loss of confidence, to some extent, that the population has in politicians, I wonder whether the legislature—the House—should not examine carefully the way in which the PAC is supported by the NAO, with that body's statutory powers of access to documentation and witnesses, to strengthen the work of other Select Committees. Perhaps we should consider whether the PAC's model might be transposed to other Select Committees.

Whatever we think about Lord Hutton and his report, the House cannot deny the degree to which he had access to information. Well over £100 million was spent on exploring one subject to produce one report. At least 12 members of staff were working for Lord Hutton to obtain information. He had moral rights of access that probably mirrored the statutory rights of the NAO.

Select Committees in this place do not have such powers or resources. The PAC produces about 60 reports a year. It has the support of the NAO, which has 800 staff. Most Committees have only four members of staff working for them, and produce about 12 reports a year. The NAO reports cost about £190,000 per report, compared to Hutton's £1 million for one report. If the House is really to hold the Executive to account, as it should do, and if Parliament is to become the cockpit of the national debate once more, as it has not recently been, we need to examine the Select Committee system seriously. Perhaps there are lessons to be learned from the way in which the PAC works, how it is resourced, and the fact that it has the benefit of the NAO's statutory powers, if we are to bring the Chamber and the debates that take place within it alive again.

Moving on to the work of the PAC, I shall focus on the relationship between the private and the public sectors in terms of procurement and in relation to the PFI. The PFI and the nature of public sector procurement of services and goods from the private sector are inevitably surrounded by ideological debates, and they should also be surrounded by debate about the

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details of procurement activities. The PAC regularly encounters what appear to be breakdowns in the procurement process, and I suggest that there are some systemic problems in the process, which lead to those breakdowns.

The way in which the public sector procures major contracts from the private sector is flawed to some extent. The Government are paying attention to that, and have begun to remedy some of the problems raised in the report that has already been referred to. In the process used to submit tenders for contracts worth hundreds of millions of pounds the question of competition is not addressed rigorously enough. There are a number of barriers to competition. Without competition, one cannot be certain that the best price and the best quality service will be attained. We have encountered a number of barriers, the most important of which is probably the cost of tendering. We have heard from witnesses that tendering for a single contract can cost the contractor £5 million to £10 million. There are a limited number of companies, contractors and Government partners that can invest £5 million to £10 million in preparing tender documents to win a tender, and that is a barrier to competition.

On Tuesday, the Office of Fair Trading announced that it would conduct research on competition and procurement, as it believes that there is a great deal of work that small and medium-sized companies—even large companies—are incapable of tendering for. That is troubling, particularly because a number of contractors in the construction industry have come together to form a main contractors group, which I have mentioned before. It consists of representatives from all the building contractors big enough to be able to bid for works, and they debate tendering policy and practice. If competition is already limited by the investment needed simply to submit a tender, it is greatly troubling to discover that the people who are capable of tendering meet regularly to debate tendering strategy. That suggests that we are moving from the oligopoly of a limited number of competitors to a quasi-monopolistic position. I do not know how that should be dealt with, but it is a big problem.

What happens in almost all the tendering that the PAC has looked at is that eventually—usually sooner rather than later in the tendering process—the number of contractors is de facto down to two, or more often one. The pressure of competition on the tenderer is lost, and competitive tension disappears. The single tenderer is almost in a position to dictate terms, and we frequently found that that leads to "deal creep"—a strange expression that refers to the propensity of contracts let by the Government to the private sector to exceed the original price. Let us imagine that a deal for a contract worth £150 million is ostensibly sealed with a single tenderer. Once the contract is completed, its value will have crept or even galloped up. We have seen cases in which the final outcome was a doubling or more of the original price, which partly results from the fact that competitive tension is frequently lost.

The Committee examined a number of examples of such practice, some of which have already been mentioned, so I shall deal with them briefly. Our seventh report looked at the immigration and nationality directorate, and we found that key figures on which future increases in productivity would be measured and payments to the contractor calculated were not finally agreed until more than a year after the contract was signed. In the case of Dartford and Gravesham hospital, the NHS trust selected two firms to submit final bids, but one of them failed to bid. The trust ended up with a single bidder. Guess what? The final bid was 33 per cent. higher in real terms than the indicative bid. In the case of West Middlesex hospital, the preferred bidder agreed to hold its price for seven months but the trust took 11 months to close the deal. The price increased after the commitment period expired, so the original undertaking had only a limited effect.

With the Libra contract, the client was left with a sole bidder. It chose not to go out to further competition and as a result, within four years the cost of the project increased from less than £200 million to about £400 million.

Those examples might be thought anecdotal, were it not for the universal experience of so-called deal creep. There is something systemically wrong in the relationship between the public procurement and tendering processes, which deeply troubles me, and the rest of the Committee.

In the delivery of contracts, there is often a breakdown in the relationship between the public and private sectors—although not as frequently as in the tendering process. Almost invariably the same names—EDS, Capita and one or two others—are mentioned in connection with a breakdown in the delivery of a contract. Today the Paymaster General released the information that EDS has paid a penalty for failure to deal with its Inland Revenue contract properly every year from 1998 to 2003–2004—£282,000 the first year, £313,000 the second, and £105,000 in 2003–2004.

The PAC inquired whether the Government keep a record of contractors and their performance, so that we can all learn the lessons of a contractor failure. I was startled to discover that no such list exists. Capita, EDS and others have failed disastrously in some contracts, have let down the public and distinguished civil servants, and may have been penalised to the extent of hundreds of thousands of pounds—but they continue to be permitted to tender. The Office of Government Commerce says that it does not hold any information about contractors' failures. That must be wrong, and something needs to be done.

Mr. Allan: Is the hon. Gentleman aware that at the very time ICL was being accepted as a contractor for the Libra project, it was very publicly making a mess of the Post Office benefit card project? The oligopoly problem to which the hon. Gentleman referred is broader. Almost every major contractor has a black mark against it, but even if they know that, who else can they go to?

Jon Trickett: I take the hon. Gentleman's point. I entered the House eight years ago, but I come from local government, which would not allow such situations to arise. In local government, any contractor is able to apply to be placed on a list of those that may bid for work in a certain category—IT, street sweeping, or whatever—and a record will be kept of its capacity to perform. If a contractor were to fail so badly as to have

a cataclysmic effect on the service—and it sometimes comes close to that—it would not be allowed to tender until it could demonstrate that it had improved its performance capacity.

I am not suggesting that the Government should immediately introduce a blacklist, nor even that a blacklist should necessarily be introduced, but it is deeply disturbing to have no list at all of the performance capacity of particular contractors. That appears to be the situation that we have uncovered. The Government have decided to increase the amount of work that they do with the private sector through the private finance initiative and so on. Frankly, I have reservations about that. Although I entirely accept that PFI has delivered enhanced services, we need to reflect carefully in going down the track of increasingly employing the private sector to provide services that hitherto were provided by the public sector. We must get our act together in terms of tendering practice and the monitoring of contractors' performance to ensure that lessons can be learned for the future.

I hope that I shall be able to remain a member of the Public Accounts Committee. It is a fascinating Committee on which to serve, and it is a great privilege to do so. I shall be interested to hear the Minister's response to the debate.

4.11 pm

Mr. Richard Bacon (South Norfolk) (Con): It is a great pleasure to follow the hon. Member for Hemsworth (Jon Trickett). In his book on the Treasury, David Lipsey says that when watching a hearing in the Public Accounts Committee, it is impossible to tell from Members' questions which party they come from. When I read that, I thought of the hon. Member for Hemsworth, because I listen with great interest to his contributions and questions, and have on occasion abandoned my planned line of questioning to take up where he left off.

I listened to the hon. Gentleman's speech with great interest. He is right that problems are involved in tending towards oligopoly in suppliers: that applies not only to PFI contracts, but to bank finance. A financial journalist who covers capital markets recently told me that he was worried about the capacity of the financial markets to absorb the Government's huge pipeline of social infrastructure projects. That means, of course, that prices are likely to go up. There are legion examples of the City and financial advisers running rings around the Government, perhaps the most extraordinary being that of the Ministry of Defence building. The most extraordinary aspect, which is not mentioned in our report, is that the MOD went into the swaps market without a swaps adviser, and was of course taken to the cleaners.

I agree with the hon. Member for Hemsworth about the worries that should arise if there is only one bidder for a contract. I, too, was struck by the fact that the Libra project had only one bidder. That should automatically set alarm bells ringing, as the National Audit Office told me a long time ago. Three or four weeks ago, I had a meeting with the mobile phone company, O2. It was a congenial meeting and they were a nice bunch of fellows. They told me, with some pride, that the company was bidding for the ambulance contract and that there was a good chance that it would get it—not least because it was the only bidder. They were very pleased about that, but it nearly turned my blood cold. I have not had the chance to raise that with the National Audit Office, but I hope that it will take notice of this debate. I say to the Economic Secretary that I would not suggest for one minute that, assuming that it was done legally, the contract should be removed from the company on the ground that it was the only bidder. However, in such a situation it is incumbent on the Treasury, the Office of Government Commerce and all the other players involved to take a particular interest in the contract to ensure that it does not go wrong.

Like other Members, I hugely enjoy being a member of the Committee. I pay tribute to Sir John Bourn and his team at the National Audit Office. I pay particular tribute to those in the press office, who are unfailingly helpful to me; and to the Committee staff here. They are ably led by Nick Wright, who is extremely good humoured when I send him e-mails at three o'clock in the morning. The other day, I suggested that if he did not like that, I could telephone him at three o'clock in the morning, but for some reason he said that he would prefer to carry on receiving the e-mails.

I wish to refer to several issues. I have served on the Committee for two and a half years and, as we consider the various projects and reports, I sometimes tend to feel that we are listening to a scratched record. The most startling example of that was our hearing on tackling benefit fraud. The National Audit Office report on the subject includes a chart, which refers to previous studies. Indeed, it stated that our Committee examined the matter in 1998. Under the heading "On the scale and nature of Housing Benefit fraud", our report stated:

"It is totally unacceptable that seven years after we last looked at this issue"—

that is in 1998, so the report is referring to 1991—

"Housing Benefit fraud should exceed £900 million, and the Department still did not have information to show whether fraud is increasing, or all the information they need on the types of fraud, including landlord fraud, and variations at regional and local level. The absence of reliable information must cast doubt over the decisions the Department have taken to invest in anti-fraud work and over the achievements they have claimed."

The helpful appendix of the NAO's recent report, "Tackling Benefit Fraud" places previous recommendations in the left-hand column and action taken by the Department in the right-hand column. In most cases, something is written in the right-hand column, but in the case that we are considering, it is blank. In other words, we made a recommendation in 1998 and the Department has done nothing about it. When we questioned Sir Richard Mottram about whether housing benefit fraud was increasing or decreasing, he could not tell us. He had an idea, but he could not tell us the exact position five years after we said that it was unacceptable—and that was seven years after we had previously considered the matter. That is one of the essential worries about the work of our Committee. However many good reports we publish, the Government do not listen hard enough.

In the famous agricultural fraud case involving Joseph Bowden, we had published a previous report on the business of the then Ministry of Agriculture, Fisheries and Food—now the Department of the Environment, Food and Rural Affairs—and the

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permanent secretary had had to admit that he had not read it. We had previously recommended that the Department could learn lessons on dealing with agricultural fraud from the way in which benefit administration fraud had been handled. The permanent secretary was not even aware of the report, even though it related directly to his responsibilities and was addressed effectively to his Department as well as Parliament.

In paragraph 32 of our 31st report, "Tackling Benefit Fraud", we concluded that the

"Department were unable to assure us that the number of people committing fraud, its overall value or the level of landlord fraud were reducing, although they believed this to be the case."

Paragraph 33 states:

"The Department acknowledged that the pace of change had been less than desirable."

That is one way of putting it. It continues:

"Despite efforts over the years to drive up performance, the results of their comprehensive performance assessment review in autumn 2002 had been very mixed, and the Department considered that the record of local government in administering housing benefit was not defensible."

That is an interesting sentence because it is the point where our responsibilities as a Committee end. I said to Sir Richard Mottram that if local government's record in administering housing benefit was indefensible, surely that was the point at which policy itself caused Government expenditure to be uneconomic, ineffective and inefficient. There is no way round that.

Sir Richard Mottram, who is an able mandarin, simply smiled in a delphic manner and replied that that was policy. I then tackled the Secretary of State for Work and Pensions, whom I bumped into in the coffee queue in Portcullis House. Although I would not describe his answer as delphic, it was difficult to understand. However, it boiled down to the contention that, by the time we shifted to a better system, the people whom we would need to make it work would have left. We could not therefore make changes, even though we recognised that the housing benefit fraud system, as administered by local government, was indefensible. I find that a weak reply and I should like a little more effort to be made.

It is not obvious that housing benefit must be administered by local government simply because it relates to housing, which is based in local areas. I hope that the Treasury is beginning to consider that, because too much money is at stake and too many mistakes have been uncorrected for too long.

The second theme that I want to mention is transparency. The Treasury will know that I have always taken a great interest in professional fees, not least for the Treasury building. I will not labour the point, as I made it in last year's debate, about the £25.2 million for professional fees for the Treasury building. I have a letter on my desk from the Financial Secretary—so it must be true—saying that that is apparently very good value compared with other projects. The reason I am slightly sceptical is that when we ask witnesses about the level of fees, they are not always completely candid. When we had as a witness the chief executive of Bouygues UK, which is working on the Home Office building in Marsham street right now, I asked him what the level of professional fees in relation to that building was. He said that they were £9 million, and he repeated it two or three times. I asked him two or three times whether £9 million was all. Finally, through gritted teeth, he said in his French accent, "No, £25 million." I had to ask him three or four times to get the right answer out of him.

When we had a hearing on Wembley stadium, I was struck by an article in the *Evening Standard* which said that professional fees in relation to Wembley national stadium were £82 million. I therefore asked Ms Sue Street, the permanent secretary at the Department for Culture, Media and Sport, whether that article was accurate. Her reply was,

"I am very sorry, I am advised that we do not know."

I asked her if she would send us a note, and she kindly did so. The report has been published extremely recently, so we have not yet debated it, but I refer to it because it makes the general point about professional fees. When it came out earlier this week, it elucidated the facts: professional fees relating to Wembley stadium were indeed £81 million, which covers

"Fees, Fixtures, Fittings and Equipment",

and—this is one I like—"inflation for delayed start", whatever that means; and there is no breakdown so one cannot see how much of it is inflation for delayed start. It also covers "contingency", for which there is also no breakdown, so one cannot see how much of it is contingency, and

"other costs in the Multiplex construction contract".

That alone is £81 million. That is not the half of it, however—actually, it is slightly more than half of it—because there is another line,

"Bank arrangement fees/finance costs",

which were a further £22 million. Then there are

"Legal and other professional fees",

which were a further £11 million, and perhaps the best line of all, "WNSL"—Wembley National Stadium Ltd.—"management fee", which is a further £19 million. That makes a total of £133 million.

Hon. Members may recall that the lottery grant to the football stadium at Wembley was £120 million—all of that and more went on paying the professional fees. That is why it is a subject that we need to keep under review and on which the National Audit Office needs to keep an eye.

The reason I referred to transparency is that I sometimes get the sense that we are not given as much information as would be helpful to enable us to reach considered judgments on these matters. One notable exception was the report on the redevelopment of the Ministry of Defence main building. Page 24, one of my favourite pages in any recent National Audit Office report, sets out with startling clarity how the public sector comparator is arrived at. Again, I referred to that in the debate last year, so I will not dwell on it, but it simply sets out the base costs for each item, the extra cost because of the risk, and, in the final column, the risk as a percentage of the base costs. How it is worked out is therefore transparently clear. It is obvious how easy it is to manipulate the figures, to which we referred in our report when we alluded to the fact that just by changing

the risk factor for one item—capital expenditure—from 29.5 per cent. down to 29 per cent., the public sector comparator can be changed so that instead of it being £100,000 more expensive it is £1 million cheaper.

The Government now say that they have a much more sophisticated method of analysing risk factors and coming up with a sensible arrangement for advising Departments on what sorts of risk factors ought to be applied to their projects. In a recent hearing, when we were told by a witness that the figure for the risk factor was 24 per cent. for capital expenditure, we asked why. The reply came that that was the figure that the Treasury gave. When we asked how the Treasury got that figure, we were told that the Treasury had had a study done by Mott MacDonald, a group of engineering consultants, and that that was the figure with which it came up. Being a bit of anorak, I decided that it would probably be useful to look at the Mott MacDonald report, which is precisely what I did. In that study, the Treasury provided a list of some 60 projects, and Mott MacDonald provided a further 20 projects, making a total of 80, and it analysed them to see what the typical cost overruns had been.

It is interesting to study the Mott McDonald report in detail. The measurement of operating expenditure is covered on page 10:

"There was great difficulty in obtaining information on operating expenditure. Such information was only available on a small number of projects."

It turns out:

"Of the 80 projects initially reviewed, only 50 projects had a reasonable amount of information, and were retained for analysis. Although most of the information required on the retained projects was available, some key data was lacking."

As a result of that analysis, Mott McDonald comes up with an optimism bias, which involves calculating a percentage figure to add to the total cost of a project so as to arrive at the project's actual cost—basically, one begins with the original cost estimate and adds in the optimism bias to calculate what a project will really cost.

The Mott McDonald report contains a helpful chart that explains that for standard buildings the optimism bias is 24 per cent.; for non-standard buildings it is 51 per cent.; for non-standard civil engineering projects it is 66 per cent.; and hon. Members will be relieved to know that for standard civil engineering projects it is only 44 per cent. Having examined the chart, it occurred to me that the figures must derive from the 50 projects that Mott McDonald has studied.

At the back of the report, there is a project list containing standard buildings, non-standard buildings, standard civil engineering projects and non-standard civil engineering projects—for example, Manchester airport; terminal 4 at Heathrow; Salisbury hospital, phase 1; the Limehouse Link road; and the A34 Newbury bypass. I expected to see three columns to the right of those projects. First, a column listing the original cost estimate; secondly, a column listing the actual out-turn; and thirdly, a column listing the percentage overrun. By aggregating the percentage overruns, one could calculate an average cost overrun for standard buildings, non-standard buildings, non-standard civil engineering projects and so on.

One could not calculate the figures in the table without going through that exercise. However, I have examined the report carefully, and it does not contain any figures, so it is a mystery how Mott McDonald calculated the 24 per cent., 51 per cent. and 66 per cent. figures. Bear in mind that the whole purpose of referring to the report is that the Treasury advises Departments on percentage optimism bias as a direct result of it. If one asks a Department why it has included a percentage optimism bias, it will say, "The Treasury told us to".

Jon Trickett: I am listening to the hon. Gentleman's argument carefully. Does he agree that the Mott McDonald report, which is a critical document on which the Government rest much of their case about public sector comparators, measures deal creep within the public sector but fails to take account of deal creep in the private sector, which means that we end up comparing apples with pears?

Mr. Bacon: The hon. Gentleman anticipates my concluding point. I fear that this is simply another way—if a rather more sophisticated way—to provide any number that the Government require for the public sector comparator. Given that the Treasury uses the report and that Departments say that it gives them numbers based on it, it is strange that the report states that

"the study results on their own should not be used directly as a benchmark to assess optimism bias levels in current and future projects."

The report states a number of reasons for that:

"the introduction of risk management, improved procurement practices (based on greater diligence at the project definition stage), partnering"—

that is always a good one—

"more controlled cost monitoring, value management, and the application of concurrent engineering."

In other words, the basis for the numbers that are now being used is itself flawed, but the Treasury still recommends it to Departments.

I turn to the conclusion of the Mott MacDonald report, which states:

"The optimism bias recorded for projects in several recent studies have proved that there is a tendency for project managers and project owners to underestimate costs and time, and overestimate benefits for a project.

Failure to consider and actively manage the causes of optimism bias tends to result in an accumulation of unforeseen cost and time overruns, and benefit shortfalls. However, by developing strategies for the effective management of project risk areas, it is possible to reduce the optimism bias and raise confidence levels in project estimates."

This exercise, which was undertaken on the Treasury's behalf, is in fact a laudable one. Getting some form of scientific measure of what goes on inside large projects, why they go wrong and the precise extent to which they go wrong is very helpful. But I come back to my point about transparency. At the moment, there is no transparency. One cannot go through the report and discover how the figures have been arrived at, so the suspicion remains that the whole exercise is still just another way of manipulating the data, just as the public sector comparator itself too often seems to be a way of manipulating the data, in order to demonstrate the required result.

I turn briefly to the future. As I said at the beginning of my remarks, I worry that our reports and the legion warnings issued about projects in many different areas

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of government—particularly, but not only, computer projects—are so often ignored. The national health service provides us with an example of huge procurement: the National Programme for Information Technology in the NHS in England. The NPfIT concerns the provision for clinicians of electronic patient records, and it is costing a fortune. Estimates have varied. A recent announcement valued contracts in the region of £2.3 billion. That figure rose to £2.6 billion, and following the recent letting of quite a few contracts, it has reached some £4.2 billion. Indeed, it is expected to rise still higher. The problem is that however much money is spent on the programme, it will not work unless there is buy-in from the users. One of the classic problems with such projects is that the users are not consulted adequately or in time.

The magazine *Computer Weekly* and the NPfIT itself jointly undertook a study of this issue. A health care market research firm called Medix undertook a survey of people in the health service who might need to have contact with the programme. It asked, "What consultation has there been with you personally about the NPfIT?" One per cent. described such consultation as "More than adequate"; 3 per cent. said it was "Adequate"; 8 per cent. said it was "Barely adequate"; and 11 per cent. said it was "Inadequate". However, 75 per cent. said of such consultation that there had been "None at all", and 2 per cent. were "Unsure".

The NPfIT was so furious about these results that it issued its own press release, in which it completely ignored any of the survey's negative findings. Those who want to check the survey can do so easily, as it has helpfully been made available on the internet. That is one of the few ways in which IT manages to hoist itself by its own petard.

Slightly worryingly, the striking report by the National Audit Office—we are not really debating it; indeed, it was published only today, and we have yet to take evidence on it—says in large letters on page 7:

"Lessons applying more widely from the Bureau's experience are"—

it is referring to the Criminal Records Bureau—

"The importance of consulting with potential users of the service at the earliest opportunity to gain a clear understanding of how they are most likely to access the service, and responding promptly and effectively to such feedback."

In the report on the Libra project, to which other Members have referred, we offer the following warning on page 4:

"Departments will not achieve the full benefits of introducing IT if they do not redesign business processes in parallel."

The NPfIT says that it will begin redesigning the business processes, but it has already let the contracts. The warnings that we are giving are current. We have not even had the chance to consider the NAO report, listen to the evidence and issue our own report. However, the advice is clear: consult early. In respect of the second report, we already know that the NPfIT is ignoring the need to design business processes in parallel while introducing IT.

That brings me to my final point, about the Office of Government Commerce. The NAO's report on the Criminal Records Bureau states, in paragraph 13 on page 3,

"The Office of Government Commerce Gateway Review Team raised questions about the readiness of the Bureau to go live, but accepted that there was 'no turning back'."

That raises the question of whether the gateway reviewers are culturally too close to the people whom they are reviewing.

The Work and Pensions Committee is currently conducting a study on the IT projects under way in the Department for Work and Pensions. I hope that we shall also look at that, and that the Treasury will take account of it. One of the witnesses for the study was Sir Peter Gershon, chief executive of the OGC. He was asked whether he had ever stopped a project, and also whether he had ever advised that a project was too complex. In each case he gave answers that were long, difficult to understand and non-committal, which suggests that the real answer was "No". I hope that the OGC will seriously consider publishing gateway reviews; perhaps the Treasury will give it a nudge in that direction.

Mr. Allan: I agree with the hon. Gentleman about the effectiveness of the gateway review process. I have looked into it myself, and my impression is that the process has no power to stop projects. If a red light is thrown up, it is for the Department or the public body to decide whether to proceed.

Mr. Bacon: That is true. What is also true is what I thought the hon. Gentleman was going to say: the gateway process does not apply to the health service or the NPfIT.

The central point is this. If these matters were in the public domain and MPs, members of the public and journalists could read about them, the Department might be helped to conclude that it should take a slightly more robust view, and perhaps occasionally stop projects in their tracks.

I think the OGC does a great job, and that it negotiated a fine deal with Microsoft. Sir Peter Gershon's recently conferred knighthood is well deserved. If the title "Hero of the Taxpayer" existed, he would be worthy of it, because he does a tremendous job—but he does it in very difficult circumstances. His only real power is one of suasion. He cannot point at Departments and tell them what to do.

Mr. Leigh: Sir Peter is retiring after three years as a permanent secretary.

Mr. Bacon: I am disappointed to hear that, because I think he was just getting into his stride.

One of the central aspects of the problems we face is the fact that the civil service is constantly on the move. Permanent officials actually move far more often than Ministers. I had the opportunity to have a chat with the right hon. Member for Livingston (Mr. Cook) the other day. I gave him a lift in my car. I was picking up my laundry from the launderette, as you do, and there he was walking along. As his office is in Norman Shaw South, I decided to give him a lift. He said that when he was Leader of the House one of the most extraordinary things he discovered from talking to parliamentary counsel was that when drafting Bills parliamentary counsel almost never get to talk to the same civil servant twice about the same subject, because civil servants move on so quickly.

I was delighted to hear that Sir Andrew Turnbull is thinking of introducing four-year posts for civil servants. That will be a very interesting development, if it actually happens. I was also delighted to hear from Sir David Omand, when the Chairman and I went to Heathrow airport to visit Customs and Excise, that the Government's approach to risk management will in future be tied not just to the statements of internal control that permanent secretaries must sign, but to the spending review process. If they can get traction on that, it will be very interesting.

Another point made by David Lipsey in his book was that the Treasury and the PAC ought to be allies. I sometimes feel that we are not nearly as close allies as we should be, and I believe that one of the reasons is the fact that the information that would enable us to work more closely together is held too closely. The Whitehall culture is the same in other Departments as it is in the Treasury: "Your job is to defend your Department against outsiders". From the Treasury's point of view, Parliament is just another outsider.

As the NAO has pointed out, we are about to spend an extra £61,000 million of taxpayers' money over the next three years in the spending round. A 1 per cent. improvement would lead to an extra £14 billion going into front-line services. I have considerable scepticism about whether that will happen, but if we are to see the changes that we want and achieve the fundamental shift in the way that the Government deliver services to the public, which Sir Peter Gershon spoke about in his ongoing efficiency review, we need to use every lever at our disposal. I believe that the most important lever is transparency—and oxygen—to enable the people of this country to govern themselves, to criticise their Governments more effectively and to ensure that taxpayers get value for money.

4.40 pm

Jon Cruddas (Dagenham) (Lab): I greatly enjoyed the speech of the hon. Member for South Norfolk (Mr. Bacon), which was consistent with his contributions in the Committee—based on a solid bank of research and technical confrontation with the important issues. Like the hon. Member for Sheffield, Hallam (Mr. Allan), I speak as a junior member of the Public Accounts Committee, having sat on it only since the end of the summer recess, but from the standpoint of a relative novice I would like to make some brief observations about the workings of the Committee and its reports.

First, the sheer scale of the work carried out by the Committee is staggering. It covers literally the whole spectrum of Government policy and ranges from the most specific examination of Government activities on a case-by-case basis to the broadest possible issues of expenditure and finance. That allows the Committee to draw unique conclusions regarding the shape of Government activity and the efficiency of expenditure. As such, it makes a major contribution to this country's public life.

Secondly, the quality of the research and advice supplied by the National Audit Office is also a credit to public service in this country. As the Chairman said, its work has been estimated to have saved the Government some £1.5 billion over the past few years: it saves £8 for every £1 it spends. The rigour of its approach is extraordinary and it remains the cornerstone of financial accountability in the House.

Thirdly, as mentioned earlier, the work of the NAO and the Committee is greatly aided by the Clerk, Nick Wright, and his staff. Speaking as a new member of the Committee, I want to place on the record my thanks to them for showing me around the proceedings, pointing me in the right directions and continuously replacing my lost papers.

I should like to make a couple of somewhat impressionistic comments about the workings of the Committee based on my brief time sitting on it. First, I want to record my respect for the civil service. Let us consider the rather bruising hearing that we had yesterday afternoon about the sequence of events leading to the reconstruction of British Energy. It was the most robust meeting that I have attended since being a Committee member, but the conduct of the permanent secretary at the Department of Trade and Industry, Sir Robin Young, reflected a proud tradition within our civil service.

We were examining the truly shocking chronology of events leading to British Energy finally approaching the Government for rescue aid on 5 September 2002, much of which predated Sir Robin's arrival as permanent secretary in June 2001. However, at no stage in yesterday's hearing did Sir Robin imply that he was not responsible for the decisions—or lack of them—leading to the current sorry predicament. He thus maintained an honourable convention whereby permanent secretaries take responsibility for the activities and decisions that preceded them in their Departments. Personally, I believe that that reflects most favourably on the civil service. I mention that as one of the most striking aspects of my initial period on the Committee.

The flipside is that we do not hear from the people who were, more often than not, responsible for taking the decisions that we are investigating and analysing. It seems to me—this may have been considered before—sensible to have the capacity to question those directly responsible for decisions as opposed to those currently in charge who are imbued, as I said, with the honourable predisposition for collective civil service responsibility.

My second point focuses on how the Committee works. I am impressed by the whole operation. The core political battleground between the major parties has to do with public expenditure issues and the Government's effectiveness in utilising tax revenues. For example, this morning's newspapers are awash with stories about the Conservatives trying to sort out their policy agenda with regard to taxation, spending and the public services. However, the Committee is not partisan: tribal political loyalties tend not to inform its workings, but are left at the door.

The Committee confronts issues in a non-partisan manner, but that does not mean that its members leave their ideological approaches outside the Committee Room. Rather, those approaches inform the nature of the Committee's scrutiny. By avoiding partisanship, the Committee enhances its role in scrutinising the Government. Its conclusions are thereby rendered even more compelling and penetrating.

At the same time, different members can reach different conclusions from the Committee's work, which they can use in their other political activities as Members

[Jon Cruddas]

of the House. My hon. Friend the Member for City of Durham (Mr. Steinberg) referred to an article by the hon. Member for South Norfolk, published in *The Daily Telegraph* on 2 January. I am grateful to my hon. Friend for sending it to me. The article was very good. It appeared in anticipation of a Committee hearing on managing resources to deliver better public services. The hon. Member for South Norfolk used evidence from PAC hearings to illustrate how money is wasted across Whitehall. As has been mentioned already, our work with the NAO leads the Committee to believe that an improvement of only 1 per cent. over the next three years in how the money that is already available is spent would release about £14.5 billion for front-line services. That is equivalent to a rise of 4p in income tax in any one year.

It could be assumed that PAC reports do no more than criticise Government Departments over matters to do with fraud and the inefficient use of resources. For example, the ongoing saga of the Child Support Agency computers is again in this morning's newspapers, with reports suggesting that the agency is ready to ditch kit worth £450 million. The Committee has scrutinised that matter closely. Also in this morning's papers is the NAO report on the effectiveness of the Criminal Records Bureau.

More proof of the PAC's effectiveness can be found in the evidence that it secures at its hearings and in the findings contained in its reports. As both my hon. Friend the Member for City of Durham and the hon. Member for South Norfolk noted, the auditors have criticised the Department for Work and Pensions every year since 1988 for the volume of fraud that is reported.

Another example is what we learned in our hearing yesterday afternoon: that British Energy issued a dividend worth £420 million in 1999, even though it knew that electricity prices would fall with the introduction of the new electricity trading arrangements. By 2002, British Energy was requesting urgent state aid to prevent collapse.

The Committee has also learned that Customs and Excise loses between £7 billion and £10 billion every year on unpaid value added tax, and that the benefits payment card cost about £1.1 billion before it was scrapped. We know, too, that the new GCHQ building cost £400 million, whereas the GCHQ management board was told that it cost £20 million. The managers at GCHQ thought that it would cost £40 million. The list goes on, and it is a tribute to the PAC that those problems receive an airing.

I return to the article in *The Daily Telegraph* by the hon. Member for South Norfolk. He ended it by stating:

"If we stopped the haemorrhage of cash from our public sector we would have to worry less about extra taxes and borrowing."

That is correct, and I pay tribute again to the hon. Gentleman for his rigorous research and activity. However, if we stopped at this point in our consideration of the PAC's work, we might be tempted to argue that money is simply being lost down a black hole, and that good money is chasing after bad. The PAC's reports might convince us that the attempt to rebuild public services is an inherently flawed economic and political strategy. The significance of that cannot be overstated, given that the Government are systematically reinvesting some £61 billion extra in our public services over the next three years.

I am a junior member of the Committee, but my impression is that the NAO and the PAC have also highlighted profound changes in the management of resources in the public sector. Its general analysis suggests that until recently resource management in the public sector had a number of long-standing inherent weaknesses: insufficient focus on delivery, which meant a preoccupation with the management of inputs; endemic short-termism, whereby Departments were funded on an annual cash basis, with money being handed back at the end of the year, which provided scant predictability in terms of future departmental resources and strategy; perverse incentives to spend cash before the year end; incomplete cost information, due to cash accounting procedures; insufficient measurement of performance outcomes, and a preoccupation with process; and poor project management and capabilities.

The NAO and the Committee have studied the Government's responses to those inherent problems; for example, public service agreements were introduced in 1998 and set out for each Department the aims, objectives and quantified targets needed to deliver over the spending period. The spending and control regime was also introduced in 1998, which includes a three-year comprehensive spending review period and the allocation of three-year resource budgets for Departments, plus the flexibility to carry forward unspent funds.

Another example is the move to full resource accounting and budgeting for Departments, which came into effect in 2001–02. The move to accruals-based accounting gives better information on expenditure and the analysis of Government accounts. As the hon. Member for South Norfolk pointed out, we are also aware of the efficiency review being carried out by Sir Peter Gershon, chief executive of the Office of Government Commerce. The review covers the whole public sector and will feed into and inform the spending review of 2004, to be announced in the summer.

The Committee also touched on the study of procurement led by Sir Peter, which gave rise to the formation of the OGC. I can testify to the OGC's work in its dealings with Microsoft, which the Committee discussed in one of its private meetings. The OGC deployed a systematic and effective strategy. As the NAO has stated,

"new flexibilities and changes in the way resources can be managed, if used effectively, should make an important contribution to improving public services."

Obviously, those new frameworks and disciplines are critical at a time of massive investment in public services—as I said, the amount over the next three years will be about £61 billion above previous levels.

Departments and their agencies currently spend about £421 billion, a significant proportion of which is used to deliver key services to the public. The simple point is that, while highlighting waste and inefficiency, the PAC also has a critical role in studying the relative effectiveness of new disciplines. In the private sector, discipline and efficiency pressures arise from the very nature of competition, but in the public sector, by

comparison, alternative frameworks have to be developed. It will be fascinating to track Departments to see whether real change occurs over the next few years. I make these points to emphasise the Committee's role in scrutinising the changes that will import new disciplines and incentives to the public sector to safeguard the new investment to which the Government are committed.

The final brief point in my impressionistic take on the work of the PAC concerns the private finance initiative. In many of the Committee's meetings, many members—from different ideological perspectives—scrutinised the financial underpinnings and assumptions of PFI, as we have heard from other Members this afternoon. We looked at the MOD main building, the PFI refinancing regime, delivering better value for money from PFI projects, the new GCHQ building and so on.

When I joined the Committee I had no intuitive in-built hostility to PFI in principle. Harnessing private finance capital for public service priorities is self-evidently a good idea. At the same time, it allows for a more robust investment programme without jacking up direct taxation rates. Furthermore, to make a party political point, the PFI has, in theory, a critical role to play in establishing the possibility of a durable Labour Government who want to rebuild public services. Indeed, it has already played an important role.

My only real concern about PFI before I joined the Committee was that it would be used as a device to ensure that the Government's fiscal framework was reconciled with the rules of the eurozone, thus enabling early entry. Given the events and developments of the past year, that concern seems slightly out of date, which I am extraordinarily happy about.

Moreover, in theory, the PFI offers a seductive risk-transfer package for local authorities and Departments charged with delivering such services. Since serving on the Committee—in particular, since listening to my hon. Friend the Member for Hemsworth (Jon Trickett) and the hon. Member for South Norfolk—I admit that I am less convinced than I was initially about the intrinsic merits of the PFI. As I say, that conclusion is not ideologically driven; it is simply based on what I have heard. More specifically, the concern is the method by which the private sector is deemed cheaper than the public sector owing to the aforementioned public sector comparator—in effect, the tender price that the public sector would offer for any given project.

Again, as far as I can see from my limited experience on the Committee, the origin of that comparator, with its project-specific flexibility, remains a mystery. My concern is that it can become an accounting lever to ensure that large-scale capital projects are not handled by the public sector. That is legitimised by the comparator's econometrics, whereas the real objective behind it is simply promoting a belief that the public sector does not exist to achieve such building work, so a regime or infrastructure is created to legitimise such departure points.

Jon Trickett: Is my hon. Friend aware—this may have been said before he joined the Committee—that a senior member of the NAO staff described the public sector comparator, as it then operated, as "pseudo-scientific mumbo-jumbo"? I wonder whether my hon. Friend has a view on that.

Jon Cruddas: I am aware of that because I read the report of the annual PAC debate last year—when, I think, my hon. Friend mentioned it. It says an awful lot about the pseudo-scientific rigour attached to the device. It is an eminently flexible device whose elasticity is very useful for politicians, but it is difficult to ascertain the merits and anchorage of a body that produces theory and analysis objectively. So I have problems with it, and the remark by a member of the NAO clarifies my thoughts on the way in which I consume information in the Committee. I very much look forward to the Committee subjecting the PFI to scrutiny in the future because I am worried that the accounting mechanism may simply be used to lever work from the public sector.

To put it simply, I personally find the PAC's work extraordinarily rewarding. The Committee provides unrivalled scrutiny of the state for the benefit of the House of Commons. More importantly, it provides unrivalled scrutiny of the state for the taxpayer, and long may it continue.

4.58 pm

Mr. Howard Flight (Arundel and South Downs) (Con): I pay tribute to the Chairman of the Committee and all its members and to Sir John Bourn and the NAO for fantastic work on 54 reports. All hon. Members here this afternoon must agree that this has been a fascinating and incisive debate. The PAC and the NAO are very much the unsung heroes of Parliament and the civil service.

Dare I say that it is perhaps a pity that we are having the debate today, when we are about to break up for half term? It is certainly a great pity that more hon. Members have not attended. We are debating some £250 billion of public expenditure, and without wishing to sound patronising, I feel that it is pathetic that there are not more MPs here to learn something about how that money is spent. At the end of the day, if Parliament is not to be just a theatre of performance, surely its most crucial role involves that very item. The thought occurred to me—perhaps not seriously—that attendance should be made compulsory.

I am sure that the Government are somewhat disappointed that the massive increase in spending since 2000 has not, as yet, delivered more. Figures from the Office for National Statistics suggest that something like 85 per cent. has gone into public sector inflation, which is now running at 8.5 per cent.—that is up from 1.6 per cent. in 1997. The big question of our time for the Government, the Opposition and all mature economies of western Europe is how the public sector is to become more efficient. It is fairly clear that there is no great appetite throughout Europe for further tax rises, but with populations growing older, there is an increasing demand for services. The efficiency of the public sector is thus right at the centre of politics everywhere.

I shall comment briefly on the excellent speeches that have been made. I liked enormously the robustness of the Committee's vice-chairman, the hon. Member for City of Durham (Mr. Steinberg). I wholly agree with several key points that he made—namely his tactful

[Mr. Howard Flight]

criticism of the occasional arrogance of the civil service. He also highlighted the Ministry of Defence's frequent failure to manage equipment and problems with asset tracking.

The hon. Member for Sheffield, Hallam (Mr. Allan) focused on a matter about which he has a great deal more technical knowledge than I, although I have endeavoured to give it some attention over the past two years: the pretty poor record on public sector information technology projects. He quoted from the Committee's 44th report on the Libra project—we have all focused on that. We all know that such matters have been the Committee's territory for a long time because it has produced many reports on IT projects. The problems remain substantially unsolved. I learned from my prior career experience that top-down IT projects never work. Unless they start with the people concerned at the cutting edge, and work upwards with people being prepared to adapt, one ends up with a top-down system that fails.

The hon. Member for Hemsworth (Jon Trickett) was wonderfully straightforward. He articulated his frustration and sadness at the waste of public expenditure; I share that motivation myself. He suggested that parliamentary scrutiny bodies were generally inadequately resourced, and pointed out systematic problems in the procurement process. Indeed—dare I say it?—it seems to both the Government and the Opposition that relatively straightforward savings could be achieved by introducing a considerably more professional procurement process throughout the public sector. He said that private finance initiative costs of tendering were too high, which is clearly what experience shows, and he pointed out problems of an oligopoly, if not a monopoly, of supply to the public sector.

I give personal thanks to my hon. Friend the Member for South Norfolk (Mr. Bacon) for helping me to get on top of 54 reports in a relatively short time. I was interested to hear his identification of the way in which the MOD had been caned in the swaps market because it did not seek adequate advice. He also focused on the problem of having a single bidder for Government contracts, and not only on the PFI side. If one suddenly increases spending on public sector investments massively, one runs the risk of driving up prices because too few providers are available. My hon. Friend also pointed out the major problem that attempts to address housing benefit fraud, and fraudulent benefit payments in general, have been given up.

My hon. Friend also made the important point, in relation to IT, that the mandate of the Office of Government Commerce does not give it the power to prevent projects, in good time, from going off the rails. I have learned that, perhaps surprisingly, Italy is the EU country with the most effective record in managing IT projects. One reason for that is that a very small body at the centre of government, comprising partly the private and partly the public sector, has precisely that power. That body has to vet a project initially and then monitor it, and it has the power to stop public sector IT projects if they go off the rails.

The hon. Member for Dagenham (Jon Cruddas), as a new member of the Committee, made a valuable contribution in which he stressed the problem of the natural lack in the public sector of the discipline that competition and the market bring to the private sector. He stressed the need to rethink how optimum efficiency can be achieved with the additional £61 billion that the Government are spending in the public sector.

I step back to ask what the PAC and its processes are all about. To me, the PAC's function is analogous to the internal audit function in a business. The PAC, with the NAO, is the internal auditor, although many businesses use an outside party in conjunction with their own to perform that internal audit. The PAC functions as the non-executive directors, while the House of Commons functions as the body that represents the shareholders, but the recommendations of the internal audit are essentially for the civil service and Ministers, so that they can improve the delivery of public services and learn from all the work done.

In a business context, the board's normal response to the findings of an internal audit is to continue to require information from management until it can see that the lessons learned have been implemented and the problems thrown up have been resolved. My main disappointment, from all that I have read, is the relative lack of effective implementation of all the lessons that the PAC and NAO have learned from all the work done. All that excellent work is recorded, and is there for the public sector, the Government and civil servants to learn from. As pointed out, that work has saved £1.5 billion, but everyone reading the reports of recent years must have stepped back and said, "My goodness me; far more than £1.5 billion could have been saved if what the PAC found had been implemented."

Of the reports before us today, I have counted 10 in which the PAC says, "We have said this before and nothing has happened," and another 20 that make the same point in essence. Many of the reports that deal with PFI and the problems associated with it repeat criticisms that have been made before.

Mr. Andrew Love (Edmonton) (Lab/Co-op): Does the hon. Gentleman accept that a considerable number of the failures mentioned in the reports are failures of the private sector, where it has been contracted to the public sector? If we could be more vigilant over how the private sector delivers some public services and some PFI contracts, we could save a lot of public money.

Mr. Flight: As, I trust, a reasonable man, I accept that there are faults on all sides.

Perhaps I may summarise some of the operative problems with PFI. Public participation has not been sufficiently on its toes to enjoy the benefits of refinancing. There have been what the PAC itself described as the complete charade of the public sector comparator, which involves paying large fees to accounting firms for demonstrating whatever one wants them to demonstrate; the excessive costs of advisers and professionals; and the issue of whether PFI is suitable for particular areas, which is largely observable from past experience.

It is a question of issues of principle rather than of laying blame on the Government or others. Those managing PFI know very clearly the problem issues to

be resolved. I simply ask myself, "Why the hell not get a move on and resolve them?" We have all known for quite a long time what they are.

I shall be as speedy as possible in running through the areas where the PAC is in essence saying that its advice hitherto has been unheeded.

The 66th report dealt with progress in putting the Government on the web. Again, the Committee said that previous recommendations had not been implemented.

The 68th report, on the collection of fines in the criminal justice system, showed that still only 59 per cent. were being paid, at a cost of £387 million, with very little done since the problem was first highlighted.

On the management of substitution cover for teachers, the Committee reported that the Department had failed to live up to what had been requested of it in the 1992 report; effectively, nothing had been done.

On delivering better value for PFI, I have just set out the areas that need attention. The lead report was the 28th, but the 64th, 4th, 19th, 22nd, 35th, 40th and 49th all deal with the same issues, which have in different ways been raised before.

The 31st report, on tackling benefit fraud, in essence says that nothing has been done since the Committee's two previous reports about abuse within the housing benefits system. On the wider issue, it says that attempts to address such fraud seem to have been given up on, and that Sir Richard Mottram spoke in 1998 of £3 billion to £7 billion. What is actually going on to tackle the problems? Apparently, little or nothing.

The 32nd report, on the Highways Agency, comments that the data on maintenance history on motorways and trunk roads are still incomplete.

The 34th report, on progress by the Office of Fair Trading in protecting consumers' interests with regard to licensing and unscrupulous lenders says that no notice has been taken of previous comments.

The 37th report says of the Ministry of Defence and the construction of the nuclear submarine facilities at Devonport that no notice has been taken of the PAC on the cost overrun, now 62 per cent.

The various other reports concerning the MOD—the 13th, 46th and 6th—and the comments that other hon. Members have made illustrate precisely the same points, which are that the MOD takes very little notice of the PAC's warnings, including its pointing out of unnecessary cost overruns, poor management of stocks and all the problems of bad procurement illustrated by both the Apache helicopter saga and the Challenger tank saga.

The 44th report, already referred to with regard to Libra, illustrates all the problems of cost escalation of IT. Again, there is failure to take any heed of the PAC's advice, on the basis of past experience, about the contractor selected.

The Government are clearly starting to face up to the challenge of achieving better value and seeking to cut waste in the public sector. That is what the Office of Government Commerce has been about. The Opposition share its objectives. I am concerned that Sir Peter Gershon is stepping down. I feel that there is an element of disillusionment despite the degree of effort that is being put in. I am concerned that the four areas that have been selected are by no means central and do not cover much of the territory where there is scope for greater efficiency.

I well recollect that in the 1980s, when Lord Rayner had a similar task, he was to a large extent frozen out by the civil service and prevented from getting into those areas that he should have entered.

The Conservatives initiated the investigations that David James and his team of auditors and 30 professionals have started. It will be no surprise to Members that a major challenge is to obtain the necessary information about public sector management structures, processes and decision taking. We should all be calling for an improvement in the transparency of information that comes from the public sector.

I urge the PAC and the NAO in future to pursue explanations of why the various lessons of the past have not been learned and why their recommendations have not been put into operation more effectively. I urge them to quantify the costs of that not having been done, and to get to the bottom of why their recommendations have not been implemented. To return to my business sector analogy, where people fail in their management job, it is normally time for them to leave the business, to be replaced by people who are more competent. It is perhaps time to change business structures.

Mr. Love: I endorse the hon. Gentleman's comments about people leaving the business. As a former member of the PAC, I can remember that that is a constant frustration. Let me pick up a comment made by the Chairman of the Committee. There is an essential difference between providing a public service, given the complexity of so doing, and providing a private service, which may be much more focused. We must recognise that before we will ever get to the bottom of the real productivity challenges in the public sector.

Mr. Flight: I thank the hon. Gentleman for his comments. With respect, I think that it is the other way round. I believe that everyone is well aware of the differences between the public and private sectors, and equally well aware of the democratic element of public sector services. There have been no fundamental reforms since the second world war, and we have a public sector and a civil service that seem to lack the discipline and organisation to ensure accountability and efficiency which were not evident in the private sector 20 years ago—there were often ad hoc arrangements with people climbing ladders of seniority—but which have now become commonplace there. There are huge lessons to be learned from the private sector—here, in America and in Europe—about how to run public sector activities more efficiently. Rather than defining the differences—we all know what they are—we should stress that what we all want is a public sector that is run on an enormously more efficient basis.

I repeat the tribute to the PAC, which has done so much of the work. It seems pathetic that Members and, candidly, Governments of both hues and civil servants take so little notice of what the PAC has found.

5.19 pm

The Economic Secretary to the Treasury (John Healey): Our debate has demonstrated the special contribution that the Public Accounts Committee makes to our system of parliamentary scrutiny of the Executive. I pay tribute to its work, and in particular to its Chairman, the hon. Member for Gainsborough (Mr. Leigh), for ensuring that it searches out the reasons why projects and schemes fail or succeed, and what lessons can be learned for the future. I also pay tribute to the commitment of other Committee members. The hon. Member for Gainsborough said that they did not have an easy role, and a relative novice, my hon. Friend the Member for Dagenham (Jon Cruddas), said that the sheer scale of the work was staggering. When I served on a Select Committee, I used to collect my papers from the Select Committee pigeonholes in the Members Lobby. The envelopes in the PAC boxes were always bigger and fatter than those for other Select Committees. Those pigeonholes were always full, whereas ours were more often empty.

To amplify the point, as the Minister with responsibility for Customs and Excise, I had a discussion with its new acting chairman after his first appearance before the PAC. When I asked him what struck him most about that experience, he said that that the Committee members expected of its witnesses an extraordinary knowledge of specific subject areas. Of course, PAC members generally demonstrate such expertise themselves when cross-examining witnesses. It was once said that history is a vast early warning system, and it should certainly serve as such. The PAC's collected judgments over the years stand as a historical record on which Departments can draw if they are to avoid repeating the mistakes of the past. To pick up the point made by my hon. Friend the Member for City of Durham (Mr. Steinberg), there may also be lessons for other Select Committees and their Chairmen.

Before I comment on the relationship between the PAC and the Treasury and respond as fully as possible to a wide range of points made in our debate, I pay tribute to the assistance that the Comptroller and Auditor General and his staff give the Committee and their support for the wider good conduct of Government. Their role as independent scrutineers of Government spending and decisions is central to the accountability of the Executive. The financial audit work by the National Audit Office and its value-for-money studies continue to make an important contribution both to efforts to improve standards of financial stewardship in Government Departments and to the effectiveness of public spending. The Treasury shares that and other interests with the PAC and the NAO. We have a responsibility to ensure that taxpayers' money is used economically, efficiently and effectively. We want public services to be delivered to a high standard, and we want Departments to manage projects professionally and learn from best practice both within Government and in the private sector.

In many ways, the PAC has had common cause with the Treasury since its inception in 1862. In its first report, which I checked when preparing for our debate, it declared:

> "It will be the duty of a Department, when any unexpected expenditure shall become necessary . . . to apply to the Treasury and state in writing the reasons for such application".

The new audit liaison group, which is jointly chaired by the Comptroller and Auditor General and the permanent secretary to the Treasury, takes that co-operation into the modern age. I recently talked to the permanent secretary, Gus O'Donnell, about the new group and the way in which it worked. He is a proud economist by profession, but confessed to trepidation about its first meeting and the prospect of being bamboozled by accountancy, auditing and accountability experts. In the event, his fears were unfounded, but he said that he learns a lot at those meetings—I suspect that in some ways he treats them as part of his continuing professional development. That group is proving a successful forum for resolving audit and accountability matters of interest to the NAO, the PAC and the Treasury.

Mr. Bacon: While the Minister is on the subject of little groups at the centre, will he comment on the Italian central unit that has the power to stop IT projects—and contrast that with the relative lack of power of the Office of Government Commerce?

John Healey: I am not familiar with the finer points of the Italian system, but as a Minister with responsibility for seeing one or two major projects through the OGC process, I can say that although it may be principally designed for the guidance and scrutiny of project managers and sponsors, that process is observed in a way consistent with best practice elsewhere. Speaking as both a project sponsor and a Treasury Minister, I think that it is virtually impossible for a project given the red light by the new OGC process to secure the resources and support required for its implementation.

Mr. Bacon: Does the Minister agree that the gateway review process, which I welcome as a great development, could be further strengthened by publishing gateway reviews?

John Healey: I do not accept that suggestion. The process's principal purpose is to provide project managers and sponsors with an informed peer review. To that extent, the sharpness of criticism and degree of analysis can be protected and enhanced by the fact that review reports are not made public.

Mr. Bacon *rose—*

Mr. Flight *rose—*

John Healey: If the hon. Member for South Norfolk (Mr. Bacon) will forgive me, I will give way to the hon. Member for Arundel and South Downs (Mr. Flight).

Mr. Flight: My understanding is that the Italian unit has the power not just to approve projects but, crucially, to stop projects in their tracks when the perception is that they are coming off the rails. PAC reports on IT going off the rails suggest that that is a necessary power. Although the OGC may have a strong influence on approving projects, it does not have a continuing monitoring role or any effective power once a project is

up and running. If it were perceived that, as I fear, the National Health Service IT project is coming off the rails, the PAC would not have the power to halt it.

John Healey: If the Italian unit has the power and role that the hon. Gentleman describes, its nature is different from that of the OGC. Judgments about relative effectiveness are more complex.

Mr. Bacon *rose—*

John Healey: The contributions to this debate have been detailed, reflective and important. I want to reflect that in my answers—but I will give way again to the hon. Gentleman.

Mr. Bacon: The Minister is extremely generous. He said that relative effectiveness was more difficult to judge, which is precisely why we need the oxygen and the transparency for gateway reviews. Then, irrespective of the OGC's power, more people would be able to see what had been said. The Arthur D. Little study on National Air Traffic Services was published by the Transport Select Committee—a brave decision. That report contained harsh criticisms and it did some good.

John Healey: I shall bear the hon. Gentleman's points in mind.

The Chairman of the Public Accounts Committee, the hon. Member for Gainsborough, emphasised the Committee's concerns, shared among Members of all parties, about standards of public sector procurement and management and ensuring that the much needed extra investment now being made in public services leads to significant improvements that the public need and deserve, and which, some would argue, are long overdue. My hon. Friend the Member for Dagenham outlined his concerns about that. The hon. Member for Sheffield, Hallam (Mr. Allan) emphasised the same point about resources being devoted to front-line operations and delivery, citing the failure of the Libra project.

The Office of Government Commerce is working hard to improve project management, and procurement arrangements and procedures, across Departments. It is worth highlighting three developments. First, a project and programme management centre of excellence has been established in each Department. Those centres are there to provide internal support and the right expertise to help more junior project managers who may require it to deliver programmes and projects.

Secondly—this will be of direct interest to the Public Accounts Committee—the accounting officer is required to confirm that major IT-enabled projects do not suffer from the common causes of failure that the Committee, the OGC and the National Audit Office have highlighted in the past. The contribution of the NAO is particularly welcome in that context.

Thirdly, proposed "big bang" projects now have greater scrutiny at an earlier stage to challenge the need for the approach and, if necessary, to ensure that more comprehensive testing takes place before operations commence. In addition, the OGC recently reinforced the gateway process, which, as I said, is based on well proven techniques and improves the chances that the projects that go through it will be successful in the long run.

Over the years, the Committee has been concerned about, and has revisited, some of the problems involved in the procurement and management of IT projects. These measures, taken with the OGC initiatives, should go some way towards tackling and dealing with the Committee's concerns.

The second major area that the hon. Member for Gainsborough discussed was the central question of how to ensure that extra spend in the public services gets to the front line. Together, the Prime Minister and the Chancellor set up the efficiency review that Sir Peter Gershon, to whom all hon. Members paid tribute, is leading within Government. The review has two principal objectives: first, to release major resources to the front line; and secondly, to reduce the bureaucracy faced by those on the front line.

In tackling the general point made by the hon. Member for Arundel and South Downs, I shall be specific about some of the changes that are being considered and what will flow from the review. First, Sir Peter Gershon is targeting procurement, building firmly on the work that he has already undertaken in the OGC. Secondly, he is concentrating on back-office functions, looking at the scope for serious and radical rationalisation. Thirdly, he is considering transactional services in terms of the degree to which better use of IT, perhaps to collect tax or to pay out benefits, can improve the efficiency of services. He is also ensuring that we focus not only on provision of access, but on take-up—an issue about which the hon. Member for Sheffield, Hallam expressed concern.

Fourthly, Sir Peter is considering the funding and regulation of devolved services—for instance, the inspection and regulation regimes in schools and hospitals. Fifthly, he is considering the funding and regulation of the private sector and the way in which that may, in some cases, be subsidised. Sixthly and finally, he is considering the question of productive time—for instance, how form-filling, bureaucracy and reporting can be reduced.

The conclusions on the work of the efficiency review and the requirements that it places on Departments will be published as part of the spending review. The hon. Member for South Norfolk referred to the traction, as he put it, that can sometimes be achieved by such disciplines when they are linked to the spending review. I hope that I have given him some confidence by making it clear that Sir Peter Gershon's work on the efficiency review is an integral part of the current spending review round.

The spending review will focus especially on increasing devolution to the front line, thereby enabling public service providers to respond more flexibly to local needs. Sir Peter's efficiency review is complemented by the independent review of public sector relocation, which Sir Michael Lyons is leading. The potential benefits of public sector relocation out of London and the south-east include not only cost savings to Departments through improved recruitment, retention and lower labour and accommodation costs, but better service delivery to the public whom they are there to serve.

[John Healey]

Let me consider the speech of my hon. Friend the Member for City of Durham. I must say that my hon. Friends do not often quote Bernard Dineen favourably and approvingly.

Mr. Austin Mitchell (Great Grimsby) (Lab): He is a friend of mine.

John Healey: That is news indeed.

My hon. Friend the Member for City of Durham reminded us of the PAC hearing on 21 January, and made some serious points about the relationship between members of the Committee and the witnesses who appear before it. I am sure that hon. Members recognise that the hearing on that day was on an immensely important subject, which perhaps inevitably generated more passion than the Committee's normal subject matter. It is especially important that issues that arise in such circumstances are tackled in a way that allows fair, relevant but strong criticism to be levelled, and fair and reasoned defence to be heard. Having said that, the way in which members of any Select Committee conduct themselves at hearings is a matter for them. However, I hope that my hon. Friend accepts that if witnesses feel aggrieved by their treatment, it is not unreasonable for them to make their concerns known to the Chairman. The idea of my hon. Friend being ticked off by the Chairman of the Committee or indirectly upbraided by the head of the civil service is hard to credit. I know from my hon. Friends in the Government Whips Office that he is not easily cowed.

Let me consider the contribution of the hon. Member for Sheffield, Hallam. I welcome the fact that he has joined the PAC, fresh from the Information Committee. All hon. Members and our staff have cause to thank him for his work in revamping the IT support system for hon. Members. His experience of and interest in IT were a hallmark of his contribution this afternoon. He will bring that to the PAC's proceedings.

The hon. Gentleman is right to say that the challenge of gathering sufficient evidence and data to evaluate with confidence the effectiveness of call centre operations and web-based services remains unmet. He focused especially on risk in private finance initiative information technology. He argued that it is ultimately impossible to transfer risk fully out of the public sector in IT projects. That is a valid observation and criticism, and it is one of the reasons why the Government confirmed in the summer that the PFI will no longer be used in IT. One could argue that the fast pace of change and the high level of integration of any IT system in the mainstream core business of a Department mean that it is difficult to move the risk out of the public sector and into the private sector.

Our revamped approach to PFI also included individually procured small projects, where the transaction costs and procurement time perhaps outweigh the benefits. Instead, we will establish appropriate minimum threshold values. We are introducing reforms because we, like the Committee, want PFI to be used only when it can offer the taxpayer value for money.

My hon. Friend the Member for Hemsworth (Jon Trickett) explained vividly how all Members from all parties share a hatred of waste, as he put it, whatever their belief in the proper role and scale of the state. I was particularly interested in his points about the Public Accounts Committee's unique powers and the unique support that it has in the National Audit Office. The points that he makes about the possible lessons for other Select Committees in that regard are, of course, ultimately a matter for Parliament, but I will make sure that my right hon. Friend the Leader of the House is aware of the points that he made.

My hon. Friend was concerned, too, about the question of penalising contractors and contractor failures. The Office of Government Commerce maintains what could be described as contact at a high level with all the main suppliers of central Government contracts. It does not, however, keep detailed information about each contract, which is properly a matter for the Department responsible. We need to bear in mind that problems with individual contracts are not always the fault of the contractor. As PAC report after PAC report has also pointed out, in some cases the initial project specifications and management could be improved, which could reduce the risk of failure.

My hon. Friend was also concerned about competition for contracts and the excessive cost of tendering. Those are valid points. As he recognised, Government are aware of those issues and are trying to make improvements by simplifying the tender processes, especially for PFIs. If he wishes me to do so, I will write to him about increasing the opportunities for small and medium-sized firms to tender.

The hon. Member for South Norfolk made four principal points and arguments. The first related to fraud, to which I will return later. The second was on professional fees. He will know that the publication produced by the Treasury in July last year, "PFI: meeting the investment challenge", includes measures to reduce the costs of consultancy fees.

The third area to which the hon. Gentleman referred was risk management. He mentioned the visit that he and other members of the Committee had paid to Heathrow recently to see how Customs and Excise implements risk management at the airport in practice. As the Minister responsible for that department, I am glad that it has been able to assist the Committee in that way. The steps that have been taken at the centre, however, are worth pointing out. In 2003, we strengthened the disclosure requirements for accounting officers to sign statements on internal control, confirming that they have discussed their review of risk management with their board and their audit committee. We have also issued guidance for those audit committees, building on the Higgs and Smith reviews for the private sector. I can confirm to the House that the NAO is currently working closely with Treasury officials on a study of risk management within Departments, and that risk management and statements on internal controls will, as the hon. Gentleman asked, be tied into the current spending review process.

The fourth major area on which the hon. Gentleman touched was cost overruns and the question of optimism by us. As for cost escalation, I am sure that all Members would accept, as one or two have pointed out, that sometimes this reflects unrealistically low initial estimates rather than unjustified cost increases. The Mott MacDonald work is an attempt to quantify that optimism by us. It is not a fudge to make projects more

viable; it is not a fiddle to produce a set of comparators that will give the result that people wish. It is a sensible way of trying to make estimates more reliable, to reduce the risk of subsequent cost escalation. The hon. Gentleman at least describes that as a laudable project. There may well be scope to refine the process still further, but it is a serious attempt to tackle a serious problem, and I encourage him not to impugn the motives of those involved in trying to do so.

My hon. Friend the Member for Dagenham set out a clear and convincing case about the important and proper role for PFI. Investment under PFI currently represents between 10 and 15 per cent. of total investment in public services. It is important that we get it right because, as he argued, it has an important role to play. If he has not seen it, I refer him to the Treasury report that I mentioned earlier, "PFI: meeting the investment challenge", which was published in July last year. The report includes specific steps to reform the investment appraisal process, which he is concerned about, to ensure that there is no inherent bias in favour of one procurement option over another. Crucially, the assessment must also be made at the earliest practical stage—when the overall decisions are made—to ensure that there is maximum flexibility to pursue other options if they offer better value.

I am glad to say that although the Committee is ready to criticise where it considers it due, it is also willing to give credit where it is due. The 35th report on PFI in the construction service recognises that there is greater certainty on timing and cost through the delivery of PFIs. On the 22nd report on PFI refinancing, I welcome the approval and congratulation that it offers the Office of Government Commerce in negotiating agreement with providers.

I do not go along with the recommendation by the hon. Member for Arundel and South Downs that attendance for debates such as this should be compulsory. The implication is that the Whips would conduct truancy sweeps during the course of proceedings, which I am not keen on. His contribution from the Front Bench was reflective and non-partisan in precisely the same way as other hon. Members' contributions to this afternoon's debate were, and I applaud him for that. He correctly identified the fact that how the public sector can become more efficient is a central issue for our times.

I am running out of time, and I apologise for that—time has overtaken me more rapidly than I thought it would. The debate shows that the PAC, backed by the NAO, continues to provide a highly effective continual challenge to the Executive, which is essential to the proper conduct of government and parliamentary democracy. It continues to provide evidence and cross-examination for those on both sides of this House and beyond who are actively concerned about the effective conduct of government, and it also continues to provide sleepless nights for departmental accounting officers. In that respect, this year's 54 reports, and this debate, continue the PAC's proud and professional tradition, which now stretches back nearly one and a half centuries.

Question put and agreed to.

Resolved,

That this House takes note of the 64th to 68th Reports of the Committee of Public Accounts of Session 2001–02 and the 1st to 49th Reports of the Committee of Public Accounts of Session 2002–03, and of the Treasury Minutes and the Northern Ireland Department of Finance and Personnel Memorandum on these Reports (Cm 5728, 5770, 5789, 5801, 5802, 5823, 5849, 5953, 5961, 5962, 5963, 5984, 6016, 6051, 6105, 6110).

Allotments (North-East Lincolnshire)

Motion made, and Question proposed, That this House do now adjourn.—*[Jim Fitzpatrick.]*

5.47 pm

Shona McIsaac (Cleethorpes) (Lab): There are several reasons why I am pleased to have the opportunity to raise the issue of allotments in north-east Lincolnshire. First, a precedent is being set on allotment rents in Grimsby and Cleethorpes which could have profound ramifications for allotment holders throughout the country and for the allotment movement as a whole. Secondly, the Tory and Liberal North East Lincolnshire council has shabbily treated the 500 or so allotment holders in north-east Lincolnshire.

The story begins on Christmas eve, when a letter from the council was included among the cards falling on people's mats. The letter was dated 22 December, and it did not wish allotment holders a merry Christmas and best wishes for the new year. Indeed, it delivered the bombshell that allotment rents in Grimsby and Cleethorpes would increase by an exorbitant amount. The rents would increase on 1 January 2004 and again on 1 January 2005, and the overall increase for allotment plots would be 700 per cent. for a standard plot and 1,000 per cent. for concessionary plots, which are used by pensioners. The increase for this year alone was 150 per cent. Once allotment holders saw the letter, they started to contact me and my hon. Friend the Member for Great Grimsby (Mr. Mitchell) in the neighbouring constituency. They were worried about what was happening and wondered what they could do about it. I was visited by allotment holders from the Beacon Hill allotments in my constituency, which are close to my home.

I told the Beacon Hill allotment holders that I would check out other areas to see what was happening and I would check the law to see what could be done about the exorbitant rent increases. I also contacted the local council to ask how it came up with the increases and to say that my hon. Friend and I thought that they were unacceptable. I looked at allotment rents charged by North Lincolnshire council, which is the neighbouring authority. It is also controlled by the Conservatives, but they are not propped up by the Liberal Democrats as they are on the North East Lincolnshire council. Cleethorpes constituency is covered by both authorities, so I was interested to discover that allotment rents in North Lincolnshire were around £15 and any increases would be inflationary only.

As I investigated the matter, it appeared that large increases in allotment rents usually occurred only with the agreement of allotment holders and to provide new facilities on the site, such as a toilet block or washing facilities. If the 700 and 1,000 per cent. increases were to go ahead over the next two years, the allotments in Grimsby and Cleethorpes would be some of the most expensive in all England and Wales. They would become more expensive than those in affluent Wimbledon and Richmond upon Thames. It does not seem fair that allotment holders in an area of the country with a lot of deprivation will have to fork out—pardon the pun—more rent than those in the leafy south of England.

I checked the law, which states that an allotment must be let at a rent that a tenant may be reasonably expected to pay. That hangs on what is "reasonable" and I question whether the increase in Grimsby and Cleethorpes is lawful. There is case law on the issue, from November 1981. The case of Howard *v.* Reigate and Banstead Borough Council was heard at the High Court. A plot holder challenged the council's rent increase on the ground that the users of other leisure facilities in the area did not face similar increases. The judge ruled in favour of the allotment holder, saying that he should be subject to the same spending and cost assessments as other recreational amenities provided by the council.

The other leisure facilities—for example, football pitches, tennis courts, swimming pools and libraries—provided by North East Lincolnshire council do not face the same increases. The allotment holders have been singled out, and they have taken up the point with the council. They claim that the increases are not lawful and should not go ahead. However, no satisfactory response has been received.

Mr. Austin Mitchell (Great Grimsby) (Lab): My hon. Friend says that it is standard procedure to consult allotment holders before increasing rents—to improve facilities—but the failure to consult in this case has been characteristic of North East Lincolnshire council and the financial panic that prevails on every other issue. The council has proposed closing the advice service without consultation. It has proposed closing the education centre at the child development unit without consultation. It has proposed closing Alice house, a centre for young mothers, without consultation. It has proposed to stop the contribution to schools that it provided last year, again without consultation. Failure to consult is par for the course for that panic-stricken council.

Shona McIsaac: Absolutely. We are talking about allotments in North East Lincolnshire tonight—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Hopefully we are.

Shona McIsaac: What my hon. Friend the Member for Great Grimsby said is indicative of the way in which the local authority has been behaving recently. Indeed, it appears that there has been little or no consultation with allotment holders. As somebody said—it could have been me, my hon. Friend or one of our constituents—there appears to be a cold heart at the centre of this uncaring council.

In the light of the case law, and of the way in which the council is behaving and the possible ramifications for the allotment movement in the UK as a whole, I would like the Government to consider tightening up the law on rents, setting the criteria for what could be considered reasonable, and establishing what allotment holders can expect to get for their money. Perhaps the law on appeals could also be tightened up. So far as I can see, at the moment, when people object to such rents there is no appeal process whatsoever. In effect, local councils that want to extort more money from allotment holders can simply do so without any come-back, excluding the voices of protest and the ultimate protest of the ballot box.

In terms of setting rents, the local circumstances of north-east Lincolnshire should be considered and the law should be tightened up. We do not enjoy the high wages that the south-east enjoys, and house prices are very low compared with other parts of the country. Many people—about a quarter of all workers—have part-time jobs. Cleethorpes has the third highest number of part-time workers in the UK, and Great Grimsby the eighth highest. So we are talking about people who do not have a great deal of money.

We should also remember that the area contains some of the most deprived wards in the country, which is why the reasonableness test should be considered. Nobody could say that this year's increase of 150 per cent.—it will be 700 per cent. next year, and then 1,000 per cent.—is reasonable, given the particular local circumstances.

The council implemented this rent increase by sending a letter dated 22 December. A letter that lands on people's doorsteps on Christmas eve or soon afterwards and says, "Your rent's going up on 1 January and you will have to start paying it on 13 January", is hardly an example of good practice or negotiation, or of coming to an agreement.

I wondered whether any of the councillors or officers had read the excellent Local Government Association report entitled "A New Future for Allotments". It says that allotments are a resource that provides a sustainable food supply and promotes healthy activity. They can be used for educational purposes and to foster community development and cohesiveness, and they provide access to nature and wildlife. And they are clearly very important as open spaces for local communities. Crucially, the report says that councils should promote allotments based on those criteria.

However, the rent increases have not promoted allotment holding in North East Lincolnshire; in fact, they have proved a complete disincentive. Indeed, people have already given up plots. Because of this year's 150 per cent. increase, one family whom I know of have given up four plots—plots that they have tended lovingly over the years. They are devastated at having to give them up.

The report is full of good practice and initiatives for the promotion of allotments, but I see none of that happening in north-east Lincolnshire.

It being Six o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Fitzpatrick.]*

Shona McIsaac: Lincolnshire is flat, but the Beacon Hill allotments in Cleethorpes are on a hill—admittedly, a small hill compared with those in other parts of the country. There is an observatory on the hill, and a bronze age burial mound. It is a beautiful part of Cleethorpes, but I have not observed the council doing anything to promote allotment holding in that wonderful part of the town. I am sure that people would take plots if the allotments were advertised as being "in the shadow of the observatory, with an ancient monument nearby", but I do not think many residents even know that they are there, because the council's performance in promoting them has been so poor.

I wonder whether the council looked at the report on allotments by the Environment, Transport and Regional Affairs Committee, or at the Government's response. It seems that all the good work by the Local Government Association, the Government, the Select Committee and the National Society of Allotment and Leisure Gardeners is being undermined in north-east Lincolnshire. If what is happening in that area is allowed to continue, there could be serious ramifications for the allotment movement in Britain as a whole. I have been told by the society that other councils are waiting to see whether this one can get away with it, and that if it does they may follow suit.

I am indebted to the society for the help and advice it has given me, enabling me in turn to help and advise constituents who are worried about the rent increase. I want to thank Geoff Stokes of the society in particular. He has been actively investigating what is happening in north-east Lincolnshire. According to the society, the original rent increase was unjustified, and the way in which the council went about the negotiations was all wrong.

There are many question marks over the short notice period. No one has been able to establish whether there is a rent revision clause in the tenancy agreement, but if there is not there should have been a 12-month notice period.

Following the uproar created by the allotment holders, the council is beginning to back off, which is good. We still have the 150 per cent. rent increase for this year, but it seems likely that next year's will be set aside, albeit with conditions attached. The council says that it will not proceed with the 700 per cent. increase and will limit the amount to 150 per cent. plus inflation in future if the allotment holders take over management of the site. That is good—partnership and self-management can work—but the allotment holders are being given two weeks to make what is, for them, a huge decision. That demonstrates a lack of negotiation, consultation and respect for the allotment movement. The allotment holders are being told, "Either accept huge rent increases or opt for self-management". There have not been months of negotiation to find out what is in the allotment holders' best interests.

The council has backed off from that very large rent increase, but what of the people who have already given up their plots because they could not afford this year's increase? There is no justice for them.

One independent councillor said in the local paper, the *Grimsby Telegraph*, that

"they are using bully boy tactics that they have used before".

To show what the atmosphere is like, a Liberal Democrat portfolio holder, at a meeting in which we were trying to resolve matters amicably, turned round and called the allotment holders "self-indulgent", refusing to listen to their arguments. That is a recipe for disaster. A partnership should be just that: is it possible to have a partnership when councillors have that sort of attitude?

A question arises from the council taking over the maintenance. If it is to take over the maintenance, which the rent is meant to pay for, what is the justification for paying the council any rent at all? If plots are to be self-managed, the allotment holders and associations should be charging reasonable rents, negotiating with other plot holders and keeping the rent for maintenance. It makes no sense whatever.

[Shona McIsaac]

I want to praise the work of the National Society, the Local Government Association's positive approach and the Government's positive approach towards the future of allotments, but what happened in North-East Lincolnshire has been a slap in the face for the allotment movement. Allotments are not just something to get money from. They are an integral part of our towns and cities. They are as valuable as open spaces and parks. They are part of the lungs of our urban areas, so they should be preserved.

I should like the Government to examine the legislation again. In view of what has happened in North-East Lincolnshire—where what the courts have established is being ignored—we need to toughen up the legislation to provide more protection for allotment holders from local authorities imposing extortionate increases on them.

In response to the Select Committee report, the Government said that they did not feel that there would be sufficient time to introduce legislation on the matter. I certainly appreciate that, but if it cannot be done in Government time, perhaps the Government might look favourably on a ten-minute Bill or a private Member's Bill in the future.

6.7 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I congratulate my hon. Friend on so ably taking up the cause of allotment holders in north-east Lincolnshire. It is typical of the energetic and devoted service that she provides to her constituents. The matter is important because of how people are being treated.

I want to make just a brief contribution to the debate, partly because it is pleasant to be talking about non-political plots and partly because it is pleasant to be in dialogue with the Minister instead of slugging it out with him in the correspondence columns of the *Grimsby Telegraph*. It is a real pleasure and it is good to see him in his place. Another reason for my contribution is that I am, and always have been, a strong supporter of the allotment movement. I was about to say, "ever since it began in the late 19th century", but I was not a Member then, though sometimes it seems like I was.

The allotment movement began as an aspect of municipal socialism. It was about giving the working class an opportunity to garden, dig and delve, and to grow their own crops and flowers in an urban environment. It was meant for working people. In a sense, it was an aspect of the "three acres and a cow" movement, though cows were not permitted on allotments and the allotments were not really three acres. Nevertheless, it was an important advance for the working class at the time, and it has been important to sustain it since.

It is fair to say that numbers of plot holders are falling nationally and in north-east Lincolnshire. In recent years they have halved, but there are some signs that that is turning round. Perhaps harder times are turning the numbers round, or it may be unemployment. However, there are signs that younger people are getting involved in the allotment movement, which is to be welcomed and encouraged.

I deplore the council's sudden announcement just before Christmas that allotment holders would face a rise of 150 per cent. in rents in the new year, and that that would be followed by a rise of 700 per cent. in the following year. It is unpardonable to proceed by diktat in that way. My hon. Friend the Member for Cleethorpes (Shona McIsaac) wrote directly to the National Society of Allotment and Leisure Gardeners. Its general secretary, Geoff Stokes, looked at the problem and said that rents would average £70 as a result. That is three times the national average, and one of the highest levels in the country.

The rent rise was imposed on allotment holders out of the blue in a take-it-or-leave-it way. As I said in my intervention, the financial panic inflicted by the Liberal Democrat-Conservative coalition that runs North East Lincolnshire council is par for the course. I do not think that the council has had a fair deal from the Government in financial terms, but there was no need for that panic. Government grants have been increased by £5.7 million, and there is also a substantial grant for open spaces. Even so, the council has panicked and embarked on a series of cuts without consultation. The rent rise is just one example of that.

My hon. Friend the Member for Cleethorpes and I advised allotment holders to exert pressure on local councillors and to write and petition on the issue. The council has begun to resile from its original commitment, but it has not gone far enough. The suggestion now is that plot holders should take on the expense of maintaining and running the allotments. Self-management is a good thing and should be encouraged, but not if it is a way of foisting massive costs onto people. For example, the allotments at Macaulay lane have very poor facilities, and those at Westward Ho are subject to flooding. People will get a bad deal, so asking them to pay increased rents is not fair.

I hope that my hon. Friend the Minister will say whether the Government could give some national definition of what would constitute reasonable rent increases, and how they should be arrived at. The rises being levied in north-east Lincolnshire go far beyond inflation as defined by the retail prices index. I hope that the Minister will also say how such rises should be approached in future.

6.13 pm

The Minister for Housing and Planning (Keith Hill): I begin by congratulating my hon. Friend the Member for Cleethorpes (Shona McIsaac) on securing the debate and on using it to raise the issue of allotments, which the Government are eager to address. My hon. Friend has highlighted the considerable concern among her constituents about rises in the costs of allotment rents in north-east Lincolnshire. Those concerns were shared by my hon. Friend the Member for Great Grimsby (Mr. Mitchell), who also expressed unease about the lack of consultation.

I am informed that the council has identified an increase in allotment rent as one of the ways that it can increase revenue income in order to set a budget for the next financial year. Although the question of allotment rents is for the relevant allotment authority to determine, that authority is required to take into

account the cost of managing the site, local needs, any special circumstances and the requirements of the Allotments Act 1950. In most cases, rent will be the only income from an allotment site, but the expenses incurred include everything from site maintenance and repairs to administrative costs and promotion.

Currently, of the 535 allotment tenants in Grimsby, 60 per cent. are charged at a reduced concessionary rate. North East Lincolnshire council currently has a maintenance bill of more than £76,000 for its allotments, and revenue of less than £6,000 from allotment rents. The council evidently feels that that is unsustainable, and has therefore taken the decision to increase the rent on allotments.

It is my understanding that the council is meeting allotment holders and intends to work with all parties to resolve problems arising from the changes in allotment rent. I hope that the council and the allotment holders can come to an amicable solution.

I note the observations made by my hon. Friend the Member for Cleethorpes on the Reigate and Banstead judgment, but she will understand that I am not in a position to comment on its application in this case. On the wider issues that she raised, I am glad to say that the Government announced, in "Living Spaces: Cleaner, Safer, Greener", plans to commission a full update of the English allotments survey, which will take place this year. The Government recognise that allotments are valuable green spaces that can help to improve people's quality of life by promoting healthy food, exercise and community interaction. The Government's objective is to ensure that allotments are properly preserved, promoted and cared for throughout the country.

It is well recognised that allotments can have positive effects on people's physical and mental health. They have many potential benefits for local communities in relation to increasing physical activity, mental health promotion, community networking and cohesion, and educating young people about growing food. Initiatives such as the Department for Education and Skills project, Growing Schools, encourage schools to use the outdoors for education. Allotments allow all sections of the community to produce locally grown fresh fruit and vegetables, often without the use of harmful pesticides—[HON. MEMBERS: "Hear, hear".] I am delighted to hear support for those excellent objectives of Government policy.

Good-quality local green spaces, including community gardens, city farms and allotments can and do improve the well-being of life in local communities. They provide an inexpensive form of exercise and can prove vital in communities where not everyone has their own garden and people are less likely to be able to afford supermarket prices for fruit and vegetables.

We want to encourage the provision and uptake of allotments. Initiatives such as the Asian Healthy Community Network in Kirklees, which has raised food and health issues in a community with a high incidence of heart disease, are to be commended. The network runs a healthy Asian cooking demonstration with allotment produce, and organises a festival at which people are encouraged to take up allotments.

The Government's urban White Paper recognised that allotments, along with other public green spaces, improve the attractiveness of urban areas and help to promote a healthier lifestyle. They, and other spaces such as agricultural and horticultural businesses, bring benefits for wildlife and the environment, act as an important educational tool and can relieve pressure on the countryside. Allotments are thus vital to enhancing the quality of urban environments and of our lives.

At the beginning of this month, the Under-Secretary of State, Office of the Deputy Prime Minister, my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper), announced the award of the liveability fund for three successful authorities in the Yorkshire and Humber region, which included North East Lincolnshire. The funding, a total of about £10 million for the whole region, is to be used to improve public spaces within local communities according to local need. That is an example of real practical help from the Government, directed straight to the heart of the community, providing practical help to local people. Allotments are an existing resource which should be nurtured for the benefit of the community and the environment.

I am delighted to say that there has been some growth in the uptake of allotments nationally—I concur, as is usually the case, with my hon. Friend the Member for Great Grimsby. Allotments are now being used by a wider range of the population than ever before. The good news is that, in 1998, about 35 per cent. of plot holders were under the age of 50. The proportion of women plot holders has also risen dramatically. With the recent trend for gardening on the increase, that popularity is set to continue.

Greater protection has been given to allotments from development for other purposes under the new planning policy guidance 17 note, "Planning for open space, sport and recreation". That is necessary, given—I regret to say—that the number of allotment plots declined during the Conservative Administration from about 480,000 in 1979 to fewer than 300,000 in 1996.

The guidance expects local authorities to protect facilities that are of value to local communities. The PPG makes it clear that new housing development should not be at the expense of losing recreational open space. The guidance also states that local planning authorities should have clear policies for the protection and creation of open spaces and that new housing developments should incorporate open space. Local authorities are expected to undertake assessments of need for the whole range of recreational facilities in their areas, so that they can both protect existing facilities and plan new ones where they are needed.

In conclusion, I acknowledge that there are issues to be addressed about the cost of allotments and the pressures on them from other forms of land use, and I recognise that allotment holders in Grimsby are seriously concerned about rent rises. I entirely agree with my hon. Friends about the importance of allotments and their invaluable role in local communities. The fact is that allotments remain a valued part of our communities and continue to provide pleasure to many. The Government wish to sustain them and, where possible, encourage the expansion of their use.

Question put and agreed to.

Adjourned accordingly at twenty minutes past Six o'clock.

Westminster Hall

Tuesday 27 January 2004

[MR. JOHN MCWILLIAM *in the Chair*]

Homelessness

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Ainger.]*

9.30 am

Chris Grayling (Epsom and Ewell) (Con): I am delighted to have secured this important debate on a subject that is of deep concern to every single constituency Member of Parliament. We confront it all too regularly. It is one of many examples of matters in which the Government have failed to live up to their rhetoric.

In many ways homelessness was an issue that demarcated the differences between the Conservative party and the Labour party in the mid 1990s. It was an area on which then Opposition MPs were constantly attacking the Government's record, and grand promises were made—not least by the current Prime Minister, who promised a society where we would not spend millions of pounds on bed-and-breakfast accommodation for families, but would spend it on housing those people.

In fact, since 1997 the number of households in bed-and-breakfast accommodation has trebled. Every time I walk past a *Big Issue* seller I remember that Opposition rhetoric against the previous Government and think of the irony in the fact that, six years after Labour came to power, the sellers are still there, selling the same publication on the street corner to raise awareness of the same issue, and I ask myself, what went wrong?

Homelessness is a huge issue but in many cases it is invisible. It is not just a matter of the relatively small, albeit still disturbing, number of rough sleepers on our streets. The real problem is very much like an iceberg—we often see just the tip but beneath the surface there is a huge additional problem. It is the problem of those who lose their home for different reasons—the problem of those who seek help and end up in bed-and-breakfast accommodation, out of sight of most of us, with very little hope and very little chance of an easy way back into good long-term accommodation.

I find that one of the most difficult of our many tasks as constituency Members of Parliament is that of dealing with families—people who are deserving cases—who need housing and need a new option for housing, but for whom I know, especially given the realities of the constituency that I represent, there is very little hope of their achieving that. This is definitely an area where the Government should feel utterly ashamed of their lamentable record.

The scale of the problem is huge. The detailed figures are stark. In 1997, 102,000 households were found to be unintentionally homeless and in priority need. By 2002, that figure had risen to 125,000. There was an even bigger jump in the number of households intentionally homeless and in priority need—from 4,900 to 9,400. That is a huge jump; later I shall mention some of the circumstances that contributed to that.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I apologise to you, Mr. McWilliam, for arriving just after the commencement of speeches. Does the hon. Member for Epsom and Ewell (Chris Grayling) think that the 1.5 million affordable homes sold under the right to buy over the 18 years of Conservative Government were a major contributory factor to the problems that he is highlighting?

Chris Grayling: Actually, no I do not. I shall discuss the supply of affordable households in a moment, because there is no matter in this whole issue where the Government have more to be ashamed of than the provision of affordable housing, where, since 1997, the provision of new housing has dropped at a startling rate.

There are some particularly problematic issues within those overall figures of which the House should be aware and should have at the back of its mind as we debate the subject. Some groups suffer disproportionately from homelessness. Although, given the balance of the population, most people affected are white, the rise in homelessness among some of our ethnic groups has been particularly startling. In 1997, 6,900 Afro-Caribbean homeless households in priority need were accepted by local authorities. In 2002, the figure had risen to 12,000—a 100 per cent. increase in five years. Other ethnic groups witnessed a 50 per cent. increase in the same period, from 5,000 households to 9,000. If asked, groups that specialise in this issue and represent homeless people will say that today, particularly in London, this problem disproportionately affects our ethnic minorities; we should be mindful of that when we address the issue.

Another stark piece of information that I found when reading the background statistics was that the causes of homelessness, and the suffering from homelessness, tie in very closely with some of the most vulnerable groups in our society. Again I refer to the figures for the past five years. In 1997, local authorities accepted 5,220 homeless households in priority need that contained a household member vulnerable through physical handicap; in 2002, that figure was 6,890. In 1997, authorities accepted 6,910 homeless households in priority need that contained a household member vulnerable through mental illness; in 2002, it was 10,680. In the same period, acceptances of homeless households in priority need that contained a young person increased from 3,100 to 6,900. Therefore the people who are affected, and who are being affected on a greater scale year by year, are vulnerable groups—the mentally ill, the physically handicapped, and young people who have run into family problems. We need to really understand the problem and we need to tackle the problem particularly for those vulnerable groups, because they are the least capable of dealing with the situation.

Those patterns reflect a real social challenge. This is not just an issue about availability of housing; it is actually about social breakdown and real challenges that exist in our society. The homelessness problem will not be addressed simply by building houses; it can only be addressed by far broader policies, especially those that focus on the family.

[Chris Grayling]

To pick up on the remarks of the hon. Member for Edmonton (Mr. Love), the provision of housing, the infrastructure of housing and the real shortage of housing lie at the heart of the problem. He mentioned affordable housing. In fact, the construction of affordable housing is one of the present Government's great failings. They have made plenty of announcements but matched them with precious little action. Yesterday I did a search on the website of the Office of the Deputy Prime Minister to see what it said about affordable housing. I discovered that since June 1992, the Government have made 43 different news announcements about affordable housing. The search engine did not allow me to search further back, but if one extrapolates on that basis, Labour Governments have probably made the best part of 150 to 200 announcements over the past five years about their plans on affordable housing. That is impressive stuff; there is lots of interest in the subject.

We constantly see big news stories about the Deputy Prime Minister's vision for solving the housing crisis. In the past 12 months alone there has been a series of announcements and big stories. I did a search for newspaper headlines on the subject in the last 12 months. They included, "Prescott says homes plan will need 'phenomenal' cash amount"; "Prescott makes promise of 200,000 homes, but maintains green belt will be safeguarded"; "Prescott plan for 200,000 homes"; "Taskforce aims to boost supply of low-cost homes", and even the rather endearing, "Four-homes Prescott mocks Middle England".

However, the reality is stark and clear and it is a definitive example of where this Government are all talk and precious little action, because between 1992 and 1997 we built 326,983 affordable homes, reaching a peak of 70,000 a year, but after 1997 the level of new build plummeted. Between 1997 and 2002, that 326,000 figure under the previous Parliament had fallen to a total of 188,760. In 2002–03, only 31,000 new affordable homes were built, compared with almost double that number in the run-up to the last general election.

Mr. Love: According to the interim report on the review of housing supply, the right to buy is a contributory factor to the problems that I mentioned. The report also displays a graph, showing that in 1979 local councils were building about 120,000 homes a year, but by 1994 they were building none. Does the hon. Gentleman believe that that is a contributory factor to the shortage of affordable accommodation?

Chris Grayling: In view of the party that the hon. Gentleman represents, I am surprised that he has the brazen gall to stand up and use such an example, when his Government have presided over a halving of the construction of affordable homes in the affordable home sector in the past five years. The hon. Gentleman is right to use the analogy of local authorities, but what the Conservative Government did was to move responsibility for the provision of affordable housing from local authorities to new bodies such as housing associations. I do not know about the hon. Gentleman, but I certainly believe that the housing associations operating in my constituency are good, specialist organisations that deliver within the limitations placed on them by central Government and the financial constraints that they face. Generally speaking, they do a good job for the people they look after and provide homes for. I have nothing to be ashamed of in the creation of an affordable housing sector comprising specialist housing organisations that do a good job for people. The hon. Gentleman has every reason to be ashamed of the record of his Government, who are associated with such a lamentable performance in the provision of affordable housing.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Does my hon. Friend agree that it is outrageous of Labour Members to blame the current homelessness problems on us when the Government have had nearly eight years to sort out the problem? If the hon. Member for Edmonton (Mr. Love) thought it wrong to build no new houses in the council house sector, his Government have had more than seven years to sort the problem out. Why have they done nothing about it?

Chris Grayling: It is yet another example of what we saw before and after the 1997 election—all talk and no action.

Tony Baldry (Banbury) (Con): Is it not a matter of concern that, apart from the Parliamentary Private Secretary, the only Labour Member present is the hon. Member for Edmonton (Mr. Love)? Is it not also a matter of concern that only the Labour Members who are adhering to the Whips' brief are being allowed out today? I believe that inquiries should be made to ascertain whether the other Labour Members have been locked up somewhere to keep them away from the Palace of Westminster.

Mr. John McWilliam (in the Chair): Order. We are supposed to be debating homelessness.

Chris Grayling: Thank you for that reminder, Mr. McWilliam. I have great admiration for the hon. Member for Edmonton for having the nerve to come and defend his case here.

Mr. Love: I understand that the Housing Bill is in Committee this morning, which will occupy the time of a considerable number of Labour Members who are interested in the subject. May I return to the graph in the review, which shows clearly that in 1997 housing associations were building fewer than 20,000 affordable homes a year? Does the hon. Gentleman believe that the failure to replace council house building with housing association building in those 18 years was a major contributory factor to the failures of today?

Chris Grayling: I am always reluctant to correct a parliamentary colleague, even one on the other side of the political fence, but I simply draw his attention to the written answers provided by the Office of the Deputy Prime Minister last week. They show that in 1996–97, 53,840 affordable houses were built by registered social landlords, in comparison with 2001–02, when only 30,605 were built. Those are official Government figures, which were provided last week.

What of the immediate future? A pretty stark picture is painted by the housing charity, Shelter, which suggests that all the plans in place for the current

financial year allow about £1.4 billion to be spent on the provision of new affordable housing. However, Shelter believes that total output will be about 46,000 affordable homes this year at most—still fewer than the number provided pre-1997. Despite all the Government rhetoric of recent months, they are still not matching levels of construction achieved by the previous Government. It beggars belief that a party that makes so much noise about the need to provide affordable homes in this country has such a terrible record in government.

What are the Government doing? I was enlightened by looking through the Government's strategy for homelessness document, "More than a Roof". For me, it summed up everything that is wrong about the Government's philosophical and practical approach to a whole range of activities, not just this particular problem. Let me cite that document.

"A radical change that will be brought about by the Homelessness Act is the new requirement for every local authority to review its homelessness problem and develop a homelessness strategy for its area. Addressing all forms of homelessness, these strategies should be in place within a year of the Act coming into force and renewed . . . every five years . . .

The Homelessness Act will require housing authorities to take local homelessness strategies into account in carrying out their functions. In practice, homelessness strategies need to be closely allied to, or included within, authorities' housing strategies. In addition, it will place a new duty on social services to work with housing authorities in formulating a homelessness strategy"—

presumably another homelessness strategy. It continues:

"There also needs to be closer co-operation between housing associations and local authorities on tackling homelessness. The Housing Corporation, Local Government Association and National Housing Federation have agreed to work together to improve this as outlined in their 'Framework for Partnership'."

It also states:

"'Homelessness strategies: a good practice handbook' produced by Randall and Brown includes advice on conducting reviews and developing strategies. Local authorities should consult with other relevant public bodies, voluntary organisations, homeless people and others, and include action that they expect them to take in their strategy."

In other words, it is gobbledegook. All the Government seem able to do in response to a problem is to require local authorities to have a strategy and to create all sorts of tiers of bureaucracy, meetings, debates and documents. Throughout government, one can find endless debates, discussions and committee meetings; seldom can one find genuine tangible action that makes a difference.

Mr. Edward Davey (Kingston and Surbiton) (LD): I agree with much that the hon. Gentleman is saying. However, on the homelessness strategy, I attended a meeting in Kingston Guildhall where the draft homes strategy of the borough was discussed. I was delighted to see a range of people taking part, offering all sorts of new ideas as the strategy was formed. I take the hon. Gentleman's point about resources and the dearth of affordable homes being built, but he should not decry the positive role that a homelessness strategy can play.

Chris Grayling: Before I became a Member of Parliament, I was a local councillor. My experience then and from observing local councils subsequently suggests that far too much effort is put into the creation of strategy documents across a range of policy areas, but they are seldom of any real practical benefit in delivering services on the ground. The Government's plans for more strategy documents must be assessed in comparison with the actual delivery record. On the basis of statistics on the provision of affordable housing, it seems to me that there is a woeful gap. What emerge from the central Government are great initiatives, but little tangible action.

That point is reinforced by the annual residential development in London report, carried out by London Residential Research. It says that determining the key players in London's affordable housing policy is complicated by "rampant initiativitis". I am afraid that that is all too often the problem in preventing delivery. Ultimately, the focus is on various initiatives to set out complicated strategies, but the reality of what is needed on the ground is simple, clear and understandable action.

Mr. Davey: Can the hon. Gentleman tell us which initiatives he would speak against because he wants them to be discontinued?

Chris Grayling: My experience in my own constituency—I am coming on to that, if the hon. Gentleman will bear with me—suggests that some Government decisions that affect the housing corporations are in practical terms detached from the realities on the ground. In some cases, they can obstruct those realities. I have had several conversations with the housing associations in my own area. The hon. Gentleman will be aware—he has the next-door seat—that one of the recent big issues for them has been the rapid rise in the price of land.

Mr. Clifton-Brown: My hon. Friend has identified the kernel of the problem. Does he agree that the problem is twofold? The first problem is the Government's policy of rent restructuring, which deliberately holds down rent in the public sector, and the second problem is the rapid rising price of houses, which means that the funding gap for public sector bodies—whether they are registered social landlords or any other housing provider—makes it much more difficult for them to provide social housing units.

Chris Grayling: Absolutely. I concur with what my hon. Friend says, and no doubt he will wish to amplify those issues during his concluding remarks.

The problem of rising land values drives at the heart of question about initiatives asked by the hon. Member for Kingston and Surbiton (Mr. Davey). As the system requires bidding and the submission of complicated proposals in many parts of the sector, the price of land has gone up by the time that people have gone through the bureaucracy of getting money. Registered social landlords in my constituency found on several occasions that the price that they expected to pay for land jumped massively simply because of the time that it took them to go over the hurdles that central Government placed in their path before they could buy the land. If we simply allocated grant to RSLs and gave them discretion to use their own initiative and do the best job for the people of

[Chris Grayling]

their area, we might well find that that delivered a much better result. All too often the Government "know best" and set hurdles for RSLs, but RSLs in my constituency have not been able to build some of the housing that they could have built simply because of the slow and complicated process through which they must go to secure funding.

The other problem faced by RSLs is the fact that Housing Corporation rules on the formulae applied to land values are sometimes too constrained to recognise the price of land in the south-east, especially on the fringes of London. RSLs in my area have faced enormous problems when trying to buy land on which to build because the rules and the formulae with which they must deal do not take account of their local situation. Such problems should not arise.

Mr. Love: Does the hon. Gentleman accept that one of the other problems faced by registered social landlords is the policy of his Front-Bench team of turning the right to acquire into the right to buy and thereby throwing their finances into bedlam?

Chris Grayling: I fundamentally disagree, and I shall not take up too much time on the hon. Gentleman's intervention because I want to give other hon. Members the chance to speak.

I conclude my remarks by highlighting three issues that the Government should address. First, their asylum policy must recognise this country's housing pressures. Most people involved in homelessness say that the number of people coming into this country exacerbates the problem. That matter does not sit on the Minister's desk, but he should talk about it with his colleagues elsewhere in government. This country's housing stock cannot continue to absorb the number of new people who come here every year.

Secondly, if we were to reinvest money secured from extending the right to buy for the provision of more affordable housing, it would deliver a strong additional dimension to the capital that we could spend on affordable housing. I have no qualms whatever about defending that.

Thirdly, there is clearly a huge social dimension to homelessness. I am talking about not only families who find themselves in bed-and-breakfast accommodation, but people who end up as rough sleepers on the streets. Statistics show clearly that the breakdown of families is a key factor behind that. The Government's policy must address family breakdown. There is only a limited amount that they can do, but they should do what they can to turn the tide in the other direction.

It is the duty of us all to tackle the problem. There are not necessarily easy answers, but solutions must be found. The Government did not accelerate work to tackle the problem after 1997; they decelerated work, and now they are paying the price. They raise huge amounts in tax, but fewer affordable houses are being built on the ground than in 1997. More and more people do not have a permanent roof over their heads. On housing, as on so many things, all that the Government are doing is taxing, spending and failing.

9.54 am

Mr. Paul Burstow (Sutton and Cheam) (LD): I congratulate the hon. Member for Epsom and Ewell (Chris Grayling) on selecting the topic of the debate because the House should spend more time considering such an important issue. He talked about how we tend to view only the tip of the iceberg, and I shall focus my remarks on older homelessness in this country, which is often overlooked and neglected. I note that the one statistic that the hon. Gentleman did not give during his detailed contribution was the number of people who are accepted as homeless on the grounds of age.

Three words best sum up the older homeless: invisible, hidden and isolated. Those words are encapsulated in the tragic story of Alexander Fallon. Mr. Fallon died in 1987 at Kings Cross on that fateful night when fire engulfed the underground station. He was 72 years old when he died. He was homeless and had probably been begging for the price of a drink or a packet of cigarettes. For 16 years, Mr. Fallon was known simply as body No. 115. Behind that number is a story that finds echoes in the stories of many other homeless older people in this country.

Mr. Fallon's world fell apart in 1974 when his wife died of cancer. He sold his home because of the memories that it generated and moved to London where he eventually ended up on the streets due to a range of circumstances. The journey from people having a roof over their heads to being roofless may take many years—research suggests that it takes up to nine years to complete the passage from having a stable relationship and accommodation to homelessness. There are nine years in which to pick up the warning signs and act, so clearly more could be done upstream to prevent homelessness from occurring.

Sleeping rough may not be a lifestyle choice that many of us would consciously make, but, at some level, it seems that those who are on the streets or unofficially homeless are escaping something in their lives that is, for them, even worse. For some, the root cause of homelessness may be traced back to a broken and disturbed childhood, and for others it comes from the loss of a job, the death of a loved one, as in the case of Mr. Fallon, or the break up of a long-term relationship. Stressful events in adulthood, low income, mental health issues and alcoholism can all be factors that trigger that journey from home to street.

Over the past few years I have taken an interest in, and supported the initiatives of, the UK coalition on older homelessness. A visit to its website gives some of the key facts and figures about the scale of homelessness among older people. Official statistics record that in 2002, 4,390 people were accepted as homeless on the grounds of old age. In the same year, as has already been said, 10,680 were accepted on the grounds of mental health. Unfortunately, we do not know how many of those who were accepted on the grounds of mental health were older people. We do not have a reliable figure for those who were accepted on grounds of age because although guidance is given on the age that should be used to count such people, there is no guarantee that that is the basis that each local authority uses—some use the age of 50, and others use the age of 60. Nevertheless, based on figures from the Department's website for the first three

quarters of 2003, the trend remains upward for registrations of homelessness on the grounds of both old age and mental health.

The vast majority of older homeless people are hidden. According to a study by Dr. Maureen Crane of the Sheffield institute for studies on ageing, as many as seven out of 10 of those who sleep rough stay in isolated or hidden spots. Other research shows that 834 people aged 50 years or over, including 43 people aged 70 years or over, slept rough in London at some time between April 1999 and March 2000—the Minister will note that March 2000 is the second part of the period of the study. One of the depressing things that I found when examining the matter is the dearth of data and research—both official and otherwise—to help us to understand the extent of the problem.

Many older people sleep rough for a longer time than others. A survey carried out in 1996 found that 65 per cent. of people sleeping rough who were aged over 50 had been doing so for more than five years, while 25 per cent. of younger people had spent a similar period of time on the streets. It is estimated that up to 21,000 older people are living in short-stay hostels throughout England. Many older people self-refer to bed-and-breakfast accommodation. Again, research by the Sheffield institute found that as many as 26,900 older people live in bed and breakfast. In all, 48,000 older people are living in inappropriate accommodation. They are hidden out of sight and out of mind—one could call them the unofficial homeless.

Official statistics are in short supply. Is it really good enough that the only official statistic on older homelessness is the number of people accepted as homeless on the grounds of age? What plans does the Minister have to audit the number of older people living in hostels and other temporary accommodation, and to improve generally data collection on the issue?

If the studies are right, homelessness will not simply disappear because we build more affordable housing—even the right sort of housing. We have to understand and work on the psycho-social causes of homelessness. According to the report, "Lessons from Lancefield Street", which looked at the experience of an outreach centre run by St. Mungo's in west London, various needs come together, often masking one another. Not surprisingly, rough sleeping can accelerate the normal ageing process, so older homeless people in their 50s have health problems associated with much older people. The study found that the most immediate need of older homeless people was help with their physical health problems, such as bronchitis, mobility difficulties and scabies. Physical health complaints, which were more prevalent in men than women, were closely followed by mental health problems, with women suffering more than men. Heavy drinking also featured highly, particularly among men.

In preparing for the debate, I was grateful to St. Mungo's for sending me details of its outer London older people's outreach service, which started in January 2003. The outreach service has found that many agencies—from housing and mental health to support services—do not consider that it is their responsibility to deal with rough sleepers, partly because those agencies traditionally have little to do with rough sleepers and no experience in how to work with them and partly because of the fact that rough sleepers can be difficult, costly and very time consuming to work with. Virtually all services, particularly in outer London and elsewhere away from central London, are geared towards those who are already in housing. That lack of experience is a particular concern when homeless older people are admitted to hospital.

Will the Minister say what steps are being taken by his Department and the Department of Health to ensure that the right resettlement and care solutions are put in place, as part of the single assessment process before a person's discharge? In particular, will he outline how the supporting people initiatives will link into the arrangements for hospital discharge, to ensure that vulnerable older people with multiple needs get access to the right housing and care? Older homelessness is in great part a health issue but not yet a health priority. Will the Minister say what discussions his Department has had with the Department of Health about access to mental health services for older people, particularly counselling and psychological support?

It is not surprising that many older rough sleepers, who may have tried in the past to get a service from their local authority and failed, believe that they are wasting their time and give up. Indeed, the outreach service told me about a 74-year-old who had been to his local homeless persons unit 41 times to try to secure accommodation and had been fobbed off or ignored, or he simply got fed up with waiting all day and had left.

I hope that, in responding to the debate today, the Minister will say how the Government are tackling homelessness among older people. What assessment has been made of the local authority homelessness strategies that were referred to earlier to find out whether they are adequately addressing the needs of older people? Although I entirely take the point made by the hon. Member for Epsom and Ewell that strategies can be a substitute for action and not deliver results, it is important that we ensure that the strategies that are produced do not miss the point and that, in fact, they galvanise people into action and deliver real improvements to services and housing across the board. Will the Minister therefore consider giving further advice, support and guidance to help local authorities to develop services and practice for that particularly vulnerable group?

I began with the case of Mr. Fallon. For 16 years, Mr. Fallon was a just a number. His family did not know where he had gone. The truth is that there are many thousands of homeless elderly people on the streets and in inappropriate accommodation across the country who do not even register on the radar, even as a number.

10.3 am

Tony Baldry (Banbury) (Con): Oxfordshire is not all dreaming spires, market towns and leafy lanes. Oxfordshire has real social problems. One such problem is homelessness, which can happen to anyone and at any age.

I understand that the charity, Crisis, believes that the cause of 80 per cent. of people becoming homeless is either that they split from their partners or that they are thrown out of their homes by parents or step-parents. Clearly, that is just as likely to happen in a shire county, such as Oxfordshire, as in inner London or one of the other inner-city areas, yet funds for the homeless are

[Tony Baldry]

frequently focused on the inner cities. I suspect that that is almost certainly because of visibility: walk down almost any street in London and one might see rough sleepers; walk down the high streets of Bicester or Banbury and one is far less likely to see someone sleeping rough.

Rough sleeping is only part of the homelessness challenge and, as such, all Government initiatives, from the Homelessness Act 2002 to the more recent communities plan, recognise that the two problems must be tackled separately. Yet in spite of that recognition, north Oxfordshire's homelessness strategy is not being matched by central Government moneys. That is manifested in different, often indirect, ways. Consider the Government's 2002 strategy paper entitled, "More than a Roof". It stated that one of the primary reasons for homelessness is

"the overall supply of affordable housing . . . in some parts of the country demand is pushing prices up beyond the reach of a larger proportion of the population . . . causing more people to apply for social housing".

Of course it is welcome that Ministers recognise the importance of affordable housing as a means to tackle homelessness, but somehow north Oxfordshire has been left out of the Office of the Deputy Prime Minister's calculations of affordable housing allocations. The Deputy Prime Minister needs to do his maths again.

There cannot be many other counties in the south-east that are experiencing, to paraphrase Ministers, housing demands that are pushing prices up beyond the reach of local people. Every three months, it seems that the Halifax and other property price surveyors point to Oxfordshire for having house prices that are rising disproportionately higher than those in London—30 per cent. faster in some months— leaving the average house price in Oxfordshire at about £180,000. That is far more than many local people's purses can stretch to. It makes many of them dependent on affordable housing, yet the ODPM has forgotten much of north Oxfordshire when allocating such housing.

Banbury, for instance, is not seen as a growth area by the Government and not a single house will be built in the town from the £22 billion allocated last year for affordable housing by the Deputy Prime Minister. Cherwell district council is losing its £2.5 million subsidy for accommodation over the next three years. That brings us to the specific funding concerns for local authorities.

I note that in answer to a parliamentary question in November of last year, the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Pontefract and Castleford (Yvette Cooper), explained:

"Local authorities also receive funding for their homelessness responsibilities through the local government finance settlement. The funding is paid as general grant and it is for local authorities to decide on their spending priorities taking into account their statutory responsibilities".—[*Official Report*, 17 November 2003; Vol. 413, c. 534W.]

Local government funding is already stretched, especially in south-east counties, such as Oxfordshire. I am sure that hon. Members will have heard colleagues who represent south-east constituencies outline the atrocious unfairness of local government funding in that part of the country. The plain fact remains that counties such as Oxfordshire get a raw deal from the Government.

Oxfordshire witnessed a 13 per cent. rise in council tax last year, and the rise will probably be half as much again next year—all in an attempt to match funding lost from south-east counties to authorities in the north of England. The Audit Commission recently judged that there is a fundamental flaw in local government grant system and that grant redistribution has left the south with lower grant increases and higher council tax rises, while those in the midlands and the north had higher grant increases and lower council tax rises. The Audit Commission has also asserted that there is a clear association between Government grants and the level of council tax.

Local authorities are simply unable to provide further funding to help the homeless. Cherwell district council is already under intolerable pressure to meet the targets of the Homelessness Act 2002. Furthermore, there is little scope for the district council to address the wider problems of homelessness beyond actually finding accommodation for those in need. The 2002 Act asked all local authorities to devise a strategy to tackle the problem in their areas. Cherwell district council has come up with an excellent strategy which focuses primarily on temporary accommodation for single homeless people. That we are talking about single people in separate properties is worth remembering, given the substantial rise in the cost of buying or renting a house in Oxfordshire. The district council has received about £122,000 to implement that strategy.

Given the request of the 2002 Act that strategies should be submitted, however, something strange is happening with the way in which the local authority is receiving that money. I understand that, in the first instance, Cherwell was asked by the Government to bid for funding, but its bid had to be submitted before its homelessness strategy. That places a question mark over how closely the ODPM's directorate is examining each authority's specific strategies. In 2003, despite the ODPM homelessness strategy, no bids were requested. Instead, local authorities were given the same sums as in the previous year. That funding was of course welcome, but what is happening to the homelessness strategies that the 2002 Act demanded? Cherwell submitted a bid for next year but has been allocated one third less money than it needs. I suspect that more money has been given to inner city authorities—which is doubly frustrating in light of the comparative underfunding of Cherwell through local government grants.

What will happen after 2005 is a mystery. Ministers have made no announcement and, to the best of my knowledge, no funding for local authorities has been earmarked. Many homelessness projects depend on stability. Homeless people need stability, but without stable funding such stability is a chimera.

Two excellent projects in north Oxfordshire benefit from around £80,000 of local authority investment. The 24/7 scheme run by the Banbury Young Homeless Project has six houses for young people and is an impressive initiative run by someone who previously did similar work in south London. When I last met that project's co-ordinator, I did not get the impression that the needs of the young homeless in north Oxfordshire were any less than of those in south London.

Figures on the rising number of homeless people under 25 are particularly dispiriting, so it is imperative that funding increase. As a first step, Ministers should give reassurances as to what will happen from 2005 in respect of the strategies that they have requested. The Foyer project, also funded by Banbury district council in conjunction with Banbury Homes Housing Association, houses the young homeless from age 16 to 25. That project brings together a wide range of public and voluntary organisations and draws on the resources of local businesses in offering basic training in abilities often taken for granted—such as literacy, numeracy and computer skills. Those opportunities are especially important to young people because the district council's remaining money is used to fund preventive measures. I am especially impressed by BYHP's school projects, which provide 16-year-olds with briefings about the reality of homelessness to help to raise awareness.

Preventing homelessness must be balanced by more resources to help persons who, for reasons invariably beyond their control, find themselves without a home, as part of a move to deal more with people rather than just places. Much of the Government's attention seems directed at making sure that local authorities simply provide houses. There is a danger of overlooking wider needs. I recently met two people on the 24/7 project. Both struck me as bright and able. One had a clear idea of what he wanted to do next and was shortly to start an apprenticeship with a local employer. BYHP had helped him considerably to achieve that goal.

The other individual was a young girl whom BYHP is also helping, but she was not so clear about her future. There will come a time when she will have to seek help from other organisations. It would be better if those bodies could be involved from the start. It is difficult for many 17-year-olds to decide what they want to do later in life, but that would be far easier with a support base of all the agencies. Shelter's 2003 survey of local authority homelessness strategies not only reported a lack of resources but emphasised the importance of each agency locally communicating effectively and understanding fully what needs to be done. Likewise, the Audit Commission concluded that links should be made, to make sure that services are co-ordinated—including between learning and skills councils, child and young people partnerships, primary care group and trust plans and health improvement programmes. Those are just some of more than 20 agencies that need to work together effectively and efficiently in preventing homelessness and giving every opportunity to those who are homeless.

The Minister will no doubt allude to the vast-sounding sums that the Government have produced for the communities plan. That money is a start, but attention needs to be paid to process. The Chartered Institute of Housing, Crisis, Shelter, Local Government Association and Audit Commission are on record as saying that Government funding is inadequate to meet the demands of the 2002 Act—which is another example of the Government putting new legislation on the statute book but not following up the rhetoric with funds. The money available is also inadequate to address the needs of rural communities, which are increasingly overlooked by Government grants because of the misconception that all is leafy in Oxfordshire. There should also be a change in process to meet long-term needs—especially of the young homeless, whose numbers are increasing throughout the country—and to tackle homelessness comprehensively.

10.16 am

Mr. Edward Davey (Kingston and Surbiton) (LD): I congratulate the hon. Member for Epsom and Ewell (Chris Grayling) on securing this important debate. The first half of his speech made a valuable contribution to setting out the extent of the problem. I agree with his pessimistic picture. Although the Government have had some success in the past year or so in respect of bed-and-breakfast numbers, since 1997 the statistics show a large increase. I am sure the Minister agrees that the figure is still far too high.

The hon. Gentleman, however, skirted round the statistic of most concern in my constituency and no doubt in his—the number of people in temporary accommodation. That is the real crisis in homelessness and the true measure of the Government's failure. Government measures are beginning to have some impact on bed-and-breakfast figures, but the number of people in temporary accommodation is alarming. The figure from Shelter for today's debate is 93,900—the highest ever. The Minister cannot be proud of that shocking statistic—and that is without addressing overcrowding, the homeless at home and other forms of hidden homelessness, particularly among the elderly, to which my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) referred. I hope that the Minister will not deny that the massive problem of homelessness has not got much better. Some figures suggest that it has got worse. We need to begin an educated debate about how to tackle that issue.

The Government have a mixed record. Some of their initiatives have been really good. One still sees people sleeping rough on the streets of London and occasionally in my constituency, but their numbers have reduced.

Chris Grayling: Will the hon. Gentleman join me in paying tribute to my right hon. Friend the Member for North-West Hampshire (Sir George Young) who, as a member of the last Conservative Government, was responsible for the rough sleepers initiative?

Mr. Davey: I did not know that, but I am certainly happy to pay tribute to the right hon. Gentleman, who is one of the more—I choose my words carefully—constructive Conservative Members, even if he does not admit to his mistakes over privatisation. It is true that the rough sleepers initiative has been boosted under the present Government, even beyond the extent thought possible by the right hon. member for North-West Hampshire.

We can congratulate the Government also on having a lot of vision. It would be welcome if part of that vision comes true. There is much needed building in the Thames gateway, and other plans, such as those for Milton Keynes, are welcome. However, the Government are weak on practical issues, and the hon. Member for Epsom and Ewell spent a long time analysing their failure to build affordable new homes. He was right to do so, as that is the core of the Government's failure. They have put a lot of money into

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renovating homes and introducing the decent homes standard, but in making sure that accommodation is better for people who have homes they have prevented the industry from building homes for homeless people. They made a deliberate political choice, and they should admit its consequences.

Action has been slow in other areas, including the problem of empty homes. The fact that the Chancellor set up the Barker review six and a half years after the Government came to power to ask what we should do about the supply of homes says it all. The Government came to office without a clear idea about how they would tackle the housing shortage and the homelessness problem. They introduced a few eye-catching initiatives, but they did not make a fundamental analysis of what was wrong. I welcome the Barker review—the interim report was a challenging interpretation of the problem, and I very much look forward to the final report, in which recommendations which will doubtless appear alongside a proposed budget. I hope that Kate Barker will be given a free remit, and will not be restrained by Her Majesty's Treasury or the Office of the Deputy Prime Minister from making courageous proposals. A new tax break system has been suggested as a way of encouraging institutional investment in the private rented sector, and many people accept the merit of such a proposal. However, if that is all that the review amounts to, it would be a waste, given the work that Kate Barker has done. Her study is urgently needed, so I hope that she will come up with some radical proposals.

Some of the Government's other initiatives have not been effective. Unlike the hon. Member for Epsom and Ewell, I shall criticise one specific initiative. The starter homes initiative was supposed to help key workers. In the last Parliament my hon. Friend the Member for Sutton and Cheam and I came to Westminster Hall with many of our colleagues to talk to the Government about key workers' housing problems in London and the south-east. We did not, however, expect the Government to introduce a policy that promoted demand. We all accept that the problem is with supply, but there is not a problem with demand. There is a lot of demand for housing, and it does not need to be stimulated. We have to deal with the problem of supply. The failure of the starter homes initiative shows the poor analysis of the problem. There has been a lack of take-up because the initiative makes almost no difference. A few thousand pounds here or there may help a little, but only at the margins, and it does not enable us to grapple with the main problem.

I agree that there is no point in having a confetti of initiatives if the analysis of the problem is wrong. The Barker review is important, because hopefully it will focus effort on getting more houses. If we do not do so, we will—I shall refrain from using a colloquial phrase—not make progress. We all feel passionately about the issue because we deal with the problems in our surgeries. I hold two surgeries a week, and there is not one at which I do not see someone with a housing problem, often a homelessness problem. They come for many reasons—the family may have been split up; parents do not want their grown-up children to live with them any more; they may have rent arrears; or the landlord is selling up. On Monday, I dealt with a case in my surgery in which a lady was facing eviction by a registered social landlord because she has two cats. The tenancy agreement says that she should not have cats without written permission, but other tenants in those blocks of flats in Tolworth have cats and dogs, for which they have written permission. However, she has been unable to get such permission, although I hope to intercede either to secure it or make sure that any eviction process is suspended. There are therefore a plethora of reasons for people being homeless, and in our surgeries we must tackle those many problems.

I am slightly critical of the analysis of the hon. Member for Epsom and Ewell of the origins of the problem, and am more supportive of the Government's view. The causes of homelessness in the past few years are different from the causes of homelessness a decade or more ago, when the housing market was in freefall. There were repossessions, people lost their homes and were thrown out on the street because they could not meet the mortgage repayments as a result of high interest rates under the Conservative Administration. That is not the root cause of the current problem. The economy has been ticking over quite nicely, so land and house prices are high. In a way, our homelessness problem is a problem not of failure but of success, and can be seen in many other successful economies. California, for example, has a massive homelessness problem—people who are not in work or do not have highly paid jobs cannot afford housing because the price of land and houses in a successful economy is high. The problem is therefore different now, so we may need to think of different solutions.

I shall rattle through the rest of my speech to make sure that I give other hon. Members a chance to contribute to our debate. We need to examine positive options. For example, we need to look far more urgently than the Government are currently doing at the option of using empty homes. They have produced a consultation paper about empty home management orders, but they are not moving quickly enough. They have not, for example, used the Housing Bill that Parliament is currently considering to introduce those orders. I recommend that the Minister read the 2003 annual review produced by the Empty Homes Agency. The section on statistics at the end shows that 82 per cent. of people think that local authorities should be given the power to lease and bring back to life empty properties that are currently inhabitable. There is great support for action to deal with empty homes, which are, and are perceived to be, a scandal.

Using the private rented sector much more is the right approach, as Kate Barker has intimated. There are two groups of people in housing need who could be assisted by the private rented sector. The first group consists mainly of younger people in their 20s and 30s who are starting their working lives and careers. They are not yet sufficiently established to be able to buy a home, but want high-quality housing. Such housing, which I sometimes call it condominium-type accommodation, could be provided by the private rented sector, but private developers tend not to go into that area. The Joseph Rowntree Foundation has done some interesting work near York and shown that properties can be built for that group. The landlord and developer can get a commercial return from affordable rented accommodation for such people, and tenants can use it

as a stepping stone as they move forward in their career. Not enough of that property is being built, which is why the Barker review and the tax proposals on institutional investment may offer a way forward.

The second group consists of people who are unlikely ever to be able to afford a home, even under the right-to-buy scheme. There is a lack of Government subsidy for Government or council schemes to build homes for that social sector, and the Government need to take a far more active approach. The planning system could be used to deal with the problem. Planning authorities tend to be reactive, but we want councils to be proactive and designate land as housing zones. If a developer wants to build the housing that is needed, they should give his proposals a fair wind. Local authorities should be encouraged to give a lead, because if they took a more proactive approach—some already do, but there are far too few of them—there would be a major leap forward.

I want to conclude my remarks on the changing analysis of homeless by raising an issue with which I am currently trying to grapple and on which I should be grateful for the benefit of the Minister's thoughts. There is a certain type of homelessness that, on one level, we welcome. Antisocial tenants may have created such mayhem that their landlord, whether a social landlord or a private landlord, eventually feels that he has to evict them. We are debating in other places and at other times the need to crack down on antisocial tenants. My concern is how we do it. I carried out a four-hour filibuster in a Committee considering a private Member's Bill to stop the right hon. Member for Birkenhead (Mr. Field) pushing forward a proposal to withdraw housing benefit from antisocial tenants.

Mr. John McWilliam (in the Chair): Order. Confession may be good for the soul, but the word "filibuster" does not exist in any "Erskine May" that I have ever read.

Mr. Davey: Thank you for that instruction, Mr. McWilliam. I shall try to keep this confession short.

The problem with the approach taken by the right hon. Member for Birkenhead is that the sanction would be random and would hurt people who were not behaving in an antisocial way. As the Government were considering implementing it, it would apply to offenders coming out of prison who, as we all know, are much more likely to reoffend if they are homeless and without jobs. The Government's approach to housing benefit sanctions would have made severe social problems even worse. I am glad the proposal has been dropped.

We still have to face the question of how to deal with matters when tenants need to be evicted because of their antisocial behaviour. I am trying to grapple with the issue myself. I believe the Government should put in place, with the Housing Corporation and others, much stronger guidance to make sure that through earlier intervention, antisocial behaviour is prevented from getting out of hand so that it does not reach the eviction stage. When eviction is necessary, as part of the cure and to shake up someone whose behaviour has got out of hand, other options should be available post eviction so that the underlying causes of the antisocial behaviour are dealt with.

It is in no one's interest that the eviction of antisocial tenants should lead to more antisocial behaviour, making the problem worse and making the whole community suffer even more. This aspect of homelessness is not often debated, but we need to get our heads round it and develop policy to deal with it. It is a tough issue, but we should not avoid it.

10.32 am

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am grateful to be able to wind up the debate on behalf of the official Opposition. I congratulate my hon. Friend the Member for Epsom and Ewell (Chris Grayling) on securing the debate. The sad fact is that this is but one in a series of debates in the five years that I have been Front-Bench spokesman on housing, and while we discuss the problem in the Chamber, the problem is getting worse. I hope that the Government will not just talk about it but get a grip of it and see what can done.

For every homeless person, every homeless family, every homeless child, there is a story of human misery involved, as the hon. Member for Sutton and Cheam (Mr. Burstow) so aptly reminded us, particularly those of us who represent a constituency with a high proportion of elderly people, as I do and as I assume the hon. Gentleman does. Of all the constituencies in the country, Cotswold has the third highest number of over-85-year-olds.

I welcome my hon. Friend the Member for Banbury (Tony Baldry), who has taken an overnight flight to be present. His speech reminded us that even in constituencies that one would assume to be relatively prosperous, such as his and mine, there are pockets of hidden homelessness that are problems of human tragedy.

My hon. Friend the Member for Epsom and Ewell went through the figures in detail. They are undoubtedly getting worse: 36,260 households were accepted for housing by a local authority. That is 8 per cent. higher than a year ago and translates into 145,000 homeless people in this country, which is a tragedy and a scandal for a modern advanced country such as ours. My hon. Friend was right to point to the fact that hidden in those figures is a disproportionately high number of black and ethnic people—some 23 per cent. of that figure—and as my hon. Friend noted, the proportion is rising fast.

Although the Minister will no doubt trumpet the fact that the number of people sleeping rough on our streets has dropped and the number of people in bed and breakfasts has dropped marginally in the past year, there is still an increasing homelessness problem. Whether the homeless sleep rough on our streets, or whether they sleep in bed and breakfasts, hostels or unsuitable accommodation, the problem is getting worse, particularly in the capital. It is estimated that half a million Londoners live in overcrowded conditions and again, the situation is getting worse because London is one of the few areas where the population is growing.

The number of households in the capital—this is one of the most dreadful statistics—increased by 184,000 or more than 6 per cent., yet over the same period we built only 58,000 extra houses. The number of households, and especially the number of households with children, is increasing, yet the number of houses that we are building is not keeping up with that growth. This failure

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was recognised in the recent report by the Labour-dominated Office of the Deputy Prime Minister: Housing, Planning and Local Government Committee, which reached a damning verdict on the Government's affordable housing record. According to the Committee,

"more and more people cannot afford to buy or rent a home."

The Institute for Public Policy Research, the think-tank not notably supportive of the Opposition but supportive of the Government, admitted recently that

"housing poverty is not the most extreme form of social inequality in Britain".

We all received a brief from Shelter for this debate. One of the most damning statistics in the brief is that more than 100,000 children in England become homeless every year. If that is not a tragic statistic, I do now know what is. Half a million households are officially overcrowded, including 300,000 families with children. We must do something about those figures. I have not come just to berate the Government and read out these dreadful figures. I have a few suggestions for the Government. Some are old chestnuts and some are new ideas that I have come up with in the course of the debate.

Mr. David Watts (St. Helens, North) (Lab): We can't wait.

Mr. Clifton-Brown: Don't be cynical. Even if one of these ideas helps one those poor homeless families, the debate will have achieved something. I hope we will not play politics with such a serious subject.

The administration of housing benefit and council tax benefit has recently been transferred from the Office of the Deputy Prime Minister to the Department for Work and Pensions—about time too, as it was dreadfully administered under ODPM. There was almost one change a week. I am alarmed that the Government are trialling a new method of housing benefit called social housing allowance, which will take an entire area and designate the rent for a particular house in it. I posed a series of questions about that. I believe that it will cause some people to move out of their house because they will not be able to afford the rent. We need to look carefully at how we administer housing benefit and council tax benefit. We should not keep changing it, as that creates difficulties for those who administer it and who are desperately trying to help the poorest and most needy in our country.

Mr. Edward Davey: Will the hon. Gentleman give way?

Mr. Clifton-Brown: Briefly, as I do not have much time left.

Mr. Davey: Can the hon. Gentleman explain that? I thought the Department for Work and Pensions was administering the benefits and it was just an accounting change that had taken place recently as a result of the recent local government settlement.

Mr. Clifton-Brown: The hon. Gentleman is right. The benefits used to form part of the rate support grant administered by the ODPM. It will now form a separate budget line in the Department for Work and Pensions.

The second old chestnut in such debates is the use of brownfield land. There are huge quantities of brownfield land out there. The Government will no doubt proudly recount the fact that they are meeting the 60 per cent. target. The only reason they are meeting the target is that they are not building enough houses. I call on them with urgent vigour to consider acquiring more brownfield land, to examine the grant regime, to consider bringing back the reclamation grant, and to look at where they lost the European gap funding. I know that English Partnerships is doing some useful work in the Thames gateway. Perhaps the Minister will tell us something about that.

Mention has been made of empty homes, of which there are 729,000—down a little on the figure a year ago. More could be done, but not by compulsory leasing, as the Government trumpet. That is not the way to deal with empty homes. People should be encouraged to let them. There are a huge number of flats above shops. If we had some proper regeneration schemes to regenerate town centres, people would want to live in those flats above shops. If we come up with fiscal and other incentives for institutions to let their flats above shops, we might be doing some good.

We need to encourage the private rented sector—half a million people live in the private rented sector in this country. The problem is that every time housing legislation is introduced, it becomes more expensive for private landlords. Much of that legislation may be worthy in itself, but we need to examine the risk and reward.

We need to examine the working of the Housing Corporation. I do not believe that it is providing particularly good value for money—we need to consider the ratio between affordability and the capital cost. Above all, however, we need to look at how effective the Housing Corporation is at levering in private sector finance. We need to be more imaginative with our key worker strategies. We need to come up with better part-equity ownership schemes, and perhaps we should consider subsidised mortgage schemes, which would give those key workers portability to other local authority areas.

The starter homes initiative, as has been mentioned, has been a spectacular failure. Surely we can beef that up. There are huge amounts of public land in this country. It is unacceptable that some health authorities have public land near hospitals and yet they cannot attract the nurses and auxiliary workers that they need. Surely we can build key worker housing on some of that land. Many other Departments, such as the Ministry of Defence, have huge public land banks. We need to be more imaginative in how we use that land. Much of that land is brownfield anyway, so if we cannot encourage the public sector to release and get brownfield land into a proper state so that is ready for development, I do not know what we can do in the private sector.

We need to consider urgent research into safe, modern building methods. I have been sceptical about some modern building methods, but if the Government were to do some proper research and assure us about some of those modern building methods, which are used effectively in other parts of the world, we could build a large number of houses more cheaply and quickly.

Of course, we need to look at good design—for too long, we have built poorly designed houses. It is not acceptable to build public sector housing for a 30-year life. As for density, the trouble with the Government's proposals is that they are prescriptive. In certain areas, we could build much denser housing—Kensington and Chelsea probably has densities of about 70 or 80 houses per hectare, whereas the Government's density target is only 30 per hectare. In my constituency, however, 30 per hectare is far too dense—perhaps that should be per acre.

We need to address skills shortages in the construction industry. We need much more training in the construction industry, and we may need to consider bringing in limited skills from some of the countries aspiring to join the EU. They will come here anyway, so let us control it and make sure that we get the skills that we want.

The Government have begun to tackle the problem of planning gain. The problem is that they think of the developer as a milch cow that will go on providing ever more resources. We need to use those resources more effectively and more consistently from one council to another. It is possible to commute the section 106 payment for provision of social housing. In most cases, we should require the developer either to build those houses on the development that he is building at present, or to build the social housing elsewhere. After all, the developer can build social housing far more cheaply than anybody else, particularly when he has an incentive to do so.

We need to look at mobility schemes to free up social housing and encourage people to move. The average tenancy in London is 20 years and rising—of course, that is because the rent is subsidised and people cannot easily move. We need mobility schemes, however, to encourage people who want to and can move out of the public sector, or who want to move to a bigger or smaller house as their life circumstances change, to do so.

We should encourage local authorities to be more inventive with their reserves from large-scale voluntary transfer. My suggestion to my local authority the other day that it should build some houses outside the local authority's area was met with a howl that that would not be possible. Why not? If there is a shortage of housing in Cherwell or Cotswold, why not build a few houses in Swindon, and let the key workers live in Swindon and work in Cirencester if there is a shortage of nurses and teachers?

Finally, on the right to buy, we hear an awful lot of nonsense. Those 1.5 million houses that were mentioned in today's political football did not disappear—they were over and above the housing stock that we have now. We will change the rules when we extend the right to buy so that all the proceeds are ploughed back into building more social housing. The Government are going the opposite way. They are stopping the right to buy with their changes, and they are not explaining where the funds will come from for the shortfall in resources to build more social housing. As I said, the average tenancy in London is 20 years, so there is little mobility in social housing anyway. It is much better to get a public capital sum and use it effectively to build more houses. As I have explained previously, by extending the right to buy we can sell off about 30,000 houses and build 15,000 additional social housing units. In relation to the figures that were given, that represents a large percentage of what the Government are building today.

I have had my time in this debate—

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): Good.

Mr. Clifton-Brown: The Minister says, "Good", but he should listen and perhaps adopt one or two suggestions instead of making cheap political points at the expense of those poor people who suffer the misery of homelessness and sleeping on the streets. He sits here making cheap, snide comments—he should be ashamed of himself. I hope that when he speaks he will have more positive ideas than his predecessors about how to solve the problem.

10.46 am

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Phil Hope): I am grateful to the hon. Member for Epsom and Ewell (Chris Grayling) for introducing this important debate on homelessness. Both the Liberal Democrat and Conservative spokesmen were on the Front Bench in last night's debate on the fire brigade, and I regret that the hon. Member for Cotswold (Mr. Clifton-Brown) is in no better humour than he was when we left the House last night.

We have heard some interesting points in this debate, and I welcome the opportunity to respond for the Government. I regret that the hon. Member for Epsom and Ewell decided to launch his speech with a hectoring and highly critical attack of Government policy. That is a bit rich for a member of the party that, when in office, took this country to its peak of homelessness in 1990 with 145,800 homeless households. That is the truth, and we have been dealing with that legacy ever since.

The facts are that when the Conservatives were in power, half a million homes were repossessed between 1990 and 1997, when mortgage rates averaged 11 per cent. In 1992, 1.2 million houses suffered from negative equity, and the Conservatives left this Labour Government a backlog of repairs to local authority housing amounting to no less than £19 billion. Under the Tories, there was a year-on-year decrease in housing investment, and they spent more than £40 billion on subsidising the right to buy, which prevented local authorities from reinvesting those capital receipts to repair council homes. As we have heard this morning, they want to extend the right to buy to housing associations. How on earth that will help solve the housing shortage—it will cost more than £330 million per year—I simply do not understand.

Chris Grayling *rose—*

Phil Hope: I want to move on.

Across the country, more and more people are seeking and receiving assistance from local authorities under our homelessness legislation. It is not just a London problem, although it is often painted as such by the popular press. It seems odd that increases in homelessness have been recorded in all regions in recent

[Phil Hope]

years. Some of those increases are the result of us strengthening legislation on the rights of homeless people—more people are being helped now who might not have been given priority need in the past. That does not account for all the growth in the numbers, however.

The question of homelessness among black and ethnic minority groups has been raised. We know that those groups are three times more likely to be homeless than those from other communities, and we are not shying away from that difficult problem. We have published a policy briefing on the issue and have commissioned a new research project to help us to understand why that is happening and to identify best practice. We will report soon on tackling that issue.

I could provide, as other Members have done, a litany of statistics. The hon. Member for Banbury (Tony Baldry) spoke about younger people, and the hon. Member for Sutton and Cheam (Mr. Burstow) focused on older people, in relation to the dilemmas and problems that we face. The important thing, though, is what we are going to do about the problem, and we want to tackle it head on. We have a good track record. We have introduced legislation to strengthen the safety net for homeless people by, for the first time, requiring local authorities to take a strategic approach to tackling and preventing the problem; and every local authority now has a homelessness strategy in place. It was foolish of the hon. Member for Epsom and Ewell to suggest that such strategies are irrelevant, unnecessary or bureaucratic, and that they do not achieve anything. The hon. Member for Banbury gave the lie to that when he said that his council, Cherwell, was feeling the pressure of the homelessness legislation forcing it into dealing with the problems of young, single homeless in his constituency. If the Conservatives—were they ever to get back into power—were to abolish the obligation on local authorities to tackle homelessness, that would be a devastating blow to the needs of many vulnerable people in our communities.

The Government have extended the priority need groups, ensuring that more vulnerable people will get the help that they need from local authorities. We have reduced rough sleeping to well below two thirds of 1998 levels. We are on target to ensure that no family with children has to live in a bed-and-breakfast hotel for longer than six weeks, with numbers reduced by more than 50 per cent. over the past year alone. We have provided significant additional funding for local authorities and voluntary sector agencies to support delivery of these homelessness strategies, doubling previous spending plans. We shall spend £5 billion on more affordable housing, which is double the level of investment that we inherited in 1997.

Chris Grayling: If the Government have maintained the building of affordable housing at 1997 levels, does that mean that since then we have built more new affordable homes than the total number of homeless families?

Phil Hope: The hon. Gentleman raises an important point about affordable housing, to which I shall turn in a few moments. Conservative Members continue to moan about the Government's so-called concreting over of the countryside, yet it is authorities' refusal to meet their obligations under the planning system to revive land and homes for people to live in that causes demand to outstrip supply. The hon. Gentleman should ask some of his colleagues to consider why affordable homes are not being built at the rate that they should be.

We are spending £5 billion more on affordable housing, and we shall spend £22 billion on communities and housing during the next three years—an increase of 40 per cent. on current figures.

The hon. Member for Banbury bemoaned the fact that his local authorities were underfunded. Since 1997, in general terms, Government grant to local authorities has gone up by no less than 30 per cent. in real terms. That contrasts starkly with the 7 per cent. cut in central Government funding for local government in the last four years of the Conservative Administration. More specifically, he alleged that north Oxfordshire has been ignored in terms of housing capital allocation. Of the three authorities in north Oxfordshire, two—Cherwell, which he mentioned, and West Oxfordshire—volunteered to give their allocations to the Housing Corporation. If he does not agree with that decision, perhaps he would like to go back to his district council to discuss it. The third, Oxford, has been allocated increased housing funding for the next financial year. In 2003–04, Oxford received more than £2.5 million, which will rise to £2.9 million in 2004–05. I hope that that deals with the hon. Gentleman's point.

In the course of listing alternative action points that the Conservatives would implement, the hon. Member for Cotswold made several interesting Conservative spending commitments, which we are looking forward to costing. Of course, he did not say that he would match the £22 billion sustainable communities plan that we have published, nor that he would match the £5 billion of affordable housing. We shall have to see how his sums add up in the end.

I am pleased to say that we have had real success in tackling rough sleeping. Some of us remember that a Conservative Secretary of State bemoaned the fact that he had to step over rough sleepers when he came out of the opera in London. Instead of stepping over the problem, we tackled it. Towns, cities and boroughs such as Brighton, Oxford, Bristol, Manchester, Leeds and Camden have all seen the number of people sleeping out on their streets plummet through the work of multi-agency partnerships led by the local authorities. We still want to make sustained reductions in some areas, and we are bearing down on that problem.

We have made much progress towards our bed-and-breakfast target, as the hon. Member for Kingston and Surbiton (Mr. Davey) was good enough to acknowledge. In 2002, we decided, alongside a number of wider measures, to tackle the pernicious feature of homelessness that is families with children in bed-and-breakfast accommodation. We were determined quickly to bring an end to the scandal of children being forced to spend long periods in cramped bed-and-breakfast hotels, having to share washing and cooking facilities with strangers and with no room to play or do homework. I am pleased to say that local authorities across the country are reporting good progress towards our target that, by March 2004, no families with children should be in B and B accommodation for longer than six weeks. As hon. Members will know, we

have moved to outlaw its use, except for short periods, from 1 April, empowering homeless households and ensuring that we put an end to that scandal once and for all.

I turn to prevention. As I said, the figures on homelessness are increasing. We have embarked on a programme to ensure that the causes of homelessness are recognised and understood at a local level. The problem is as much about social exclusion as about the availability of affordable housing. We need to understand the personal factors that can lead to homelessness. The hon. Member for Sutton and Cheam referred to older people and to those with mental health problems. Other factors include drug and alcohol abuse, debt, family relationship breakdowns or domestic violence. We need to help people rebuild their relationships with family or friends, to stay in education or to take up training or employment. As the hon. Member for Cotswold said, multiple factors contribute to the problem of homelessness.

Mr. Burstow: Does the Minister agree that there should be adequate working between the health service, especially mental health services, and local authorities in drawing up their homelessness strategies?

Phil Hope: The homelessness legislation provides an important safety net for vulnerable people who are homeless, including the elderly. There is no set age—the critical factor is whether they are vulnerable. For the homelessness statistics we collect information on reasons for being accepted as homeless, including old age, but we recognise that people may be vulnerable for more than one reason. Last year, we consulted on ways in which to improve data collection, and some changes will be made to the next quarterly statistics. We need to know the causes of homelessness. Age may come into it, but there are often multiple factors. Under the initiative on homelessness and the mentally ill, several high-care hostels have been built with Government capital funding. The initiative focuses on homeless people who are vulnerable due to mental ill-health, including older people, and revenue costs are met 75 per cent. by central Government and 25 per cent. by local authorities. That may not deal with all the problems, but I hope that it demonstrates that we recognise the concerns mentioned by the hon. Member for Sutton and Cheam about such people being hidden and isolated. We expect local authorities, with the help of central Government, to address their needs.

I congratulate the hon. Member for Banbury on mentioning the difficulties that are faced by young people and the projects in his constituency that are doing good work to try to tackle them.

As the hon. Members for Epsom and Ewell and for Cotswold said, any attempts to prevent and tackle homelessness have to be part of a wider effort to improve the supply of good-quality, affordable housing. Funding for the Housing Corporation's development programme has risen to around £1.5 billion to provide homes for rent and low-cost home ownership—an increase of £0.5 billion on last year—and £300 million of that has been top-sliced for a challenge fund to produce more than 8,000 new homes in London and south-east England. I shall be interested to know whether the Conservatives will ever match that pledge.

In total, we are investing £5 billion in more affordable housing, including £1 billion for key worker housing. I have to say to the hon. Member for Kingston and Surbiton that I regret the Liberal Democrat's decision to abandon that scheme if they were ever to get into power. We believe that it provides important support for young key workers to get into housing for the first time.

We are tackling the issue of empty homes and dealing with the question of building of affordable housing. We have had a lot of success in tackling the worst manifestations of homelessness—rough sleeping and families with children living in bed-and-breakfast—but our prevention agenda is beginning to show results. We are building more affordable housing and setting the right agenda for reducing levels of homelessness in future.

National Botanic Garden of Wales

11 am

Hywel Williams (Caernarfon) (PC): I am pleased to have this opportunity to debate national lottery funding and the future of our national botanic garden of Wales, which is in the constituency of my hon. Friend the Member for East Carmarthen and Dinefwr (Adam Price).

The national botanic garden opened in May 2000 and was the first such garden to be opened in Britain for about 200 years. It is located in the south-west of Wales, in what some people call the garden of Wales, in my hon. Friend's constituency and it is indeed a national institution, which is one of the themes that I want to pick up in the debate. The garden was given the status of a national institution by the former Secretary of State, now the Secretary of State for Northern Ireland, and it was praised by the First Minister of the National Assembly Government for Wales—at least when it suited him.

The garden has many virtues; for example, in terms of its academic work. On Friday, I visited a community garden in the village of Deiniolen in my constituency, which is being established and supported by the horticultural college at Llaneurgain. I was told that the college sees the national botanic garden at Llanarthne as a vital resource and support, even though Llaneurgain, more commonly known as Northop, is at the other end of the country. The college is almost as far away as one can possibly get from our national botanic garden, yet it sees the garden as a national resource.

The garden has an important role in conservation, doing vital work in protecting and preserving the biodiversity of our planet, which is now under such threat, that some projections estimate that many tens of thousands of species will be lost over the next 20 to 30 years. The garden studies and conserves plants from all over the world, including trees. It also has an important role as a public garden of beauty and interest to be enjoyed not only by people from all over Wales but by people from all over the world. There are visitors from many countries, including England. It is the third-largest paid-for visitor attraction in Wales, drawing in more than 200,000 visitors in 2000–01 and about 142,000 in 2002–03. It is in no way unpopular, but a significant attraction in its own right.

The garden has historical significance, as the garden of a great house that was demolished and rebuilt over the centuries. The present garden is, in some ways, a revival of the 18th-century garden that was left when the house was demolished in that period. It also has significance in respect of the medicinal plants grown there. Many Welsh people know of the famous doctors of Myddfai, which is close to the garden. The Meddygon Myddfai were for generations medical practitioners in the south-west of Wales and used the medicinal plants of the area; those plants are reflected in the collection at the national botanic garden.

Lastly, and not insignificantly, the garden contributes greatly to the local economy in south-west Wales. The Institute of Welsh Affairs estimates that the garden's contribution to the local economy is about £4 million per annum. Other estimates put the figure much higher, for example, at £8 million, but clearly the garden contributes greatly to the local economy by drawing in visitors from all over the world and from Wales and England.

The garden is a national institution in a country which has few such institutions, compared to Scotland, for example, and those that we have, such as the national university of Wales have been hard won. It is relevant to the funding of the garden, and indeed to discussions to be held elsewhere in Parliament today, that the university of Wales was originally funded in part by contributions from the mass of the people of Wales—quarrymen, miners, farm workers and their families—who were prepared to forgo a small part of their income to contribute to the fund to set up university colleges at Bangor and Aberystwyth. That might be seen as an early example of a lottery, or as a proto-income tax. The so-called ordinary people of Wales were prepared to make voluntary contributions that were clearly intended to fund an institution from which they might not derive direct benefit themselves, although their children might have done so. It was a proto-income tax raised and spent for the national good. That is an important principle whose virtue should be self-evident to any socialist Government—perhaps even to the present Government.

The garden is a national institution and was set up at a cost of £42 million, half of which came from lottery funds. It is highly significant that such an amount came from the heritage fund; the garden was a millennium project. The other half was raised from various bodies, including the Welsh Assembly Government and private sources. In that respect, the project was a very good model.

As a national institution, the garden is alongside other institutions such as the national library at Aberystwyth and the national museum, which has various locations, including one in my constituency. Entry to the national museum is free to the public. There is no charge for entry either to the national museum of the slate industry in my constituency or to the national museum of Welsh life at St. Fagans just outside Cardiff. There is clearly a contrast with the national garden, as it charges for entry. Other national institutions are the National Assembly for Wales and the Welsh Assembly Government.

The botanical garden is in some financial trouble, although I do not intend to go into the fine details of those problems this morning, but I understand that it needs a sum of about £3 million to secure its medium-term future to 2009. It is estimated that the garden needs about £500,000 per annum, so given its current financial problems, how does the Minister for the Arts see the role and the responsibilities of the original funders being discharged now and in the future? The garden is a large public investment—£21 million from the millennium fund alone—and there is no little danger that the value of the garden will be lost to Wales and indeed to the world. How does the Minister see the original funders as discharging their responsibilities? Does she see herself as having any responsibility to safeguard that public investment, or is it merely a matter for the Welsh Assembly Government?

How does the Minister view the future funding of the botanic garden, as compared, for example, to funding for the millennium dome? The dome was of course set up at the cost of many hundreds of millions of pounds of

public money and now lies almost idle—some would say idle and useless—yet I understand that it is still being funded, to the tune of about £50 million so far. An end may be in sight, but it is quite far away and a large amount of public money is still going into the dome. How does that compare with the botanic garden? Indeed, how does the dome compare to a garden of great public and academic value—a living thing? Apparently, the Welsh Assembly Government do not even rate the garden at £3 million. What does the Minister think?

It is ironic that I as a Welsh Member and, indeed, as a Welsh nationalist, have to seek answers on those issues in this place, but I understand that the Welsh Assembly Government have refused to discuss the matter further in Cardiff. That is, of course, entirely a matter for them. How does the Minister view the responsibility and power of this place—if any—in respect of the national botanic garden of Wales? There seems to me to be a crack in the constitutional floorboards, and responsibility for the national botanic garden—set up in part with UK money—seems to be slipping through.

May I ask the Minister another question that the Welsh Assembly might well have pondered, given the fact that the garden was set up by a UK body? There are similar institutions in the UK; I understand that there is a botanic garden in Scotland and there is, of course, the garden at Kew. I understand that the garden at Kew is funded by the Government in London to the tune of £21 million. May I ask the Minister whether there is a Barnett consequential to that sum? If so, the sum in Wales would be £1.2 million, which would be more than enough to tide the garden over. It would also complement the lottery funding that I have already mentioned, and the funding from private sources and from the Welsh Assembly Government. Is there a Barnett consequential? If not, why not? If there were a Barnett consequential, that £1.2 million would, of course, have been sent on to Cardiff. There are also serious questions for the Welsh Assembly Government about how the moneys involved were disposed of, and my Friends in the National Assembly will be assiduous in pursuing that matter.

I have tried to confine my enthusiasm to asking questions directly relating to the responsibility of this place for financial matters relating to the Barnett formula. I know that my hon. Friend the Member for East Carmarthen and Dinefwr is keen to make a contribution to this debate—with your permission, Mr. McWilliam—as he has a constituency interest in the matter. However, I would like briefly to finish by making one slightly broader point about how we value institutions such as the national botanic garden. Is it a national institution that has value beyond being a visitor attraction? What is now being proposed appears to be to do with it being a visitor attraction and nothing else. Are we prepared to risk the future of such a great institution by relying on the whim of an extra visitor who might be drawn in by an attraction, or do we value the place for what it is: a national garden of academic, historical and local interest, as well as of value to tourism? I would be interested to hear the Minister's philosophical take on this question. Should we allow the markets to rule what happens to the garden, or should either the Westminster or the Welsh Assembly Government intervene? There is not a great deal of funding at stake here; £3 million is not a great deal. I am sure that that money should be found if we value the best things that our country has to offer.

We have seen acts of great philistinism in Wales over the years. I remember, as a young student, seeing the destruction of the Triangle in Merthyr Tydfil—a fine example of 19th century working-class architecture—which was razed to provide extra parking space for a factory. Recently, we have also seen the destruction of the Dunlop factory in Brynmawr. That amazing example of modernist architecture at the top of an industrial valley was razed to the ground to provide space for a shopping centre. Shopping centres are all very well and good, but we need to stand against this tide of philistinism and ensure that the national botanic garden of Wales does not go the same way.

11.13 am

Adam Price (East Carmarthen and Dinefwr) (PC): I am grateful to my hon. Friend the Member for Caernarfon (Hywel Williams) for allowing me to make a brief contribution to this debate. As he said, it is not with any great alacrity that we, as Welsh nationalists, stand here urging the Westminster Government to intervene where the Welsh Assembly Government have so far walked away from their responsibilities and washed their hands of the problems of the national botanic garden of Wales. It is ironic that, 100 years ago, when Wales did not have home rule and was a good deal poorer than it is today, it was able to create a national university with five university colleges, a national library and a national museum, yet is now unable to create a national institution despite having democratic devolution.

The national botanic garden was meant to be a great national institution—a Welsh Kew, a botanic garden of world-class quality. Unfortunately, however, the eyes of the world are now being focused on Wales for all the wrong reasons, with the crisis that is still going on at the national botanic garden. However, in this case, some responsibility does lie with the Government here at Westminster. One of the benefits of devolution is that we are allowed to make our own mistakes, and I fully accept that we have to take on the responsibility that comes with that. The Welsh Assembly Government do have some responsibility for this matter, but there are also questions that need to be asked at Westminster.

Much of the funding for the garden has come through routes that involved ministerial responsibility, including £22.6 million from the Millennium Commission to date, and a further £6 million from the European regional development fund, which was at the time the responsibility of the Department of Trade and Industry here in Whitehall. Prior to the creation of the National Assembly, the then Secretary of State for Wales, the right hon. Member for Torfaen (Mr. Murphy), declared Middleton to be a national botanic garden, with all that that entails in terms of its scientific and educational work. The location was chosen by the Secretary of State and the Wales Office, and the Wales Office signed off the business plan, which clearly stated that the garden would need ongoing public funding for its scientific and educational work.

My hon. Friend the Member for Caernarfon has pointed out that the garden is quite successful as a visitor attraction. It is the third most successful paid-

[Adam Price]

visitor attraction in Wales; the figure of 150,000 visitors a year in a location in Carmarthenshire that has not been a traditional tourist destination represents a success.

In the brief time that I have, I would like to concentrate on the areas of responsibility of the Minister for the Arts. Questions need to be asked about the millennium fund award. In July last year, a further supplementary grant of £600,000 was made available to the national botanic garden for the creation of the walled garden. It now appears that the Welsh Assembly Government had already made the decision at that time not to fund the garden after the end of September last year. Will the Minister tell us whether the Millennium Commission was informed by the Welsh Assembly Government of their decision to pull the plug on the national botanic garden of Wales? If it was not informed, was that grant a defensible use of public money? Should not the commission have been clearly told by the Welsh Assembly Government that they were effectively going to force the garden into voluntary liquidation?

Is the Minister also aware that the trustees of the national botanic garden of Wales are claiming that the Welsh Assembly Government are now putting pressure on the garden's creditors to force the trust into voluntary liquidation? What would the implications of that be, in terms of the Millennium Commission's investment in the garden? If the garden were forced into voluntary liquidation by the Welsh Assembly Government, would not the commission have to claw back the money that has been invested, in accordance with the conditions attached to the grant?

Is the Minister aware that the Millennium Commission believes that the Welsh Assembly Government have effectively been operating as shadow directors from January to June last year, when the Welsh Assembly Government provided some additional funding with strings attached? They forced the trust to engage in what was described as "blue skies thinking", and the First Minister of Wales asked the trust to produce a paper on what he called the "wow factor". At a time when the trust wanted to stabilise the garden's financial situation, the Welsh Assembly Government—through their First Minister—were forcing it to invest in further speculative projects. The Millennium Commission is of the view that that constituted operating as a shadow director. If the Welsh Assembly Government force the trust into voluntary liquidation, the commission will act to claw back its £22.6 million investment from the Welsh Assembly Government, who have been acting as shadow directors without being prepared to take responsibility in terms of financial accountability.

In relation to some points made by my hon. Friend the Member for Caernarfon, substantial money is still going into the millennium dome, which is closed, but it seems that we do not have a Barnett consequential for Wales in terms of the money going in at Kew. The money necessary to save the £22.6 million of lottery funding that has gone into the national botanic gardens, and the £3 million involved to 2009, would be a small public investment compared with the public investment that has gone into other projects.

Clearly, there would need to be discussion with other Departments, but I ask the Minister whether it would be possible to save this national institution for Wales and to prevent the Millennium Commission from having to claw back that money from the Welsh Assembly Government, who hitherto have not lived up to their responsibilities.

11.21 am

The Minister for the Arts (Estelle Morris): It is good to see you in the Chair again, Mr. McWilliam. First, I must say that this is the most difficult position that I have ever found myself in during an Adjournment debate in terms of my responsibilities. I want to put it on record that I have no problems with answering on behalf of ministerial colleagues here in Westminster. That is proper—I would never seek to hide behind the fact that another Westminster Department, not mine, is involved—but I have genuine, and I think understandable and acceptable, difficulties: I should not answer for the Assembly in Wales, and I want to explain the Government's relationship with the Millennium Commission. This is not how I normally like to answer Adjournment debates, so I almost apologise in advance for being about to opt out of addressing some questions for reasons that are obvious, but which I will put on the record.

I understand the passion with which the hon. Members for Caernarfon (Hywel Williams) and for East Carmarthen and Dinefwr (Adam Price) have spoken. If such an institution was in my constituency, I would have felt as optimistic and joyful about having it as they did, and I would feel as pessimistic and sad about possibly losing it. We would all take that parochial and national pride and pleasure in housing a project that could have been, and I hope may still be, so important and so good.

One thing that neither hon. Gentleman said is that Wales was the only country in the United Kingdom that did not have a national botanic garden. I would imagine that when the original allocation was made it was seen as a right and proper thing to do. As the hon. Member for Caernarfon said, the gardens are not just for Wales, but are of international significance. They would have been a place of international research, studying sustainability and conservation. Indeed, I understand that they are the third most popular visitor attraction in Wales and the most visited gardens.

All that stands well, and I understand where people are coming from, so let me explain the relationship with the Millennium Commission, because that is my area of responsibility, for which I stand and answer here today. First, this is an arm's-length relationship. It would be wrong if the Government interfered day by day in the distribution of lottery money. That is not tax money, and we do not have a mandate from the electorate as to how to spend it day by day. The arm's-length principle, which was established when lottery funding began—that is where the Millennium Commission gets its money—is right and proper.

It is my responsibility to safeguard the propriety of that relationship, which is set out in the letters of intent and of instruction. My ongoing relationship with the Millennium Commission is not about seeking to force it to do something different from what it is doing; it is about ensuring that it is standing by the way that it was asked to work when it was set up.

Having said that, we are discussing an example of an issue that has emerged from Millennium Commission funding in general. I want to touch on that, because it is where, to some extent, I have to rest my case. We should think back to how things were set up: this project is no different from any other that was funded through the Millennium Commission. That has to be made clear. Of the £43 million estimated to be involved in setting up the gardens, roughly half came from the Millennium Commission.

On the face of it, this was an excellent joint initiative supported by a number of admirable Welsh bodies, as well as United Kingdom bodies—we were setting up the Welsh Assembly at that point. Those bodies included the then Welesh Office, Carmarthenshire county council, the Welsh Development Agency, the Wales Tourist Board and the Arts Council of Wales. Again on the face of it, the initiative should have worked. It should have flourished and flown, and we should be having an Adjournment debate on how well it has done, not about the difficulties it is in.

I should put it on the record that the Millennium Commission was committed to finding about £22 million—about half the money—of which £10 million went in the first phase. That has gone, as it was part of the expenditure involved in setting up the gardens. Also, £13 million was available for phase 2; £10.7 million was paid while £1.6 million is being held back due to the lack of match funding.

The issue here is one of revenue, not capital; this is a revenue problem, not a capital problem. The Millennium Commission is acting properly in saying, "We have £1.6 million, but at this point we are not convinced that the match funding is there to enable us to release it." Both hon. Gentlemen properly asked, "Should not the Government act now to secure the Millennium Commission funding that has already gone in?" In a way, that is justification for holding back the £1.6 million of capital that has not gone in so far, so I support the Millennium Commission in the way that it has acted. However, the non-negotiable, non-breakable rule for the commission is that it has never offered revenue funding. It is not involved in that.

The Millennium Commission will get no more money. It will become part of the merged distributor. It does not have a life beyond the duration of the millennium projects. I want to put this as carefully as I can: I need to put it on the record that the commission funded more than 200 capital projects on 3,000 sites. Only two have closed—the Big Idea in Irvine and the Millennium Faith Experience in Bradford. Wales received a total grant of £130 million across the commission's grant programmes, involving nine capital projects on 55 sites.

Having said that, the truth is that this is not the only Millennium Commission-funded capital project with revenue problems. There are not a lot of those, but there are a few, and some science centres are in exactly the same position. I support the Millennium Commission's decision not to go down the line of saying, "Okay, we'll make an exception with the botanic gardens. We'll come in with revenue." That was never the reason for setting up the commission, and it has not broken that golden rule with any other institution. It is a proper way to safeguard its role in lottery funding and the millennium celebrations to say, "We are not going to down the road of revenue funding."

That deals with my Government accountability and that is my explanation. I am happy with those, but my problem in terms of answering this Adjournment debate arises over the fact that the challenge for the botanic gardens is securing that revenue funding from somewhere so that the Millennium Commission can be confident in releasing the £1.6 million that it has been unable to release so far.

Both hon. Gentlemen were bound to say that the Welsh Assembly could or can, might or will come in with further revenue funding. That is the Assembly's decision. I put it on the record that the Assembly has released £1.6 million in three tranches—£360,000, £1.06 million and £150,000. This is properly a decision for the Welsh Assembly. It is not for me to comment on it or to urge that certain actions be taken. I do not want to tread on the Assembly's toes, and I state for the record that it is not a job of the Westminster Government to second-guess how the Assembly spends its revenue.

The hon. Member for Caernarfon opened the debate very honestly, and there is a problem for Wales in that devolution means inheriting the problems as well as the good things. The botanic gardens project has not yet come to an end, and I hope that in the time left funding is found from somewhere in Wales. I hope also that there is a partnership that can achieve that.

Adam Price: Will the Minister address the issue of claw back?

Estelle Morris: Yes. The Millennium Commission would become a creditor should the botanic gardens close. Without being an expert on that, I understand that there are creditors such as banks and perhaps others that would be ahead of the Millennium Commission in the queue. The hon. Gentlemen were right to say that, if the project folds, the Millennium Commission would obviously seek to regain such money, but I think that their prediction is right in that there would be no way that it could recoup the money invested on a capital basis. I wish them well in their campaign.

11.30 am

Sitting suspended until Two o'clock.

Climate Change

2 pm

Mr. David Kidney (Stafford) (Lab): It is a pleasure to see such an array of talent here for this debate. I like to think that the quality of those seeking to catch your eye for the debate, Mr. McWilliam, reflects the importance that Parliament as a whole attributes to this issue. It has often been considered here and in the main Chamber, not least in the very full debate on climate change and sustainable development after the publication of the report of the Select Committee on International Development on 5 December 2002—that debate can be found in volume 395 at column 313WH. Since then, there has been a series of Adjournment debates. As recently as last Wednesday, the hon. Member for Lewes (Norman Baker) was here debating the Foreign and Commonwealth Office's contribution to environmental objectives.

In the few days since it was announced that this debate had been secured, I have received representations from Calor Gas Ltd. about hydrofluorocarbon refrigerants; from the Energy Saving Trust about energy efficiency measures; from the Renewable Power Association about the Department of Trade and Industry's photovoltaic major demonstration programme; and from the Woodland Trust about the contribution that woodlands can make to combating climate change. In addition, WWF provided a comprehensive brief on this subject. I have read the excellent debate pack put together by the House of Commons Library and I recommend it to hon. Members.

I requested the debate after reading Sir David King's article on 9 January in *Science*, which is described in the media as the in-house magazine for American scientists. In his article, he rehearses what has become the orthodox view of scientists about the recent history of climate change and its causes. He describes the 0.6° C rise in temperature and the 20 cm rise in sea levels in the past century, and reminds us that the 10 hottest years on record have all been since 1991. He goes on to explain that those phenomena cannot be explained simply by natural cycles and disturbances, so he and many other scientists conclude that they are, by and large, caused by human activities such as burning fossil fuels for home heating, industrial processes and various modes of transport.

Sir David and many other scientists predict that, without intervention, temperatures will go on increasing, sea levels will carry on rising, polar ice caps will shrink, there will be greater extremes of weather, and flooding will be more frequent. However, in his article he does not dwell on a particular factor that concerns me: the possible effects on biodiversity. A study published on 8 January, which was widely reported in the media that week, indicates that between 15 and 37 per cent. of land species in the area that was studied could face extinction by 2050. Sir David concludes his article by saying:

"In my view, climate change is the most severe problem that we are facing today, more serious even than the threat of terrorism".

I should add that it is also more serious than higher education funding.

In the same article, Sir David states that the UK is in the vanguard of international efforts to reduce emissions of greenhouse gases. He also complains that the United States of America is not playing its part, and points out that, although it has 4 per cent. of the world's population, it is responsible for more than 20 per cent. of harmful emissions. Sir David therefore calls on the United States to play a leading part.

Will the Minister say what his Department and the Government are doing to reinforce Sir David's message, and what actions are being taken to persuade the US Government to join international efforts to protect the world's environment for future generations? Last week, the hon. Member for Lewes put similar questions to the representative of the Foreign and Commonwealth Office who responded to the debate. It is useful for us to keep bringing pressure to bear on all Departments that can influence the US Administration to do so.

Mr. John Gummer (Suffolk, Coastal) (Con): Is the hon. Gentleman aware that we have several times asked Ministers whether they have raised these matters with their opposite numbers in the United States? Almost without exception—I say "almost" in case I have forgotten an occasion—they have admitted that the subject has not come up. Does the hon. Gentleman agree that it should be on the list of every Minister and civil servant to ask the question each time they meet their American opposite numbers, so that the United States becomes aware of just how seriously we view it, not only in the Department for Environment, Food and Rural Affairs but in Departments from which they would not expect it?

Mr. Kidney: The right hon. Gentleman amplifies my message with great power, for which I thank him. In fairness, I should add that in the response to last week's Adjournment debate, which I mentioned, and in the most recent oral questions put to DEFRA, it was confirmed that there were specific points of contact between British Government officials and Ministers and members of the US Administration. The situation may not be quite as woeful as the right hon. Gentleman would portray it, but he and I promote the same message. As well as making the point in this debate, I have written to the Prime Minister to make it at the top of Government.

We in this country are doing our best to contribute at international and local levels. Internationally, the Kyoto protocol has the Deputy Prime Minister's fingerprints all over it. At the talks, our delegation led the negotiations that led to the legally binding agreement to reduce emissions of six greenhouse gases. If Russia ratifies the protocol, targets for reductions will become effective, and an emissions trading scheme can begin. Will my hon. Friend the Minister tell us, as far as he understands it, what the Russian Government's current position is on ratification, which would help us to bring the protocol into effect?

In this country, we have already passed primary legislation for the UK's national emissions trading scheme, and we have approved secondary legislation to give effect to the European Union directive on emissions trading throughout the EU. In addition to these efforts, our climate change levy is helping us to meet our obligations under Kyoto.

What scale of reductions do we need? Under the UN framework convention on climate change, we are seeking international commitment to reduce carbon

dioxide and other greenhouse gas emissions worldwide. In the developed economies, we are seeking to cut emissions by up to 60 per cent. from their 1990 levels by 2050. We also need to engage developing countries and persuade them to make efforts to reduce emissions of greenhouse gases. That will be another great challenge—one that was highlighted in a debate on the report published by the International Development Committee and in the brief given to me by WWF.

As a staging post towards that very challenging target for 2050, the EU accepted a legal target under Kyoto of an 8 per cent. reduction in emissions by 2008-12 from a base of 1990 emissions. The UK Government accepted that the UK's share is a national reduction of 12.5 per cent. In addition, Labour in government is aiming for a 20 per cent. reduction by 2010.

At home, we are working to meet these targets. National policy includes reducing energy consumption and increasing the proportion of energy supplied from renewable sources. In his article, Sir David points out that such environmentally friendly policies do not have to interfere with economic well-being, and that our economy grew by 30 per cent. between 1990 and 2000. Employment rose during the same period by 4.8 per cent., yet our greenhouse gas emissions intensity fell by 30 per cent. and our overall emissions fell by 12 per cent. The UK climate impacts programme, funded by DEFRA, helps organisations such as businesses and councils to assess how they might be affected by climate change. Of course the programme's climate change scenarios present us with four possible future climates for the UK based on different levels of greenhouse gas emissions, and the worst-case scenario is quite frightening.

The work by the climate impacts programme is picked up regionally and locally. A regional example from the west midlands is that of Severn Trent Water and the excellent midlands environmental business club. They lead a grouping of businesses that is focusing on how climate change could affect businesses in the west midlands. The aim of their work and that of similar groups around the country is to persuade businesses to adopt environmental management systems for their energy, their transport needs and their waste.

The Government are negotiating the international framework and have published their national policies on energy, transport and waste. I ask the Minister to explain today how the Government are to move on from the policy statement to implementation. What is the Minister's strategy for educating and engaging the public so that all of us take actions that help to combat climate change? By what means shall we persuade more people to think global, act local?

In that context, I ask central Government to engage with local government as powerful partners in the work. Local Agenda 21 was a great start. By the end of 2000, 93 per cent. of local authorities in England and Wales had local Agenda 21 strategies in place. While that activity has been, in effect, voluntary, developed in response to the Rio Earth summit call to arms, it is now arguably a statutory duty.

Under the Local Government Act 2000, local authorities are under a duty to prepare community strategies for promoting the economic, social and environmental well-being of their communities and contributing to sustainable development. Clearly, local Agenda 21 work should today be mainstream practice for local authorities, as part of the statutory commitment that they now have.

I want to digress slightly to say that we in Stafford have a really good local Agenda 21 team, which is exceptionally active. It has a website and I have brought a copy of its newsletter, *Sundial*, with a picture of the lead officer, Karen Davies, outside No. 10 Downing street at a recent reception sponsored, I think, by DEFRA.

Last November I attended the national Green Apple awards in the marquee on the terrace. National awards were given for all sorts of activities to voluntary groups, local authorities and businesses with environmental achievements. I was pleased to see that awards would be coming back to Stafford for its farm-school link education pack, its sustainable tourism tool kit "Sustainable Staffordshire", a county council computer recycling scheme and a local business, Talbotts heating, for its thermal recycling equipment.

I think I can claim that Stafford is playing its part already, but what I have outlined shows that enthusiastic individuals with the right kind of support nationally as well as locally can make a difference. I want to encourage the Minister to exploit the best practice that exists around the country, and to engage every local community in the work that we need to undertake if we are to reduce harmful emissions.

Individuals can make a considerable contribution to tackling the serious threat posed by climate change, whether by reducing energy consumption at home and at work, cutting back on the use of the car and other vehicles—converting from petrol to LPG or biofuels would help, too—composting at home or recycling waste at home. On waste and recycling, I want to mention how annoyed people are in my constituency about the amount of packaging still to be found on the goods they buy or have delivered to their homes. That is a particularly strong message from Stafford residents.

Local authorities are well placed to provide their communities with leadership, information and the tools for carrying out the necessary tasks. An obvious example is recycling: those who want to recycle are assisted by councils making kerbside collections.

Many local authorities appreciate that they can make a significant contribution to reducing the national emissions of greenhouse gases. That is why 72 local authorities have so far signed the Nottingham declaration. Last year, the Minister uttered encouraging words when launching that declaration. The declaration commits local authorities to work with the Government and to contribute locally to the delivery of the United Kingdom's climate change programme. I cannot yet directly praise the local authorities in my constituency, but several neighbouring authorities in Staffordshire are among those 72 signatories. Perhaps the Minister will take the opportunity once more to commend that local government initiative and to give it his backing. Perhaps he will say how much the Government welcome the declaration, and express their willingness to develop the relationship between central and local government for the benefit of our environment.

[Mr. Kidney]

I know from inquiries that I made of the Office of the Deputy Prime Minister that a sustainable buildings task group has been established to identify what are called specific cost-effective improvements in the quality and environmental performance of buildings. I understand that the task group will consider the scope for delivering higher standards of environmental performance of new and refurbished buildings in respect of the use of water and energy, timber and other construction materials, and in waste reduction.

I strongly believe that homes ought to be capable of meeting everyone's needs, including the needs of those who are disabled and those who may become disabled through injury, illness or infirmity. Those needs include affordable warmth and the least possible use of energy resources, especially of carbon-based ones. I understand that the task group's work will be fed into the next review of building regulations. I strongly urge my hon. Friend the Minister to take a close interest in that work and ensure that the fight against climate change is alive in that respect also. I know that the matter will be uppermost in my hon. Friend's mind on Friday, because the hon. Member for Hazel Grove (Mr. Stunell) will be moving the Second Reading of his Sustainable and Secure Buildings Bill, which makes much the same point.

Precisely what can be done to modernise housing standards can be seen at BedZED—the zero emissions development at Beddington corner in Hackbridge, which is on the line to Epsom. I visited it at the invitation of the architect Bill Dunster and Sue Venner just before Christmas. It gives a glimpse of what modern design and technology already allows us to do in reducing emissions to zero. However, an awful lot of encouragement and facilitation is needed before that sort of practice can be taken up all over the country.

Mr. Gummer: When the hon. Gentleman visited BedZED did he notice that the real issue is getting sufficient volume—it would not be large—to ensure that the environmentally friendly energy-saving elements of that system are competitive with what those of what one might call traditional building systems? The zero use of energy in such systems can be had at the same price as for conventional building, if not more cheaply, if only it has a sufficient headstart to get its factories tooled up to provide those elements. Would it not be beneficial if the Government helped in doing precisely that, so that we got it under way?

Mr. Kidney: Indeed, I picked up two powerful messages from my visit. The first was that that kind of development is outside the comfort zone of today's construction companies. Secondly, many of the component parts of the BedZED development come from other parts of the world because British industry is not tooled up to provide what is needed. Industry will need a greater market to have sufficient incentive to provide that. I agree with the right hon. Gentleman that the Government could help by giving support and enthusiastic backing to such developments. I was about to ask whether my hon. Friend the Minister has been to BedZED for himself to pick up those messages. If not, will he arrange to do so?

The Minister for the Environment (Mr. Elliot Morley): By coincidence, it is in my schedule to go to BedZED tomorrow with the Swedish Environment Minister, as part of the joint UK-Swedish conference that we are hosting on environmental technologies. However, as my hon. Friend will know, it might be difficult for me to get away.

Mr. Kidney: My hon. Friend has just spoiled what I was going to say about how effective these debates must be if I raise the subject today and he visits tomorrow.

Mr. David Drew (Stroud) (Lab/Co-op): I apologise for missing some of my hon. Friend's remarks. Does he agree that the other thing that is so important about BedZED is that it links energy efficiency not only with, I hope, a way of dealing with fuel poverty, but with the cycle to waste? BedZED demonstrates that waste must be central to any energy-saving approach—at least that is what I took away from my visit.

Mr. Kidney: The reason BedZED is so exciting is that is plugs into so many other issues. For a start, it is a partly rented, partly outright owner-occupied and partly shared ownership development, which is a good example to us all. As my hon. Friend says, the project not only features energy efficiency measures, which reduce residents' energy bills, but deals with the waste from the site internally, rather than passing it to somebody else. On top of that, some of the parking spaces for residents have charging points next to them, so that people can use electrical vehicles as well as petrol-driven ones. The whole project is very exciting indeed, but no similar developments are currently on the horizon. That is why the assistance that my hon. Friend the Minister and others can give to the architects with such vision at BedZED is so important.

I should like to turn our attention to the people alive today to whom this debate matters the most—children. The decisions that we politicians take or fail to take today will decide what kind of world they inherit from us tomorrow. Although there are many immediate demands on the minds of our young people, most take a keen interest in what their world will look like. I can give two recent examples of that from my constituency.

First, quite a large number of schools in Stafford have achieved the environmental campaigns category of eco-schools. Indeed, Encams says that Staffordshire has the highest proportion of eco-schools of any part of England. Encouraging youngsters to show an interest in sustainable development is commendable. When I visited schools such as Weston Road high school and received presentations from those on the school council on their eco-activities, it was encouraging to hear them speak with authority not only about matters affecting their local environment, such as litter, but about the national picture, the international picture, greenhouse gases and so on.

Secondly, just last Friday I answered questions from 180 year 8 pupils at King Edward VI high school in Stafford, as part of their citizenship curriculum. A large

number of the questions asked in the session, which ran for 50 minutes, had an environmental aspect. One pupil asked directly about the ozone layer and two asked separate questions about aspects of flooding policy.

Young people have a keen interest in their environment, unprompted by people such as myself. It is right to involve them in action to tackle climate change, because they have a direct stake in the results. If young people explained why we should get things right for them, that would act as a powerful incentive to adults. I invite the Minister to consider how we can reach out to young people and engage them in the important issue of climate change. The eco-school scheme is an obvious channel. I have asked questions of DEFRA about how we use that channel effectively, but there must be many other ways too.

I realise that my speech has had a broad sweep. I began with international action, then moved on to Government policy nationally, and the actions of businesses, local councils and individuals, and now I have asked the Minister to involve children. That means not that my speech has been unfocused or poorly structured but that it reflects the seriousness of the subject. Like Sir David King, I rather think that saving the world is about as big a picture as it gets.

2.25 pm

Mr. Randall (Uxbridge) (Con): I congratulate the hon. Member for Stafford (Mr. Kidney) on securing the debate. His speech was very good and he need not apologise for it. If anything, it is me who might have to apologise to the acknowledged experts around the Chamber. I shall make my contribution quick and to the point so that we can hear their wise words. In that respect, I am delighted to see my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), from whose presence we will all benefit. The hon. Member for Lewes (Norman Baker) and the Minister also have great expertise on this issue.

Although we hear increasingly about climate change, I am afraid that there is still a degree of scepticism among the general public about whether it exists. In the next few days, as the promised cold snap takes hold, people will say, "What are they talking about? Global warming? What do the experts know?" However, as we all know, it is not an outlandish theory that has been put forward by some academics in an ivory tower. We must all take it seriously.

In *The Independent on Sunday*, I read a rather worrying article, according to which the Woods Hole Oceanographic Institute in the United States has

"uncovered a change 'of remarkable amplitude' in the circulation of the waters of the North Atlantic."

Put rather simply, the Gulf stream could, in effect, shut down. As a result—I remember this from my days of geography at school—the UK's climate would become more akin to that of Labrador in Canada, and we would have vast tracts of tundra and winter lows of minus 20° C. Thus, some predictions say that our climate will become increasingly warm while others say that we will enter a new ice age. That is perhaps why the public are sometimes a little sceptical about what experts say. None the less, I take the issue very seriously, as do others who are taking part in the debate.

Although global warming directly affects all our lives, I want to talk a little about its impact on biodiversity. Climate change is the greatest single threat to wildlife worldwide and might drive a quarter of all land animals and plants to extinction if people do not take drastic measures to reduce the greenhouse gas emissions that cause global warming. At least one species—the golden toad in Costa Rica—has already become extinct because of climate change.

The intergovernmental panel on climate change estimates that the earth will warm by a further 1.4° C to 5.8° C in the coming century, disrupting human society, wildlife and the environment on which we all depend. That far outstrips the rate of previous temperature changes, which occurred at an evolutionary pace, giving nature time to adapt. In the 21st century, temperature rises that previously took thousands of years will take place in the span of a human lifetime. That raises the concern that, in many cases, wildlife will struggle to adapt and survive.

There is already evidence of the effects of weather changes on the life-cycle of birds and other wildlife. For 30 years, the Centre for Ecology and Hydrology has run a UK volunteer network to record trends in nature's calendar. People record annual events such as the budding and leafing of deciduous trees and the first appearance of bluebells, frogspawn and bumble-bees. The network's long-term data show that spring definitely arrives earlier. For instance, swallows now arrive a week earlier than they did in 1970, and butterflies such as the comma and the holly blue are also appearing much earlier. However, leafing trees, the insects that rely on fresh leaves and the birds that rely on those insects have adapted at different rates. Some have shifted out of phase. I understand that nestlings of blue tits and other species on some of the Royal Society for the Protection of Birds' reserves have starved because the glut of early spring caterpillars that they rely on has finished before the young have hatched.

As global temperatures increase, local weather patterns will change. In the UK, we may have more storms and the winters will become warmer and wetter. Summers will become warmer and drier, especially in the south-east. Birds will not only respond to the weather, but to the effects of weather on their habitats. Let us take the redshank as an example: a once-widespread breeding wader in the United Kingdom, its habitat has already been harmed by the drainage of land for agriculture. The redshank nests on coastal salt marshes, wet meadows and moorlands. All three of those habitats are threatened by climate change. Hotter summers will dry up moorlands and wet meadows, while rising sea levels and the increasing ferocity of winter storms pounding the coast will erode the salt marshes and flood coastal land. The poor old redshanks will lose out in all ways, and they are not the only ones.

We can map present and future areas with suitable climatic conditions for many species. Warming conditions will require birds to move to areas that resemble their usual climate space. For most species, that will mean expanding their range northwards or upwards in the UK. Birds that now breed only just inside Scotland, such as nuthatches and green woodpeckers, may now extend their range far into Scotland. Some birds that are currently limited to continental Europe could begin to gain a foothold in southern England.

[Mr. Randall]

Such simple adjustments are not enough. The habitat must be suitable as well as the climate and it must contain all the birds' needs, such as food and nest sites. Although it is self-evident that birds can fly—although some species, like the willow tit, are sedentary and seldom fly far—heathland plants, reptiles and other species, such as the minute flora and fauna of the soil on which much other life depends, cannot fly away. They would find the move north more difficult, a problem that would be greatly aggravated because human beings use so much of the land across which they would wish to move.

Species will move at different rates, depending on how near they are to the edge of their ranges. We may lose some of the highland species in the north of Scotland, such as dotterel, ptarmigan and snow bunting, as they are squeezed higher up the hills. Eventually they will cease to breed in the UK, because there will be no suitable habitat.

Only one bird is found in the UK and nowhere else in the world, and that is the Scottish crossbill. It lives in the old Caledonian pine forests in the Scottish highlands. The precise climatic conditions and habitat that it needs will have disappeared in Scotland by the end of the century. The backbone of nature conservation policy worldwide is site based—in other words, it consists of plots of land that are set aside to conserve particular species. That policy will need to be adapted in a situation in which species are likely to move and ecosystems change. There will have to be corridors or stepping stones to permit species movement.

Unfortunately, implementing such measures may be hard in a fragmented landscape. Land use policies, such as the common agricultural policy, must be developed to extend conservation management for climate change across the wider countryside. I am grateful to have had this opportunity to raise a small aspect of the many perils of not taking the problem seriously.

2.34 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am grateful to my hon. Friend the Member for Stafford (Mr. Kidney) for choosing this debate, even if he did not quite realise the auspicious day on which it would take place.

I shall raise two specific points, as they need to be highlighted. I apologise again for missing some of my hon. Friend's introductory remarks. My points are crucial in providing a mechanism for action on climate change in this country. Let us give the Government credit: we are at the forefront of this subject—no other country can pride itself on having introduced a panoply of measures such as ours.

My first point relates to the apparent lack of co-ordination and the impact that that can have. Given what the Government have tried do in the related areas of energy efficiency and fuel poverty, they ought to have a good story to tell. They should not congratulate themselves—they do not need to do that—but they should receive plaudits from people who have benefited from policies such as Warm Front. It is disappointing that that is not happening as readily as one would like. That is partly because those who are benefiting are confused—the rest of the public certainly are—about how the policy is working. That is dangerous because we could find, as we did last year, that the budget is cut. I know that some, particularly Lord Whitty, fought incredibly hard to get the money back, which brought home to some of us how vulnerable the policy was. If we are to make the micro-changes for climate change that we want, we must hold the line on initiatives such as Warm Front that, in the main, affect older people in older properties, and consider big time, for the first time, how we can enable such people to have a quality of life while staying in their properties without burning energy, which is very wasteful.

It will be good to hear from the Minister what measures we can take to ensure that Warm Front gets its proper credit and is not subject to budgetary cuts, and how we can go further. I know that discussions are under way across the parties—we all want to make progress on the issue—but unlike other parts of the budget of the Department for Environment, Food and Rural Affairs, Warm Front is not within the statutory framework, which means that it is always subject to the pressures of budget overspend. I am sure that the Minister gets my drift and will give me some positive news. However, we have to keep the initiative in mind or it could be sacrificed.

My second point relates to the robustness of the system. Like me, the Minister spent many hours on the Waste and Emissions Trading Bill. We probably spent about 95 per cent. of the time on the waste bit; the emissions bit went through not without scrutiny, but without controversy. The hon. Member for Lewes (Norman Baker) also spent many hours debating that Bill. It is good to have cross-party agreement, but I have a sneaking suspicion that the matter did not receive much attention because it is complex, and we need to think more about how it works.

Let us consider what happened on the back of the recent collapse of TXU. That had dramatic implications for the energy market, not least the way in which, because of the climate change levy, companies buy and sell to offload the impact of their obligation. For some months, little normal trading has gone on. That has caused some consternation about whether the system can do the things that we want it to do. Will my hon. Friend the Minister consider what has happened as a result of working with the current inadequacies—I know that the Government are addressing them in the Energy Bill that is now in another place—and how we can learn from that and make progress on emissions trading? We must try to ratchet up what we are doing so that we make a real difference in both the macro-economy and the micro-economy.

2.40 pm

Norman Baker (Lewes) (LD): I congratulate the hon. Member for Stafford (Mr. Kidney) on securing the debate, the hon. Member for Uxbridge (Mr. Randall) on offering useful and salient facts about biodiversity, and the hon. Member for Stroud (Mr. Drew), who, in my humble opinion, is very sound on these issues. The hon. Members who have spoken thus far are guilty of false modesty; their contributions have greatly contributed to the debate.

The hon. Member for Stafford began by obliquely referring to the debate in the main Chamber—I was tempted to call it another place. It is sad that what

should be the main debate—climate change—is taking place here when the important, but transient, subject of student fees is being discussed elsewhere in the glare of much publicity and with the great involvement of Members. What we are discussing is perhaps the most important issue for everyone in the House and beyond.

The public, local authorities, Government and international community must be galvanised so that we can find a way to get to grips with this issue and to agree a strategy that will prevent the worst things that are in line to happen from happening. The hon. Members for Uxbridge and for Stafford rightly referred to the report on biodiversity and the horrendous possibility that up to 37 per cent. of species could disappear in the next 45 years. That we are facing that situation is salutary; it is also an indictment of mankind. What could be more serious than that? There are ethical aspects to the loss of species for ever as a consequence of mankind's behaviour. There are also issues to do with our contribution to that and the implications for human life of the disruption to the natural chain of life that will entail.

This is a serious subject. Although matters such as top-up fees are important, they pale into insignificance in comparison. We need to find a way to bring it to people's attention and to galvanise them to act. We should analyse why they do not act and why the media do not focus on the subject. I am sure that I am not the only hon. Member who speaks to journalists about environmental matters. They reply, "It is not newsworthy. It has been done. We have written the story of the world warming up and species disappearing. Where is the new angle?" It is as if once the story has been written, the importance of the subject is lost. If I want to make flippant comments about Cherie Blair's hairstyle—which I do not—I could get myself copious column inches in many of the tabloids, but if I want to make a serious point about the environment, it is an uphill struggle to get anyone interested enough to find space in their paper.

We must galvanise the Government. I do not want to knock them on climate change. There are other things to knock them for, and they have quite a good record on Kyoto and climate change. They have done some worthwhile things. They are ahead of other Governments in many respects. I want to be fair about that. However, there is a problem: they do not shout about that. The Secretary of State for Environment, Food and Rural Affairs has not made a normal statement on the environment since July 2002, except to mention it at her Department's questions. We do not hear about the subject from the Prime Minister or from anyone apart from the worthy Minister for the Environment, for whom I have tremendous respect, and his predecessor. Where are the Government's announcements on climate change and the environment? It is almost as if they want to do the right thing, but are frightened of saying so in case industry, or someone else, is upset. We must fundamentally understand both the importance of the topic and the willingness of industry and the public at large to embrace it.

If we believe a report in *The Independent on Sunday*—not the one referred to by the hon. Member for Uxbridge, but a different one that the Minister knows about from this morning's debate on the water framework directive—there is a fear that the Prime Minister is trying to cut down the Environment Agency's expenditure on water pollution monitoring to cut bills or appease industry. What a short-term policy that is—if indeed that is the policy.

It is a false economy to think that cutting expenditure on the environment helps the economy. It does not work that way. The evidence shows that the forward-looking economies of the world link the environment and the economy together strongly and give incentives for the development of technology and basic housekeeping matters. A firm that switches off its toilets over the weekend when it is closed is also helping the environment and it sometimes saves substantial sums. We do not make enough of those simple connections. The Government have a role in pushing such things more than they do.

Mr. Kidney: I agree with the hon. Gentleman, but will he consider whether the Government are enthusiastic about getting the message to the public? I think that the public have the appetite for the message. Is the complexity of the subject part of the difficulty? We have heard about the questioning of the science on climate change and the difficulties of understanding emissions trading. Does he think that we have an obligation to make the messages understandable so that the media will carry them?

Norman Baker: Yes. It is not simple. There are uncertainties. However, the Government employ a large number of people to make complex messages simple. I will not mention spin doctors, but if they were used for that purpose, I would wholly welcome their activities.

It is worth putting on the record that Sir David King said:

"In my view, climate change is the most severe problem that we are facing today, more serious even than the threat of terrorism".

The Prime Minister has rightly been active in dealing with the threat of terrorism, but I am not clear what he has done to deal with this greater threat identified by his chief scientist on climate change. I do not make that point flippantly. For example, have we used our international platforms—whether in the UN, the Commonwealth, or NATO—to push the United States in particular to give a lead? What chance is there of persuading countries such as China or India to behave as we would wish them to if the greatest polluter of them all—the United States—says "We are going to take care of ourselves. We are not really bothered about the world outside. We have this fortress mentality"?

It is worth bearing in mind that this Government and the previous Government, under the right hon. Member for Suffolk, Coastal (Mr. Gummer) and others, took steps to reduce carbon dioxide emissions. We have done that in this country and, by and large, we are doing it across the European Union. However, while that is happening, the idea that the US will cut emissions by 6 per cent. has been knocked on the head. Indeed, from 1990 to 2002 emissions from the US increased by 16 per cent. The US is already responsible for 36 per cent. of carbon emissions across the world. More than one third of those emissions come from the US and they are still increasing like billy-oh. It is difficult. I do not know what the answer is. There must, however, be concerted

[Norman Baker]

pressure from friends of the United States—we count ourselves as one of those—to try to get that country to adopt a more responsible attitude.

The US is not playing its part. I come back to Sir David King, who says:

"As the world's only remaining superpower, the United States is accustomed to leading internationally co-ordinated action. But at present the US Government is failing to take up the challenge of global warming."

Those are serious words from somebody who is not a politician or a member of a pressure group. Sir David is the Government's chief man in a white coat. He is there to make calm, sensible pronouncements based on fact, and that is what he says. The Government must give us a strategy to address this problem internationally with our partners. We must do more.

The Australians are also refusing to sign up to Kyoto. Then there are the Russians, who are happy because they are in a comfortable situation. Everybody wants them to sign up. No doubt they are trying to extract a price from anyone they can for them to agree to sign up to Kyoto. Kyoto is so important that if we have to pay a price to get them on board, I hope that we do. As flawed as it may be, Kyoto is the only show in town and we need it to work. As the Russians come on board, there is a chance that the Americans—dare I say it, with a different US President—might end up at some point signing up to Kyoto as well. My great fear is not the abstract notion of the treaty, but that unless we tackle this major challenge to the environment internationally, we will face all the problems that our scientists have warned us about, such as the biodiversity problems to which the hon. Member for Uxbridge referred.

We will also face something worse: unless we break our dependency on fossil fuels and have a more sensible energy policy across the world, then we will end up with resource wars, many of them involving water. In 20, 30 or 40 years' time, we could end up deploying military forces to ensure that the basic necessities of life are supplied to us and other countries that have the military might to demand them. That is not a picture of the world I want to see. We must strive hard to avoid it, and I do not see the urgency from the Government which is required.

I am not criticising the Government for not taking action, because they are, but the subject is so urgent that I want the Prime Minister to make a point of raising it. All of us in Parliament should use the opportunities we have to push the issue. When was the last time, Mr McWilliam, that you heard a question on climate change at Prime Minister's questions? I cannot remember one being asked, which is an indictment of us all. We have had very few questions on matters of significant environmental importance in that rather curious auditorium of Prime Minister's questions. We need to do rather better.

On the Government's activities, I shall be brief so that the other two hon. Members have a chance to have their say. I mentioned the targets set at Kyoto and we will, without doubt, meet our EU basket target. The question is whether we meet the Government's brave target of 20 per cent. by 2010. There was some doubt about that. Members may remember a story in the papers in December suggesting that the Trade Secretary was attempting to knock the 20 per cent. target down to 15 per cent., and the Environment Secretary was doing her best to resist it. I do not know the truth of that, but last week I noticed a statement saying that the Government were still committed to the 20 per cent. target. If there was a battle, I take it the Environment Secretary won. In any case, the target still exists, and it is important that we hold to it.

We also have to recognise that in some ways the easy work has been done. Coal, which caused so many carbon emissions, is by and large not used in power plants now. There have been easy gains from the switch to gas, which I hope is only a bridge fuel to something more sustainable in the longer term. It is not clear how easy it will be to reduce carbon emissions further without much work.

Industry is clearly doing its bit. Figures from the House of Commons Library show that industry emissions of carbon are diminishing quite rapidly. The domestic sector's emissions are reducing as well, albeit more slowly. However, there has been a doubling in carbon emissions from road transport in the past 30 years. There is no evidence that that increase is going to be curtailed. Indeed, the evidence is that transport generally, including aviation, is going to provide the real challenge for the Government if they want not only to meet their target but to prevent a reverse in the current happy trend of a reduction in carbon dioxide emissions.

What is the Government's strategy for reducing carbon emissions from transport generally? All the indications are that they have failed in that. The energy White Paper will deliver quite a lot on renewables and energy efficiency, provided that the Government stick to their commitments and put some money into both those things. I see no strategy, however, for dealing with carbon emissions from transport—no strategy that they could deliver, at any rate.

The Government's transport strategy involved road traffic reduction. There was a big campaign on that. Hon. Members will remember that back in 1997–98, the Secretary of State for the Environment, Transport and the Regions said that he would reduce the number of journeys. He asked us to hold him to that pledge. Unfortunately, when we try to hold him to it, he seems to have forgotten that he made it. In any case, traffic volume is up 8 per cent. and I am afraid that, by stealth and in bits and pieces, the Government, for short-term political expediency, are resorting to the sort of road-building programme that I thought we had seen the back of, and which was wholly discredited in the 1990s. We are now seeing a return to such programmes, which of course will increase carbon emissions further by disadvantaging parallel public transport alternatives, in particular the railways. There is no strategy in place.

The White Paper on aviation predicted an increase in the number of airports, in runway capacity and in flights. It was close to being simply a supply-and-demand paper, in which the Government predict what will happen and provide for that. Aviation will increase and account for 30 per cent. of carbon emissions by 2030, although I might have that figure wrong. Nevertheless, a huge increase in emissions will come from aviation, an activity that is technically outside Kyoto. I hope that this Government or a future one will not say, "We have met our Kyoto targets," while

ignoring the contribution that the airlines sector makes to carbon emissions. It would be unfortunate if they did that. We need to find a way to deal with the issue, which is one of the main domestic challenges facing Ministers.

Finally, it is worth remembering the key Departments that are involved. DEFRA has a role, and I have a lot of respect for it; it is the ally of those of us who want climate change to be controlled. We must ensure that the Treasury is on board. We need to establish the link between environmental protection and economic well-being, and for there to be much greater use of economic instruments. I read a recent parliamentary answer in *Hansard* that suggests that in our country a lower percentage of tax comes from environmental taxation than in virtually any other European country. We must get the Department for Transport on board for the reasons that I gave, and we must ensure that the Department of Trade and Industry sticks to its White Paper. This is a cross-departmental challenge that requires leadership from the Prime Minister.

2.57 pm

Mr. John Gummer (Suffolk, Coastal) (Con): I point hon. Members to my declaration of interests. It is hardly possible to have any interests that are not affected by climate change, and that is a lesson for us.

I hope that what I say will encourage and support the Minister. There is a tradition, which I benefited from in my time and which I hope he benefits from now, of bipartisanship on many of these issues. If there is such a word as "tri-partisan", I am prepared to extend—unusually—an accolade to the Liberals. I know that the Minister often feels himself to be a lonely man, because there is no doubt that the enthusiasms that he manifestly has and the bravery that he has shown in defending them are not always shared by everybody else in government. That has always been true.

I congratulate the hon. Member for Stafford (Mr. Kidney) on securing this debate. Many of us are amazed that he is still in a position to secure a debate rather than looking after a Ministry. That is one of those mysteries that will one day be explained to me, and I would not be rude enough to list the Ministers who might find a better role elsewhere.

We are bound to be lonely in the battle because we say to the rest of the world, the rest of our parties and the rest of the Government that these issues are crucial. They would prefer the issues to be less crucial because they make demands of a kind that are not easy to satisfy. That is why I, like the hon. Member for Stafford, was particularly pleased that Sir David King wrote his article and made his declaration with such force. It is true that the world can deploy huge resources to deal with something such as terrorism, about the danger of which it is convinced. Indeed, it can provide huge resources to do wholly wrong things such as invade Iraq: it can spend vast sums of money on some things—in my view, entirely wrongly—while to a great extent it ignores the areas where expenditure might make a significant difference and do much to benefit the next generation. The world is willing to get on with a job when it is clear how important it is, yet what we are talking about links into every part of government and life, as I said in my declaration of interest.

I hope the Minister will accept that although I am putting forward a series of things that I think he ought to do, it is not because I think he does not want to do them. However, I recognise how hard such things are to do, and that he needs our support. Had the Minister been in the House yesterday, during a debate that was to some long and boring, owing to the nature of the subject—the details and the technicalities of fire service reform—he would have seen a problem rear its head. For the Government were being elegantly, but none the less powerfully, belaboured for changing their fire reduction target: in 10 months' time, they were supposed to have a target to reduce fires by, I think, 30 per cent. They are clearly not going to do that, so now they have a new target to reduce fires by 10 per cent. in 10 years' time.

That was obviously a matter for questioning, and the Minister concerned, who is another caring and good Minister, said that the real problem was people setting light to abandoned cars: this had led to many more incidents, which had been hard to deal with. I had to ask why those abandoned cars were there. They are there because the Government do not use joined-up thinking and have not properly thought through end-of-life vehicle arrangements. That problem is going to get worse because the Government gave way to the car industry. Instead of saying that the car industry had an immediate responsibility for end-of-life, clapped-out motor cars, they said that for the next seven years the last owners of the vehicles would have that responsibility. Who are the last owners? I will tell the Minister: they are people in his and my constituencies who have to have a motor car to get to work. In my constituency, such people are often on lower than average incomes. That is often the case in rural constituencies. They get landed with a car that no one wants and they have no resources to deal with it. I am afraid that some of them deal with it in the only way they know—they abandon it, and abandoned vehicles cost much more to collect than would have been the case had DEFRA's voice on the right way to deal with ELVs been heard properly.

Doing the right thing environmentally often saves money in the end. The Government are unable to recognise that if money is saved here, it may have to be spent there. They seem unable to do the sums so that the Department that has to spend gets the benefit from the saving. I do not blame this Government for the generality of that; it is true of all Governments. However, I do blame them for their promise to put sustainability at the heart of government when what they have done is push sustainability off to a side of government, to DEFRA. I blame them when they link the environment with woolly animals and the countryside instead of keeping it at the centre of things, as it was under the former Department of the Environment, Transport and the Regions. It was right to put transport in with the environment—I honour what the Prime Minister did then. However, he went back on the excellence of that decision and gave the Minister fewer levers than one had when one also looked after local authorities and planning, and one could use various mechanisms to carry through what was necessary to deal with climate change.

End-of-life vehicles are a simple example of what we have to do across the board. In that case, the poor old fire service ended up with those vehicles on its bill. The Treasury will not link that with the fact that it made it impossible to do the right thing—to make industry

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progressively responsible for ELVs over seven years or to put in some Government money to ensure that we met the ELV requirements more sensibly.

I suggest to the Minister that the remarks made by the hon. Members for Stafford and for Lewes (Norman Baker) need to be taken seriously into account. The Government must be serious about such matters—on more occasions, more generally and more universally. I shall cite an example from today's newspapers. We are told on very good authority that the Prime Minister will try to scale back the amount of environmental work that is done in connection with water. As the chairman of a water company, I declare a specific interest. I can tell the Government that it is not the water companies that do not want to take such action. We shall get it in the neck whatever we do. If we put up the price to try to take such action, we shall get into trouble. If we do not do it, we shall also get into trouble. I admit that there is no winning line.

I am not talking about pressure from the water industry. We know that such action must be taken. The pressure comes from the unholy alliance of usually poor industrial examples pressing on the worst of Departments, the DTI, which gives way on every occasion to any sort of pressure. The DTI has announced that it refuses to support sensible proposals, even those it could easily support, such as the private Member's Bill that will be introduced on Friday. It will ask for compulsory reporting on environmental and social matters by each of the 350 biggest companies. The DTI's refusal is absolute nonsense. What is it doing? We only want information. It is only natural and reasonable to want to make sure where we are.

Whatever the Minister says and however elegantly he tries to prevent me from driving a wedge between his Department and the DTI, I know, as a matter of fact, that he wants such reporting. His predecessor wanted it. I pay tribute to his predecessor, who did a great deal of work in such matters; he had passion and flare. It was the usual suspects—the Treasury and the DTI—pretending that industry was not ready for it, which refused to take such necessary action. If we do not have proper reporting, we will not be doing what we need to do about climate change because we will not be able to point out to companies that are not reporting properly that they are not taking the right action. I look to the Government to change their mind. I hope that, even at the last moment, the DTI will be sensible about this week's debate.

What about the Government's estate? I have some interest in the matter, but it is an outrage that the Home Office, contrary to what it promised, has hydrofluorocarbons in the air conditioning installed in its new building. Can the Government be listened to if that is how they allow their procurement to operate? One of the reasons I have an interest in such matters is that I keep my ears open: I know what is happening. It is not acceptable for the Government to be in such a position. With each new or refurbished building, the Government should take the necessary steps to combat global warming.

We should ban HFCs and give industry an opportunity. With modern technology, it is perfectly possible for refrigeration and air conditioning to operate without the use of HFCs. If we ban them, we could make a major impact on global warming gases. Between now and 2012, 4 per cent. of our global warming gases will come from HFCs. At present, none comes from them because they are not used widely enough and they are not that leaky. The Minister must reduce our global warming gases by 16.5 per cent., not 12.5 per cent., because he must make up for the 4 per cent. extra gases that will come from HFCs.

The Minister could take the lead in Europe. The Austrians are ready to go, as are others in the Europe Union. The Minister could say that we want a date when HFCs will be banned. The motor industry has said that it would like a ban in 2012 on HFCs used for air conditioning in cars. Well, if it can suggest a ban in 2012, we know that it can do it a darn sight earlier than that. Toyota and other motor manufacturers already have the appropriate machinery in place. The Department must ask the Government to impose a ban and not to listen to the little group of people for whom everything is too much, for whom nothing can be done and for whom everything is always a matter of "competitiveness"—a wonderful word. Britain's competitiveness depends on our being ahead, not behind, on environmental issues. That is what the Minister and the Secretary of State herself believe, so I am not fighting them. I am simply trying to help them fight the real enemies—the people who constantly prevent them from making the necessary choices.

The Government must put their money where their mouth is. Indeed, they do not even need to put any money there; they need only say here and now, in 2004, that no new equipment will be allowed to use HFCs from, let us say, 2008 and that no top-up will be allowed from 2012. The UK could do that on its own, so long as everyone is covered; we need not wait for the European Union. We could then be the clean man of Europe and start leading the rest of Europe. It is a simple matter.

There are other issues. I do not like the war in Iraq, and I voted against it. It is wrong, and I do not understand how we got into that situation. Looking around the Chamber, I know that I am not on my own in that. However, nothing that I hear from Basra suggests that what we are doing to reconstruct Iraq meets the highest environmental standards. When I look at the south and at the American areas, I do not see us taking a distinct course, although we could.

I see the same problem in the Government's dealings with the United States of America. It is true that the United States is changing our climate, and that is a matter of real sovereignty. How can we allow 25 per cent. of the world's pollution—I am afraid that Sir David King underestimated the proportion—to come from 4 per cent. of its population? How can we allow that 4 per cent. to go on changing our climate and that of our children? The European Union is right in that respect, and we should be far more concerned about supporting united EU demands so that the Americans listen to us on this issue.

There are many such steps that we could take and, in my remaining three minutes, I want to tell the Minister what I would like them to be. He can insist that every local authority and Department use their procurement system to advance such general and particular issues. Under European Union rules, he can insist that, when contracts go out to tender, every oil company is asked

for details of what it is doing about climate change. We need a situation in which Exxon gets no contracts at all because it has had to show that it is undermining the battle against climate change throughout the world. The only thing it cares about is what goes into its pockets, so let us say, "If you want to trade in Britain, you've got to meet the corporate social responsibility standards that we demand." After the Helsinki bus decision in the European Union, we know that such proper demands can be made in the course of procurement.

We also need to reconsider the climate change levy, whose operation was ill thought out and whose effect has been disappointing. The only reason we have not attacked it is that it is difficult to attack something called the climate change levy if one happens to be in favour of doing something about climate change. However, now is the time to reconsider it.

It is also crucial that we understand the cost of not taking the necessary steps. The Minister was kind enough to allow me to see him on Thursday to talk about coastal erosion. I have just looked at maps of my constituency and seen the speed with which erosion has increased as a result of climate change. Five separate parts of my constituency are under threat from the sea, but the Government have rewritten the rules on measuring the need for coastal support and have diverted money from it. The Minister promised last summer that a whole series of things could be done, but, under the new rules, the word "urgency" has been removed from the measurement. One can no longer seek extra help for urgency, which means that all my areas are excluded from help. The Minister must put the urgency component back in. I put it to him that unless the public understand the cost of not doing something about climate change—whether ELVs or coastal erosion—they will never pay the price. The Minister must stand fast and insist that we do pay the cost of not doing something about climate change. That is the only way he will get support for doing something about it.

3.15 pm

The Minister for the Environment (Mr. Elliot Morley): I congratulate my hon. Friend the Member for Stafford (Mr. Kidney) on securing the debate and on his excellent and detailed speech. It was so detailed and so well delivered that there is little to add, except on the technical side. I shall use the time to respond to the points raised by hon. Members.

I welcome the debate. I also welcome its tone, as contributions have been excellent. It is not often that we find such agreement on an issue, although some may question how far or how fast we should go and what measures should be applied. We heard some of those questions today, and I shall try to respond.

I warmly agree with my hon. Friend about the remarks of Professor King. The professor has done a great service for us all—indeed, internationally—not only by focusing on the science of climate change but by making a strong and powerful statement that attracted media attention. It is not easy to get such complex issues over to the media.

My hon. Friend asks what we are doing to reinforce Professor King's message to the United States. It is a fair question. We have already heard that the US is the biggest single polluter and that it has a responsibility to combat climate change, but is not doing so. There are no two ways about it: it is not pulling its weight. That is not to say that it is not doing anything—I shall touch upon that in a moment—but we are engaging with the US.

We must recognise that the US is a science-based society. It has good scientists, who recognise a good scientific case. We are engaged at all levels of science, putting our case, for which we have overwhelming evidence from such places as the Hadley centre and the Tyndall centre on long-term measurements and the evaluation of global warming. I also see the odd article—not usually from this country, although there was one in the *Daily Mail*. Indeed, I can see that the right hon. Member for Suffolk, Coastal (Mr. Gummer) has a copy. In that article, Melanie Phillips denies that such things are happening. She denies the fact that sea levels are rising. The evidence, however, is overwhelming. We have moved away from having to prove the case; we now need to deal with the most appalling consequences. In that, Professor King is absolutely right.

We seek areas of co-operation with countries such as the United States. The Prime Minister raises the matter directly with President Bush at his frequent meetings and face-to-face contacts. Right hon. and hon. Members may recall that he included the need to address climate change in his speech to the US Congress when receiving the Congressional medal. However, it was the only point in that speech that did not receive a standing ovation. Nevertheless, he rightly made it clear that it is one of his priorities.

It is Government policy to raise the matter during all bilateral talks. I was surprised to hear that Ministers are not always in a position to say that they have discussed the matter with the United States. It is certainly true that the Department for Environment, Food and Rural Affairs is always raising the subject with the US. We have bilateral talks—most recently, a few months ago, at the COP9 meeting on the climate change programme—and we have also spoken to the Americans about a follow on from the Evian action plan for environmental technology. That is one area where the Americans are keen and enthusiastic.

We think that environmental, low-carbon technologies are part of the solution. The mistake would be to think that they are the only solution. Hon. Members are right to think that one must do other things—for example, reduce present outputs—but environmental technologies could have a role. The Americans are prepared to put very large sums of money into them, which is something we should welcome. We have agreed with the Americans that they should take over the next chair of the G8. They want to take forward the Evian action plan on low-carbon technologies. We follow the USA in chairing the G8, and we shall continue in that way. The idea is to keep a continuous theme through the G8, so that we can try to take things forward. That is highly desirable.

Many American states are doing quite good work on combating climate change. Some of the eastern coast states, for example, are involved in cap-and-trade schemes and we are active in a range of meetings with the USA on climate change forecasting and science. However, a political lead from the federal Government is needed. There are sometimes differences between the federal and state governments on those issues. Still, we seek to co-operate with the Americans where we can, to

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push them forward in tackling the dangers of climate change, and where they are doing good and useful things, particularly in environmental technologies, we are prepared to work with them.

My hon. Friend the Member for Stafford asked about the move from policy to strategy and how to raise awareness. That is an important issue. We need to forge partnerships with councils and non-governmental organisations. With the Department of Trade and Industry, we financed the "Are You Doing Your Bit?" campaign, which was very useful. We need to use exhibitions and conferences, and all the various tools available to us as a Government for our communications programmes.

In our bid in the spending review 2004, we are looking at further funding for major awareness-raising campaigns in the coming years, because we recognise that this is important. I agree with my hon. Friend that combating climate change means a range of policies, including those on waste recycling and packaging. Those are serious issues and, because of what local authorities are doing, we are making progress with the impact of the packaging directive and the targets. I am encouraged by what I see, although I am not complacent.

I welcome the Nottingham declaration, and did so at the time, as my hon. Friend acknowledges. We welcome the thinking behind it and its thrust. It is important as part of awareness raising for local authorities to take it seriously. I also agree about building standards. My right hon. Friend the Secretary of State joined the Deputy Prime Minister and the Secretary of State for Trade and Industry to launch, jointly, the better building campaign and task force, to work on raising standards. I hope that I get the chance to see BedZED tomorrow, but if I do not I shall certainly make arrangements to go to see it later.

I agree too that it is important to engage young people. My hon. Friend may be interested to know that in my role of chairman of the Green Ministers group I have a bilateral arrangement with the Secretary of State for Education and Skills, who has declared himself the Green Minister for his Department. He takes that very seriously. We want to talk about how we can use our education programmes to raise awareness among young people, which I welcome.

I welcome the speech of the hon. Member for Uxbridge (Mr. Randall). I know of his interest in and experience of ornithology. I confess that when he used the words "Britain's endemic", I thought he was going to talk about the red grouse, which is recognised as an endemic subspecies of willow grouse. However, he is right to say that the Scottish crossbill, which is a subspecies of the parrot crossbill, is recognised as a British bird and is under threat, like a number of species in this country and globally. There are species that, as he said, this country will lose, and although they may continue to breed in other countries—some of the arctic species, for example—they are under threat in those places too.

Everything—plants, mammals, birds and insects—is under threat from global warming, as the article in *Nature* stated.The extent of the effect goes from the greatest—such as the polar bear, which is under serious threat of extinction, because of its life cycle and the changing pattern of ice movements—to the smallest, such as insects. Perhaps species that we do not even know about in this country are affected. The threat is real and present and not to be taken lightly, as I know the hon. Members who have taken the trouble to attend the debate understand.

The hon. Member for Lewes (Norman Baker) began by acknowledging that it is difficult to get coverage in the mass media of complicated scientific issues such as climate change, but then criticised the Government for not getting that media coverage. The reasons we do not get coverage are the same. We must keep banging away and it is important to make such points. However, my right hon. Friend the Secretary of State got a lot of publicity when she attended the conference of parties to the climate change convention and successfully drove home the Government's message. There was quite a lot of coverage of that in the national press, but we cannot be complacent and I accept that we need to persist with the issue.

We must also engage business more. I was pleased with the point that my hon. Friend the Member for Stafford made, because it is something that, as Environment Minister, I wish to develop further. I have talked about the environment at a number of environmental business clubs and business breakfasts around the country. I have made the important point, which the right hon. Member for Suffolk, Coastal made, that although environmental management is often associated with bureaucracy, red tape and burdens on industry, it can promote efficiency and savings and be good for business. We have groups such as Envirowise, the Energy Saving Trust, the waste and resources action programme and the task force on sustainability that are engaged with business.

We also recognise the need for international action, which was mentioned. Countries such as China and Japan are doing good things, but we need Russia to ratify the convention. I think that Russia will do so in the end, but we should make the case and demonstrate that it is in her economic interests to do so. We are actively engaged in that.

There are of course transport issues, but we are making progress, including tax cuts on LPG and biofuels, support for hydrogen fuel cell public transport, which involves quite expensive experiments, and changes to reduce taxation for cars with smaller engines. Most new cars bought are company cars, so the tax bands have been changed to encourage the purchase of low-emission cars. We have seen some quite big changes with those financial drivers. Companies such as Jaguar have made a big thing about their low emissions and fuel economy. Those things were never associated with Jaguar before, but new Jaguars are now made with light metals, are fuel efficient and have low emissions. That is being driven by some of the financial instruments that we have introduced.

Norman Baker: Will the Minister predict whether emissions from the road transport sector will increase or fall in the next five years?

Mr. Morley: I think that in the short term emissions are likely to increase and I would not want to pretend

otherwise. We must address that and I believe that we are doing so, through huge investments in rail, for example. We have seen a record number of passengers using the railways, but we have a big job to do and will attempt to attract more people to rail. The need to include aviation in financial instruments was recognised in the aviation White Paper. We shall have to take that forward.

Mr. Gummer: Why did the Government not announce in their aviation policy that they would introduce severe restrictions on internal flights and use the money from that to improve internal rail traffic? Doing so would make a huge difference.

Mr. Morley: I do not rule out that approach, but it is always difficult to take a unilateral approach in a global and European market. It may not be impossible to reach an agreement on aviation or bring it within the carbon-trading scheme at the EU level.

I appreciate the right hon. Gentleman's support. He is known for the quality of his contribution to debates on the environment. What he says is important and needs to be listened to. He made a number of points worth pursuing about using procurement policy, which the Government are following, looking at the climate change levy—carbon trading will probably supersede that—and emphasising the costs of climate change. I shall speak in more detail on coastal policy later; suffice it to say that some people claim that the new system benefits coastal defence rather than fluvial defence. We shall go into that in more detail, but the right hon. Gentleman's important point is that the costs of not tackling climate change are huge. People who baulk at some of the restrictions and costs, of which there are many, need to take that into account.

Coventry Airport

3.30 pm

Mr. James Plaskitt (Warwick and Leamington) (Lab): In a way, it is appropriate to finish a debate on climate change and global warming and begin another on airports, which contribute to climate change and global warming. I was anxious to secure a debate on airports to raise my constituents' concerns, and I am very grateful to the Speaker for granting one so quickly.

Coventry airport has been owned and operated by Air Atlantique since 1998. Before that, it belonged to Coventry city council, but it comes under Warwick district council for planning purposes. The Department for Transport's recently published White Paper describes it well:

> "Coventry Airport currently serves a specialist role within the region, catering for business aviation, air mail and some freight".

The airport does not have a large-scale passenger operation and has no history of providing one. On the day that the White Paper was published, the airport announced that it had concluded a deal with Thomsonfly, which is part of the TUI group, to launch a budget airline operating from Coventry airport. The airline will use Boeing 737-500s and will fly to 11 European destinations, which will add 8,000 aircraft movements a year to the airport. It will also introduce night flights. The published schedule on Thomsonfly's website shows flights at 2 am, 4 am and 5 am, and no fewer than four flights between 6 am and 7 am.

Mr. Jim Cunningham (Coventry, South) (Lab): Is my hon. Friend aware that, according to press reports, there are serious concerns at Birmingham airport about the flight path at Coventry and Birmingham?

Mr. Plaskitt: I will come to that.

Coventry can offer night flights because it has a 24-hour operating licence, which some other regional airports do not have. Introducing the service will fundamentally change the nature of the airport, which is why I raise the matter, and it is creating understandable alarm and concern among many of my constituents who live extremely close to the airport. The service is due to start in about eight weeks' time and will be at full throttle by May this year.

The airport began its life as a second world war aerodrome. Today, it is a single-runway airport, which is home to several small flight training and freight operations. I should not forget to mention the airport's quaint collection of disused railway carriages and rusting locomotives, which are partly surrounded by a dilapidated chain-link fence that, even today, would hardly deter a handful of passing curious sheep. Yet we are being asked to believe that in a very short space of time, this airport will begin handling 2 million passengers a year and will deal with all that that involves. It is therefore unsurprising that the airport has lodged a planning application for a brand new terminal and associated car parking, but it is very surprising that the service is about to start without them. Indeed, Warwick district council's planning department will not even consider the application until about four weeks before the first jet is due to scream over my constituents

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in Bubbenhall, a village just the other side of the aforementioned fence. All that activity is due to start out of temporary buildings.

I understand the allure of cheap flights to the Mediterranean, and I am sure that many of my constituents make good use of them. I have nothing against Thomsonfly trying to get into the business; I totally understand why it would want to do so. However, it should not do that out of Coventry airport. What was the point of the Government's consultation exercise? What is the point of the White Paper, "The Future of Air Transport", which was supposed to set out a strategy? It clearly says that expansion to meet anticipated increases in demand for that sort of travel in the west midlands should be met at Birmingham and East Midlands airports. The budget airlines already operate from those places, so I am far from persuaded that Thomsonfly needs to start the service out of Coventry airport. I understand that it is also talking to about 20 other regional airports in the UK, none of which is a former second world war aerodrome and all of which are established and have the necessary infrastructure to start a budget airline operation. The only possible reason for starting at Coventry is because it is cheap: it has nothing to do with the Government's air transport strategy and everything to do with quick profit for one company.

I want the Minister to address some specific issues, the first of which is the capacity of Coventry airport. Planning documents show that it currently has a runway of 1,610 m, which is close to the operational minimum required for Boeing 737-500 aeroplanes. Birmingham's proposed short runway is to be 2,000 m. Work is already under way to extend the runway, but there is a serious issue as to whether that is within the airport's permitted development rights. It is trying to add runway-end safety areas. I am told that the airport will submit a report to the aerodrome standards department, which will indicate runway extensions of 90 m, but the recommended length for runway-end safety areas is 240 m. For it to reach that length, major alterations to the runway would be required, for which the airport would need planning permission. That planning permission is not being sought.

The next main issue that I wish to raise with the Minister is that of airspace conflict, which my hon. Friend the Member for Coventry, South (Mr. Cunningham) mentioned. Birmingham's runway is aligned at magnetic bearing 150° 33, whereas Coventry's runway is aligned at 51° 231, which means that they are at right angles to each other. There is crossing air traffic from the two airports and the runways are just 13 miles apart.

In the run-up to publishing the White Paper, the Government consulted on the Rugby option. If that option had been allowed, Birmingham airport would have had to close because of the conflict of air space, yet the Rugby site is 17 miles away, while Coventry airport is just 13 miles away. I accept that the Coventry development is not of the scale that we would have seen had the Rugby option gone ahead, but the fact that airport closures were envisaged in that area during the consultation serves to underline how tight the airspace is and, therefore, how serious the potential for airspace conflict.

Coventry airport is beneath the lateral limits of Birmingham's control area, and Birmingham National Air Traffic Services controls the traffic movements in and out of Coventry. There are certain operational freedoms for flights in and out of Coventry up to about 2,000 ft and for a radius of 2 nautical miles. That area goes over about 1,000 homes in my constituency. The fact that the two airports are so close together already leads to delays arising from the airspace conflict. We should remember, in the context of what might be about to happen in Coventry, that Birmingham airport has been cleared to get a second runway. Its passenger volumes are growing at a rate of 10 per cent. a year. If there is air conflict between the airports now, what will it be like if the projected rate of expansion takes place at Birmingham and this budget operation starts to operate out of Coventry?

Mr. Jim Cunningham: In relation to those flight paths, I am sure my hon. Friend is aware that some years ago an aircraft came down on a housing estate in Willenhall in my constituency. Several of the crew were killed. As a result, people are apprehensive about any developments there. In particular, they are concerned about that flight path and whether traffic flow will increase. The flight path is very low.

Mr. Plaskitt: My hon. Friend is right. Many of my constituents recall that accident and it underlines their concerns.

I want to draw other issues to the Minister's attention. Are the instrumentation standards at Coventry airport and the instrument landing system up to par for the introduction of such a service? There are also security issues to do with the airport. What work is the Civil Aviation Authority doing in respect of the proposals, and what is it aware of? Does it have any concerns about the commencement of such an operation from Coventry? Our fears are that once the Thomsonfly operation starts it could expand even further. This is, after all, an airport in search of revenue and it has a 24-hour operational licence.

Andy King (Rugby and Kenilworth) (Lab): Will my hon. Friend give way?

Mr. Plaskitt: I will give way to my hon. Friend, in whose constituency the airport is located.

Andy King: I am grateful to my hon. Friend for securing the debate, which is important for all constituencies that surround the airport. At least four, and perhaps as many as seven, hon. Members represent constituencies within a mile and a half of the airport site. All our colleagues are extremely alarmed about the way in which Coventry airport has acted. It seems to be behaving without responding to calls for consultation and without involving the communities or Members of Parliament affected. I am concerned about the night flights and the fact that Coventry airport believes that it is under no constraints, so undermining the proper

development of Birmingham and East Midlands airports as set out in the White Paper. We need the Minister to take appropriate action.

Mr. Plaskitt: My hon. Friend is right. He, I and all other hon. Members whose constituencies border on the airport are besieged by our constituents on the matter. That is why we are so anxious to raise the issue in the presence of the Minister and to seek reassurances.

I think that I speak for all of us when I say that we heaved a collective sigh of relief when the Rugby option was turned down after consultation. However, for my constituents in Bubbenhall, Weston under Wetherley, Cubbington, Radford, Whitnash, Leek Wootton, Hill Wootton, Hunningham, Offchurch, Leamington and Warwick, there is a nearer and far more imminent threat than we ever considered possible when we objected to an international airport at Rugby. What makes it even more galling is that it was not part of the consultation; it was never part of the White Paper strategy. Indeed, it is important to put it on the record that the White Paper says that we should

"not envisage any significant further development"

at Coventry. However, the development, which is imminent, could not be more significant for my constituents and those hon. Members present. As far as I can tell, the TUI group is forging ahead, seemingly regardless of the strategy in the Government White Paper, of local planning decisions and of the quality of life of our constituents.

We cannot leave the matter purely for the planning department of Warwick district council to determine. The issues are far bigger, far wider and extremely important in the context of the Government's overall strategy. It is for that reason that I urge the Minister to intervene fully in the matter and not ask us to leave it merely to the decision of the local planning authority. I ask him to do so on behalf of my constituents, but also because I think that it is important that he defends the strategy outlined in "The Future of Air Transport" and defends my constituents' sanity.

3.45 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): I congratulate my hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt) on having raised some important issues and on having expressed so eloquently the concerns of many of his constituents about the proposed expansion of operations at Coventry airport. I recognise also the contributions and concerns of my hon. Friend the Member for Coventry, South (Mr. Cunningham), as I do those of my hon. Friend the Member for Rugby and Kenilworth (Andy King), in whose constituency the airport lies.

In December, my Department published "The Future of Air Transport", the first aviation White Paper since 1985. It is probably the first ever comprehensive, detailed and substantive White Paper—the rest were all just catch-up documents—so it is long overdue. Its purpose is to establish a strategic national policy framework for the development of airports in the United Kingdom over the next 30 years. It will provide the context for future planning decisions and allow the air transport industry to plan and invest with confidence.

I know, as my hon. Friend the Member for Warwick and Leamington has said, that all hon. Members in the area, particularly my hon. Friend the Member for Rugby and Kenilworth, were mightily relieved that we did not pursue the idea of a new airport between Rugby and Coventry—that was made rather well known to us on the day of publication of the White Paper and subsequently—but it is important to emphasise that the White Paper neither authorises nor precludes any particular development. Planning applications for airport development need to be taken through the town and country planning system in the normal way. The policies set out in the White Paper constitute an important material consideration that will inform the determination of specific planning applications. Paragraph 9.31, to which my hon. Friend alluded, does precisely that in relation to Coventry.

The White Paper concluded that there is a clear need for additional runway capacity to serve the midlands region, and that that need would best be met by an additional runway at Birmingham airport—the airport operator's proposal. That is a refinement of the wide-spaced runway option on which we consulted, and reduces the severity of a number of important impacts for very little cost in capacity. The White Paper also supported the full utilisation of runway capacity at East Midlands airport, but said that any commercial development at other smaller airports in the region should be subject to local consideration and determination.

The White Paper recognises the specialist roles that Coventry airport performs in the west midlands—serving the business aviation, mail and freight sectors in particular. I know that its capability to handle small, just-in-time freight consignments is particularly valuable to the motor industry in the region, and that it has an important role as the international hub for Parcelforce operations. Coventry can continue to perform that role, subject to its existing constraints.

As a long-established commercial airport, Coventry does not require specific planning approval for the operation of a programme of scheduled flights such as that proposed by Thomsonfly. However, the planning position is less clear in respect of the terminal facilities that are required to serve those flights. I understand that services will initially use temporary facilities for the processing of passengers and their baggage, and that the airport operator considers that planning consent is not required for those arrangements, as it has permitted development rights under paragraph 18 of the general permitted development order. It is, in the first instance, for the local planning authority, Warwick district council, to consider whether it agrees with that view.

Mr. Jim Cunningham: I notice that nothing has been said about the potential for major traffic problems, particularly round about Tollbar island. My hon. Friend the Member for Rugby and Kenilworth and I lobbied the Minister's predecessor because of the traffic problems on the island—safety and so forth. As a result, traffic lights were installed. There could be a major traffic problem for the island and the surrounding villages.

Mr. McNulty: If my hon. Friend will indulge me, I shall return to the broad issue of capacity. Importantly,

[Mr. McNulty]

however, security officials from the Department for Transport will wish to be satisfied that the temporary facilities are fit for their intended purpose before operations can commence. They are currently discussing with the airport matters such as the effective segregation of passengers, the screening of passengers and baggage, and, as my hon. Friend the Member for Warwick and Leamington has suggested, perimeter security. Department officials will wish to meet again with both the airport and Thomsonfly, and to carry out further inspections to ensure effective compliance with legal requirements before services can commence—legal requirements above and beyond any unfolding planning processes.

Clearly, if the Thomsonfly operation is to grow to the proposed 2 million passengers per year, more substantial permanent terminal facilities will be required. The midlands consultation document, which the Department published in July 2002, looked at the potential of Coventry as an overspill airport to help accommodate demand should Birmingham remain a single-runway airport. The analysis indicated that if there were no constraints to capacity, Coventry could be capable of attracting between 6 million and 10 million passengers per year. However, that would generate large-scale impacts of land take, noise exposure and surface access difficulties, especially congestion on the A45 and the A46—matters of concern, as my hon. Friend suggested.

The consultation process highlighted the potential issue of airspace interaction between Coventry and Birmingham airports, and responses received showed little support for significant expansion of Coventry and significant opposition from both key stakeholders and local respondees. The White Paper therefore made it clear that, having regard to the potential constraints to the growth of Coventry—surface access, noise and airspace capacity—and the decision to support the expansion of Birmingham airport, the Government do not consider that the significant development of Coventry airport beyond the 2 million passengers per year capacity of the current application would be appropriate.

As my hon. Friend said, however, the current planning application was with Warwick district council while the Government were coming to their decisions on airport capacity. The White Paper is rightly silent on the current scheme, just as I can say nothing today on the merits of the application. That does not imply that the Government have a view either way on the application. It means that we believe it to be a matter for determination by Warwick district council as the local planning authority in the first instance.

Andy King: My hon. Friend may be coming to this, but what concerns residents and Members is the way in which night flights have been introduced. I understand that other airports, such as Birmingham, do not have international night flights for passengers because of their consideration for the local population. Will my hon. Friend say what can be done to constrain night flights?

Mr. McNulty: If this is not what prevails, I shall let my hon. Friends know, but I understand that Birmingham is designated by the Department for Transport and that a range of controls therefore come into play—unlike at Coventry and East Midlands airports. I am not anti-Nottingham when I persist in calling it East Midlands airport; it is a name known by everyone and we are still coming to terms with the new name.

As I said to my hon. Friend the Member for Warwick and Leamington, in the first instance, and rather like East Midlands airport, such matters as noise mitigation, night flights and the other elements that are of concern are to be determined locally. If we are not satisfied with what prevails locally as such airports expand, we reserve the right to designate controls as we see fit. Coventry is not yet in that position, and given the plans for some degree of expanded capacity, East Midlands may or may not be. However, a relatively successful local agreement is in place—it is not shared by all—for limited night flights, not least for freight which is clearly important. In the first instance, it is for Warwick district council to determine the application. I cannot comment on that, but should it require advice on technical issues such as possible airspace interactions, it will be for the council to seek advice from National Air Traffic Services Ltd. and the CAA's directorate of airspace policy.

Another technical issue raised by my hon. Friend is whether Coventry's instrument landing system is adequate for the Thomsonfly services. I understand from the Civil Aviation Authority that the airport is replacing its ILS, although the new equipment will still be classified as category 1. That is perfectly acceptable for normal airport operations and is the standard equipment at most of the country's regional airports. Indeed, I am told that fewer than a dozen airports in the UK have equipment of a higher category. The CAA's air traffic services standards section has responsibility for approving and checking ILS equipment used at UK airports.

I am aware that Coventry airport is also seeking to reduce the height of trees in the vicinity of the airport in order to comply with the CAA's obstacle clearance requirements. Concerns have been expressed about the ancient woodland at Willenhall wood. Should the airport operator be unable to reach agreement with the landowners concerned, they would need to apply to the Secretary of State for the grant of powers under section 46 of the Civil Aviation Act 1982 to control the height of the trees.

In conclusion, there are a number of important issues associated with the proposed expansion of operations at Coventry airport, and they will clearly be of great concern to the constituents of my hon. Friends who have participated in the debate. The timing of the proposals and the pressing planning application meant that we were unable to address those issues in the air transport White Paper. I have dealt with some of those issues today, but the responsibility for considering the planning aspects of the airport's growth currently lies with Warwick district council.

Mr. Plaskitt: I understand what my hon. Friend says about the issue being for Warwick district council to consider. In a narrow sense that is correct, because there are planning issues that fall within the ambit of the council's authority. However, our concerns run wider than that. I do not think that Warwick district council is the right body to consider, say, air travel and the

interaction among Coventry airport, Birmingham airport and East Midlands airport, which are in close proximity to one another. The council will consider only the narrow issues that arise over Coventry. We should ask what the right aviation strategy is, as opposed to whether the application meets the planning requirements. We need a different perspective, which I hope could come from my hon. Friend's Department.

Mr. McNulty: In the first instance, due process must prevail with the planning application. That must take account not only of paragraph 9.31 of the White Paper, but of the wider strategic context of the White Paper, as my hon. Friend said.

I should like to make a rapid correction. I thought that I was on shaky ground earlier but went ahead anyway, as is my wont. Birmingham is not designated, although localised controls restrict night flights. I apologise if I inadvertently misled the Chamber.

In conclusion, and to relate as closely as possible to what my hon. Friend has just said, once Warwick district council has dispatched the planning application and I am free to talk more widely, I will happily discuss matters further with my hon. Friends the Members for Warwick and Leamington, for Coventry, South and for Rugby and Kenilworth—not least those matters that lie outside the immediate concerns of the application, but which I am not at liberty to discuss in more detail now. With that assurance and, I hope, due dispatch and alacrity from Warwick district council, we can discuss all the issues in the round way beyond the planning application.

Audiology

3.58 pm

Mr. Christopher Chope (Christchurch) (Con): The NHS audiology service is in crisis. Although the Government have decided that digital hearing aids should be available to all by April 2005, freely at the point of need, they are manifestly failing to deliver the means necessary to achieve that objective.

I make no apologies for illustrating the depth of the crisis by referring to the situation in Christchurch, east Dorset and Bournemouth. More than 7,000 people are waiting for a hearing aid assessment at the East Dorset audiology centre, which is run by the Bournemouth primary care trust. In the last period for which figures are available, between April 2003 and November 2003, the East Dorset audiology service carried out 177 hearing aid assessments a month and 150 hearing aid fittings a month. Unless something dramatic happens, those who join the waiting list for a hearing aid assessment now will have to wait well over three years before it is conducted. Even the waiting lists for those in greatest need—those aged over 90, those who have no hearing whatever and those who are war pensioners—is one year just for a hearing assessment. There is then a further period of around six months before hearing aids are fitted.

It will not surprise you, Mr. McWilliam, that the primary care trust does not publicise the fact that its current waiting time is between three and four years. It cites instead the length of time that a patient being assessed this week has had to wait. That is currently about 18 months, which is bad enough, but if a person joins the waiting list today their wait will be more than 39 months, unless something dramatic happens as a result of this debate.

I hope that the Minister will confirm that she believes, as does the primary care trust in Bournemouth, that waiting times are unreasonable and excessive. If she does not agree, can she explain the finding of the health service ombudsman in the complaint against Southampton University Hospitals NHS Trust that

"it is unacceptable for patients to wait two years for a hearing assessment."

She will be familiar with that case, which is cited in the latest summary of the ombudsman's cases. If it is unacceptable for a patient to wait two years for a hearing assessment, how much more unacceptable is it that they should have to wait more than three years? If she does agree that the current waiting times are unacceptable, I challenge her to tell us what the Government intend to do to address the crisis.

One of my frustrated constituents wrote to the Prime Minister about the situation on 22 May 2003. He received a response three months later from the Department of Health, expressing horror at his hearing problems and appreciating his concern at the length of time that he had had to wait for an audiology appointment. The Department of Health official said:

"Let me assure you that the Government shares your concerns about waiting times. Their vision is to provide patients with fast and convenient access to health care wherever they use the system . . . Thanks to the continued hard work of staff across the NHS, steady progress has already been made. Maximum waiting times have already been reduced to twenty one weeks for a first outpatient appointment".

[Mr. Christopher Chope]

That was totally misleading. The waiting time for audiology services locally is increasing, rather than decreasing, and is now seven or eight times the maximum referred to by that Department of Health official in the name of the Government.

Good hearing is fundamental to the quality of life. Elderly people in particular should not have to wait years to gain access to a service that is immediately available in most high streets, albeit at a price that for many is unaffordable. In audiology, as in so many other policy areas, there is a growing chasm between what the Government have promised and what is actually being delivered. One straightforward way of improving matters would be for the Government to pay for any NHS patient who has not received an out-patient hearing assessment within six months to have the service provided at NHS expense with a registered private practitioner.

In a written parliamentary question, I asked the Minister's colleague, the Under-Secretary of State for Health, the hon. Member for South Thanet (Dr. Ladyman), about the possibility of that happening, but he did not give me the courtesy of a straight answer. I hope that the Minister will remedy that situation today and will not fall back on the notion that a private sector partnership initiative, conducted by the Bournemouth primary care trust, is sufficient to deal with the backlog. In the past five months alone the backlog for Bournemouth has increased from about 5,000 to 7,000 cases, despite 300 patients benefiting from a private sector partnership. There are plans to provide a further 700 patients with treatment under a private sector arrangement next year, which I welcome, but that will make only a small dent in the backlog.

One of my constituents sent me a copy of the Royal National Institute for Deaf People leaflet for deaf and hard-of-hearing people entitled "A Good Audiology Service: What You Can Expect". Page 5 of that leaflet says that waiting times should not exceed the following:

"From date you are referred to your GP to date of first visit or assessment not more than four weeks. From assessment visit to first hearing and fitting appointment not more than four weeks."

I wrote to the chief executive of the RNID, Dr. John Low, about this. In his charming reply, he said:

"'A Good Audiology Service' outlines what audiology services should work towards, and what patients should be able to expect but does point out that not all services are able to deliver to this level at the current time."

On present trends, the East Dorset audiology service will never be able to meet the RNID aspiration—that is unless the RNID changes its aspiration from four weeks to four years.

I have attempted to ascertain whether the situation in my locality is unique or whether members of the public seeking access to NHS audiology services elsewhere in the country are experiencing similar delays. It appears, however, that the Government refuse to collect any statistics on the subject, despite having been advised most strongly so to do by the Audit Commission in its report "Fully Equipped" of March 2000.

On 5 January, the Minister's colleague, the Under-Secretary of State for Health, the hon. Member for South Thanet, assured me that

"all audiology departments in England will be fitting digital hearing aids routinely by April 2005."—[*Official Report*, 12 January 2004; Vol. 416, c. 593W.]

I then asked him if he would list those audiology departments that do not fit digital hearing aids routinely at present. On 26 January, he replied that the Department of Health does not hold centrally a list of audiology departments in England.

That is bizarre. The Minister's colleague purports to speak for all audiology departments, but when he is pressed he is unable even to list them. Will the Minister undertake to start collecting information about NHS audiology services so that she is able to back up policy assertions with facts?

I share the belief of the RNID that waiting times for audiology services suffer from not being part of the national standards for waiting times. Pressure is put on local health trusts to satisfy national standards for services other than audiology to the inevitable detriment of that service. It is well established that centrally imposed targets distort clinical priorities. Therefore, the target system should either be abandoned or it should embrace audiology. Does the Minister regard NHS audiology services as an issue of national, or only of local, importance?

On 20 January, in a written answer to a question of mine about audiology departments, the Minister's colleague said:

"It is for primary care trusts to plan these services in response to the needs of their local communities."—[*Official Report*, 20 January 2004; Vol. 416, c. 1105W.]

Is that the full extent of ministerial involvement?

It is estimated that 8.7 million people in the UK are deaf or hard of hearing. Currently, about 2.7 million of them have a hearing aid. The Medical Research Council has estimated that a further 3 million people would benefit from wearing one. If a national health service means anything, surely it should embrace a national plan for responding to the hearing needs of the people?

On 18 December, I asked the Minister's colleague to list, in respect of each primary care trust, the number of people waiting for a hearing assessment and the number waiting for more than six months. He responded:

"there are no targets for waiting times for audiology services".—[*Official Report*, 5 January 2004; Vol. 416, c. 175.]

However, he also felt confident enough to say that the Government are taking action to tackle the causes of longer waits. It is well known that if something cannot be measured, it cannot be controlled. The reality is that the waits are becoming significantly longer rather than shorter.

As with so many other taxpayer-funded services, the Government are quick to brag about the financial inputs but seem far less concerned about the outputs. What is unreasonable about my suggestion that all those waiting for more than six months should be able to elect the private sector option to be paid for by the NHS? What about my suggestion that the NHS should pay for those who obtain digital hearing aids on the continent? The RNID members' magazine includes glowing reports on how UK customers can have their digital hearing aids fitted to a very high standard in Denmark at a cost far lower than in a UK high street and at a time when they need them rather than three or four years later. There is

much anecdotal evidence that people are organising trips to Denmark so that they can access audiology services, which should be available to them in this country and provided by the NHS.

On 6 February 2003, the then Secretary of State for Health, the right hon. Member for Darlington (Mr. Milburn), issued a press release entitled "Digital Hearing Aids available to all by April 2005". We may come to regard that headline as one of the most misleading ever issued. His words must have been calculated to fill a million hearts with hope. He raised expectations by saying:

"These digital hearing aids cost the NHS up to £75 per aid and will be free to all NHS patients. Similar products currently cost people purchasing privately around £2,000."

The RNID described the announcement as brilliant news and emphasised that digital hearing aids offer patients a 40 per cent. improvement in hearing and an improved quality of life.

Unless the Minister intervenes, digital hearing aids will only be available to my constituents by April 2005 if they applied in 2002. Does she think that that was what the then Secretary of State had in mind when he issued that press release on 6 February 2003? We must ensure that the reality is changed to match the rhetoric, otherwise the headline "Digital Hearing Aids available to all by April 2005" will remain a cruel deception and an indictment of this Government's integrity.

4.10 pm

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): I congratulate the hon. Member for Christchurch (Mr. Chope) on securing today's debate. I know that he has shown a great deal of interest in this important topic, and the Government share that interest. We are investing £94 million in audiology services in this financial year and the financial year 2004–05, in addition to more than £30 million that has already been invested and that will help us to ensure that by March 2005—as he remarked—every audiology department in England will routinely fit digital hearing aids as part of a modernised audiology service.

The hon. Gentleman raised some important issues, and I hope to put them into the context of the situation in England. The progress on modernisation of hearing aid services is good news for everyone with hearing loss. That is something that will affect most of us as we grow older—if it has not already done so. I am pleased to be able to say that to date more than 140 NHS audiology services have been, or are in the process of being, modernised. Fewer than one third of the services in England still need to be modernised and we are on target to deliver fully modernised audiology services in the whole of England by March 2005. Therefore, I hope the hon. Gentleman will accept that we have a national interest in the matter. He questioned that earlier.

Mr. Chope: How is it that the Minister's Department does not have a list of all the audiology departments in the NHS?

Miss Johnson: I do not have the details of the answer to that question, but I can tell the hon. Gentleman that the arrangements on this matter are being rolled out through a contract with the RNID, as he knows. We are working with it closely.

Modernisation of hearing aid services is an NHS success story—both for services and for patients, who are getting a better service. Let us not forget that providing an aid is not a simple process. The hon. Gentleman did not talk much about that process, but I think it is worth while bearing it in mind. A first visit in that process involves the following: a hearing test; talking to the person about hearing in everyday situations to help to decide on the appropriate aid; taking a mould of the ear; and discussing attitudes to using an aid. Later, there is a visit for fitting the aid and a further one to check that all is well and to provide training, if necessary, in the use of the aid.

In some respects modernisation makes services a victim of their own success. In areas where digital aids are already available, an increase in demand has often been noted. That, together with the increased time that it takes to assess for and to train in the use of digital aids, puts pressure on the waiting times. As I have outlined, this is not just about giving a patient a digital hearing aid and hoping for the best. The audiologist needs to spend more time with the patient to ensure that the aid is fitted and programmed properly to meet that particular patient's needs. Therefore, we have been considering ways to increase the capacity in audiology services. I should like to talk about two of those.

The first is the "Hearing Direct" pilot, a partnership with the high street suppliers, Ultravox and Ormerod. "Hearing Direct" is a way to reduce waiting times in and pressure on audiology departments. It is being piloted at four sites throughout the country—in Chester, Exeter, Leicester and Cambridge. Under that scheme, people can use a telephone information line that gives details of local services. Patients receive a telephone call eight to 12 weeks after the fitting to assess their progress and decide whether they need another visit to the audiologist.

The national framework agreement awarded to David Ormerod hearing centres and Ultravox Holdings plc in October 2003 enables them to provide a service as an extension of the modernised NHS service. I emphasise the fact that the NHS remains responsible for the patient's care. So far that agreement involves sites in Shrewsbury, Leeds, Bradford, Bath, east Cheshire and Bournemouth. That partnership is being rolled out nationally and all modernised sites have been invited to apply for funding to implement it.

In terms of capacity, it is important that we recognise that not everyone in England is yet able to access a modernised service and there are, in certain places, pressures on services. Those pressures can best be reduced by capacity-building initiatives, such as those that I have already mentioned. In the longer term, we are addressing the recognised shortage of audiologists by establishing new degree courses.

Perhaps I should now deal with the hon. Gentleman's constituency. Waiting times for hearing aids in East Dorset have historically been longer than anyone would wish, but steps are in place to reduce them. East Dorset was the recipient of one of the second wave modernising hearing aid services in 2002–03. It has been involved in the extended learning pilot of the partnership agreement

[Miss Johnson]

to provide NHS hearing aid services through a high street hearing aid company with an outlet in Bournemouth. Some 300 patients in East Dorset are currently being seen as part of the extended pilot. We expect a further 700 patients to be seen by March this year.

I anticipate that if a service supplying analogue aids to a small number of patients via a GP's surgery wishes to be able to prescribe digital aids, that would be a matter for the surgery and the local primary care trust. There are principles that I would expect the primary care trust to apply when considering whether to support such a development, including whether the service meets the same standards as the mainstream NHS audiology services, whether it unfairly advantages some patients over others, and whether it provides value for money.

The situation in Bournemouth is causing concern, particularly for the hon. Gentleman. I was interested in his remarks on measuring and controlling things. On the one hand he seemed to say that targets are a good idea, but on the other he suggested that we should not have them, and that we are always being told that we have too many targets. However, I think I heard him suggest another target.

Mr. Chope: I drew to the Minister's attention a specific recommendation from the Audit Commission in 2000 that her Department should collect data to inform itself about the state of audiology services. It is obvious from her weak response to the debate that she has manifestly failed to do that.

Miss Johnson: The hon. Gentleman's remarks lead me nicely into my second point on targets. The hon. Gentleman will, on other occasions, say that there is too much bureaucracy and too many demands on people to fill in forms. The only way in which information can be collated is if it is collected locally and sent to the centre. The hon. Gentleman and his party spend much time grossly exaggerating the number of administrators in the NHS, while taking us to task for so-called bureaucracy and administration costs. However, he is again proposing another area in which we have more administration.

The Bournemouth teaching primary care trust is concerned about the unacceptably long waiting times for audiology and is preparing an action plan to reduce those, which will include the following measures: it will ensure that guidelines are serving the modern hearing aid services appropriately and making good sense in their application; it will consider ways to minimise the patient journey time for experienced users in discussion with staff and users; it will continue with its existing programme of overtime working; and it will consider pursuing further the use of public-private partnership initiative action to address the shortfalls in the area.

As I said, there is a history of problems. If we consider the overall success nationally, I remind the hon. Gentleman that more than 140 sites and more than two thirds of NHS audiology departments in England have already been modernised or are in the process of being modernised. That is in distinct contrast to four years ago, when the NHS used 1970s technology to fit analogue hearing aids, many of which remained unused. The Department of Health had to intervene to help trusts bring audiology services up to date, which is another clear indication that we accept our national responsibilities while making it very clear through the shifting of the balance of power programme that the responsibilities for delivery at local level lie with local commissioners and local deliverers – namely, the PCTs and those who actually deliver the services.

Mr. Chope: Is the Minister saying she does not believe that she can do anything to reduce the waiting times? I have already told her that patients will have to wait for between three and four years if they apply today for an assessment.

Miss Johnson: It is clear that the Department monitors the performance of commissioners and providers in the NHS through the strategic health authorities. At SHA level and at the level of commissioners, as I have outlined, action is already being taken to address the shortfalls in the hon. Gentleman's constituency and related areas. The action plan to reduce waiting times, which I outlined a moment ago, is being drawn up on that basis.

We have put measures in place to modernise hearing aid services. By March 2005, every audiology department in England will provide the modernised services. To make that possible, the Government have provided central funding for new equipment and to train staff to use it. As I said, training patients to use the new aids incurs additional time costs. We hope that PCTs throughout the country will continue to commission and provide the excellent service that we know is possible.

It is worth briefly mentioning the price of hearing aids. The hon. Gentleman referred to the then Secretary of State's press notice when the digital hearing service was announced. We have driven a hard bargain to reduce significantly the price of digital hearing aids, so that they are now available to the NHS at highly competitive prices. I am sure that the hon. Gentleman will accept that in the light of the comparison that he mentioned. Those prices helped us to make it possible to spread the benefits of the hearing aids much more widely and quickly. They will also make it easier for PCTs to fund them after March 2005. After that time, I would not expect anyone to receive an analogue hearing aid, except for clinical reasons. It might be worth mentioning that some people hear better with analogue aids than with digital ones. As the hon. Gentleman remarked, it is true that the aids are provided free of charge to patients.

I mentioned the collaboration with the RNID to modernise the services. Through that collaboration, the Department of Health learned many valuable lessons about working with the voluntary sector. It also showed the Department of Health and other Departments a way of finding solutions to other difficult problems. When we set out to modernise audiology, the RNID might have called itself one of our fiercest critics, yet the project has shown that even our critics can help us to improve the things that we do and to move towards providing services that are much more responsive to the needs of consumers.

Mr. Chope: I am grateful to the Minister, who has been very generous in giving way. I kept my remarks short partly so that we could have this exchange.

Would the Minister be willing to receive a deputation from the East Dorset audiology centre in my constituency? This is almost a dialogue of the deaf. I keep asking what we are going to do about people who are waiting for between three and four years, and the Minister keeps coming out with a whole load of statistics that have no bearing on the plight of my constituents who are eager to get access to these services. We are talking not only about people who need a hearing aid, but about people who suffer from tinnitus, for example, which is a very disabling condition, as the Minister will know. Would she be willing to experience through a deputation exactly what it is like in east Dorset, and to discuss with local people how the Government and East Dorset might work together to try to achieve a solution that is in the interests of everybody living in the area? Would she also accept that the criticisms that I have voiced are not mine alone? They are shared by the RNID, which is as frustrated as I am on behalf of my constituents. We all want progress.

Miss Johnson: It is not for me to suggest to the hon. Gentleman how he might work with his local services. However, if it were my constituency, I would first address the issues with the primary care trust, looking in detail at its action plan and meeting members of senior management to talk about the issues with them and with users. He might want to pursue that locally. The Under-Secretary of State for Health, my hon. Friend the. Member for South Thanet (Dr. Ladyman), has the most direct responsibility for the service. Local issues can only be addressed locally. Given that the majority of funding is now with the PCTs and that extra money is being rolled out through the modernisation programme to support the development of digital hearing aid services, it is not for us to dictate the detail or to direct how the expenditure is deployed.

Mr. Chope: In that case, will the hon. Lady give some advice in her position as a Minister, albeit not the Minister with responsibility for audiology? Will she publicly advise all the PCTs that have waiting lists in excess of 18 months that that is totally unacceptable, and tell them that something must be done to reduce them to a reasonable level?

Miss Johnson: We can consider the matter of PCTs with longer waiting lists, but there might be reasons for their being in that position—they might have started from a low base, as was the situation in Dorset, with long waits the norm. There is also the time it will take and the training that personnel will inevitably require in order to implement new services. If the hon. Gentleman has explored all the options locally and believes that there is a role for the Department, I am sure that my colleague will consider carefully any request that he might make for a meeting on such a topic. It is important to recognise that we are not in a position to direct individual PCTs with devolved funding and devolved responsibilities on how best to run their services. Investigating problems locally is the most fruitful way forward—PCTs have both the money and the expertise to decide what to do.

In conclusion, audiology services in the NHS are a success story. We have improved services beyond recognition since the first pilots of digital hearing aids in 20 locations in September 2001. We have initiated degree courses to train new audiologists, we have brought down dramatically the prices of digital hearing aids and we have engaged with the voluntary sector, manufacturers and high street providers. The modernised services that are in place in most of England, and that will cover all of it by March 2005, are good news for everybody with hearing problems. As we get older, it will be good news for all of us.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes past Four o'clock.

Westminster Hall

Wednesday 28 January 2004

[MR. FRANK COOK *in the Chair*]

Hatfield Colliery

Motion made, and Question proposed, That the sitting be now adjourned.—*[Vernon Coaker.]*

9.30 am

Mr. Kevin Hughes (Doncaster, North) (Lab): I am grateful for the opportunity to raise the important issue of the future of Hatfield colliery and, indeed, the future of the UK coal industry.

It is ironic and historic that we are discussing the future of the coal industry on the eve of the 20th anniversary of the miners' strike. Twenty years ago, the Tory Government were determined to close down the bulk of the mining industry. The miners at Corton Wood resisted and went on strike, and the rest, as they say, is history.

Twenty years on we have a Labour Government, who face a clear choice: do they stand on the sidelines wringing their hands while the final nail is hammered into the coffin of the UK coal mining industry and thereby finish the job that the Tories started 20 years ago, or do they face their responsibilities and ensure that we maintain an indigenous coal industry and protect the UK's future energy requirements? We will know the answer to that when the Minister responds later this morning.

Hatfield colliery in my constituency is the key to the future of the UK coal industry. It sits on 80 million to 100 million tonnes of accessible, good quality coal, which amounts to about 50 per cent. of accessible UK reserves. Its history is chequered—it was closed just before the privatisation of the industry in the 1990s and reopened with a management buy-out. Two and a half years ago, in August 2001, it was closed again and the receivers were brought in. The then Minister agreed to keep the colliery on a care and maintenance basis until a new buyer was found because of Hatfield's future prospects. The new buyer was Richard Budge and Coalpower Ltd., which set about re-employing the men and trying to give the colliery a future.

The colliery was maintained on the understanding that it would continue to work the High Hazel seam. Everybody knew that there was no prospect of making a profit without the operating aid scheme, but it was understood that the colliery would continue to work the High Hazel seam while it developed into the Barnsley seam. At that point, the Government were discussing ending the operating aid scheme and moving to a coal investment aid scheme.

All was going well until the operating aid scheme ended in July 2002. Agreement was reached to extend that scheme until December 2002, but unfortunately the coal investment aid scheme was not introduced seamlessly—it was not introduced until November 2003, which was a little bit too long for the plans for Hatfield colliery. Everybody knew that working the High Hazel seam would not make a profit, and a short-term cash-flow problem quickly developed.

I am grateful for the Minister's help in keeping the pit open and the men at work from late summer through to the autumn, but there were difficulties. When the coal investment aid scheme was introduced, the offer was not what we thought. I attended a meeting in the Department of Trade and Industry with the previous Minister, where it was stated that coal investment aid would amount to about £110 million and that Hatfield would get about £45 million over three years—£15 million a year.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): My hon. Friend mentions the meeting where we were given the impression that more money would be available for investment aid. If Hatfield had received £45 million, would it have been sufficient to drive down to the Barnsley seam and access that enormous block of coal—it is the largest UK reserve—from Thorne eastwards?

Mr. Hughes: I am grateful to my hon. Friend for his intervention. The answer to his question is that the matter would have depended on timing, and I shall deal with that in a moment.

When the coal investment aid scheme was announced, only £15 million was made available over three years, which was one third of the expected sum, and more than 12 months had elapsed. It is because Hatfield had got itself into short-term financial difficulties and because Government funding depended on match funding from the private sector that the owner put in a bid for match funding that related to the original scheme. Bankers base their decisions on the information submitted to them, and the bid was different from the Government offer. The time lapse made the situation difficult, and it is no wonder that the bank said no. The coal investment aid scheme offers £15 million over three years. To obtain that money, the owners must start the bidding process to obtain £30 million of match funding, which takes time. They cannot just go to a bank and ask for £30 million because various assurances must be made and details must be checked.

The Minister agreed to keep the mine on a care and maintenance basis over November, December and January, but unfortunately there has not been enough time. Unless something dramatic happens here today, the men will be sent their redundancy notices today, tomorrow or on Friday and the pit will close. Will the Minister keep the pit open on a care and maintenance basis to give the owner, Coalpower—or whoever the future owner might be—an opportunity to put together a financial package to exploit the reserves in the Barnsley seam?

The Government have to make a decision about whether we should be involved in deep-coal mining or whether we should import all our coal. I think that it would be dangerous to go down the latter track. The Government underpinned the nuclear industry with £650 million and even agreed to let it have some more money. When we consider the coal aid given in other countries, such as Germany or France, the £60 million that has been made available in this country looks like peanuts. I downloaded some information from the European Commission website and found that in 2002

[Mr. Hughes]

it had authorised payment of almost €1 billion to France for its coal industry. France has only two pits, yet it is spending €2 billion. Germany is giving €3.3 billion in coal aid and it has 10 pits. We made an application for £10 million, which was agreed, to close Selby.

Mr. Dennis Skinner (Bolsover) (Lab): We didn't.

Mr. Hughes: Well, the Labour Government did. If we are willing to spend £10 million to close down a colliery, why on earth are we not willing to spend a few million to keep the Hatfield pit open, to access the Barnsley seam and ensure a prosperous future?

I am not just talking about Hatfield and the mining jobs there, although that is important; I am talking about the future and about maintaining our indigenous coal industry. Hatfield is not only a good prospect for coal; the Minister knows that there is planning permission and a section 36 permission to build an integrated gasification combined cycle power plant on the site. That sounds complicated, but basically it is a clean coal power station, which does not burn coal but uses it with other technology to generate electricity. That is not all. Such power stations do not merely generate electricity, they capture carbon dioxide and hydrogen nitrates which can, of course, be used in other industries. The waste is inert and can be used in civil engineering.

The use of captured carbon dioxide is the latest in clean coal technology. Experiments are under way in the North sea to use captured carbon dioxide in enhanced oil recovery—pumping CO_2 down into the oil well enhances the amount of oil that can be brought out. There is no reason why the Hatfield plant could not assist us in recovering more oil from our North sea oilfields.

The prospects are even better than that, however. Scientists are developing the hydrogen economy, saying that hydrogen is the new power of the future. An IGCC plant at Hatfield could develop fuel cells from captured hydrogen and produce enough energy to power the whole of the public transport system in the south Yorkshire area. So not only do we have a coal mine with a future of between 30 and 40 years, which would maintain our indigenous coal industry, we have the possibility to build technology on the site that would take us forward by helping us to deal with our Kyoto targets and generate the fuel of the future.

It is ironic that our oldest and most reliable fuel, which we have used for centuries, could help to create and develop the fuel of the future. That is a prospect worth pursuing. I am not the only person to think that; the Americans think so, too. They are pouring about $6 billion into developing IGCC technology. If they are pouring in that amount, surely it is incumbent on our Government to get ahead of the game. We can develop that technology, our engineering industry can get involved and we can start exporting it, or shall we just sit back, watch the Americans develop the technology and buy it from them, no doubt at a premium price, in years to come?

The clean coal budget for the UK is £25 million—I am not sure how much of it has been used to date. I realise that America is a much bigger country and that it has a larger budget, but the Americans are spending between $6 billion and $10 billion—I think they are putting $6 billion into IGCC technology alone, quite apart from what they are doing to develop other clean coal technologies.

We need to start thinking about developing such technologies. Everybody is aware that we shall be burning fossil fuels in this country for years to come, but we cannot keep spewing out toxic emissions, so the future must lie with those new technologies. Windmills are popular at present and, yes, we must develop renewable sources of energy. There is no doubt about that; I agree. The Government should be helping to develop renewable energy sources. However, in reality, renewable sources will produce only about 10 per cent. of our energy requirements. We shall continue to be reliant on fossil fuels for a long time to come. The sensible thing for any Government to do would be to get in there and help to develop that technology.

I was disappointed by the White Paper that the Government published last February. It really was a missed opportunity. Everything I read about coal related to the fact that the industry in this country would end within the next 10 to 15 years. When we look around, we can see that that is probably true. Most collieries that are operating now will naturally be approaching exhaustion by that time, but Hatfield is the exception.

Hatfield has between 80 million and 100 million tonnes of accessible coal, and there is more—those are only the accessible reserves. The plan is to link Hatfield and Thorne collieries, which will give access to even more reserves. The only real prospect for the future is the Hatfield colliery.

We have to make a decision about whether to continue with the colliery, or to walk away from it. The Minister should do everything that he can to ensure that Hatfield stays open in the short term. I am asking him to help and to get involved in developing the Barnsley seam—to get into the new territory, as it were—and the IGCC technology. The Government are responsible for the energy requirements of this country, and those requirements will not be satisfied by renewables alone.

Mr. Denis Murphy (Wansbeck) (Lab): My hon. Friend has mentioned the massive reserves at Hatfield. Is he also aware of the reserves at Ellington colliery? They have already been accessed by the National Coal Board and, subsequently, by British Coal at huge public cost. There are between 20 million and 200 million tonnes of accessible reserves there. Does my hon. Friend think that they should be mined as well?

Mr. Hughes: I do, indeed. I am grateful to my hon. Friend for raising that point because it brings us to the crux of the question. When we consider the White Paper, it is clear that the Government intend to take us down the track towards being a net importer of energy. How ludicrous is that? We must think about security of supply. It is fine to think about short-term economic gain, but we must also think about the fact that, when people press a light switch, they want the lights to go on, and when they turn their heating on, they want heat. Yet we are planning to close down the indigenous coal industry. We are already burning our natural gas to

generate electricity, which is ludicrous. We ought to be burning our gas—a premium fuel—in homes for heating and cooking. However, we are planning to continue to burn it to create electricity, and to build a pipeline across Europe. The Minister has already had a meeting with the Norwegians and possibly even signed an agreement on that pipeline.

So we are going to be importing our gas, and if Hatfield, Ellington and other collieries close down in the near future, we shall also be importing all our coal. Where does that leave us in terms of security of supply? It leaves us vulnerable.

Mr. Skinner: This is a private industry, and the same is true of the railways. When, in the railway industry recently, Connex could not deliver, the Government stepped in to ensure that the service continued. The same was true in relation to Railtrack. It was a failure, so what did the Government do? They picked it up. Here we have a private coal industry that seems to do as it likes and get away with it. Why cannot the Government take the same line on coal as they do on rail, and say that in Hatfield, for example, the private element cannot do the business? All the reserves are there. Why cannot the Government step in, as they did with Connex and Railtrack? That is a very good analogy, and this ought to be done.

Mr. Hughes: I am grateful for that intervention. I can only agree with my hon. Friend. I shall bring my comments to a close now because I know that other colleagues have things to say about the future of the deep-mine coal industry in this country.

It is sensible to have a diverse energy mix. It is also sensible to maintain an indigenous supply, because if we do not do so, we shall be vulnerable in terms of cost and of international terrorism. Let us imagine a situation in which this country had no coal industry and had to import all its supplies. Let us also imagine that we had no natural gas and had to import all our supplies down a pipeline. What would it take for a terrorist to take out a ship coming in across the sea? What would it take to blow up that pipeline?

Not only that; what about cost? We live in a capitalist world, and if someone does not have something and I do, I am going to make sure that they pay what I want for it. To maintain that cost element and to secure ourselves against any international terrorist element, we need to maintain a diverse energy source and an indigenous supply. The Government have some stark choices, and there is no doubt that they are political ones. Do we choose to do what is right for this country and for the long-term future or do we choose short-term economic expediency and hammer home the last nail in the coffin of the indigenous mining industry? I hope not, but at the end of the day, Minister, the choice is yours.

Several hon. Members: *rose—*

Mr Frank Cook (in the Chair): Order. Perhaps I should remind the House that it is common practice during these 90-minute Adjournment debates to commence the first of the three winding-up speeches 30 minutes before termination. That would be at 10.30, which leaves us 34 minutes in which to accommodate the five hon. Members who are seeking to catch my eye. I would therefore ask all contributors to the debate to bear that time limitation in mind when making their comments, and when seeking to make or respond to interventions from others.

9.56 am

Mr. Bill O'Brien (Normanton) (Lab): I congratulate my hon. Friend the Member for Doncaster, North (Mr. Hughes) on taking the initiative in requesting this debate, because it gives us an opportunity to consider once again the future of the mining industry, and to reflect on this country's energy needs for generations to come. Last year, the Government published their White Paper on energy. From it emerged four goals: reducing CO_2 emissions, maintaining reliable energy supplies, promoting competitive markets, and ensuring that there is affordable heating in every home.

The current mix, as my hon. Friend said, consists of 32 per cent. of our electricity being generated by coal, 23 per cent. by nuclear power, 38 per cent. by gas, 4 per cent. by oil and 3 per cent. by renewables. The maintenance of reliable energy supplies cannot be achieved under the Government's proposals that have emerged since the publication of the White Paper.

The Institution of Civil Engineers, which carried out research on the White Paper and published a report on it, stated that the target of 10 per cent. renewables by 2010, and 20 per cent. by 2020, was out of the question. It said that that could not be done. Perhaps the Minister will tell us whether he considers those targets to be achievable. The report also suggested that the Government's objective appeared to be to phase out coal production in this country by 2016. If that happened, it would be a disaster for the mining industry and for the nation. The report also stated that only one nuclear power station would be operating after 2020. That, too, spells out a crazy energy provision policy. In terms of keeping the lights on, future generations will suffer if the proposals outlined in the White Paper are allowed to proceed.

Hatfield colliery has a great deal to offer the future provision of energy. It and the other collieries that are working require the long-term security of a market for the coal produced in this country.

When a delegation of hon. Members, some of whom are here, met the Prime Minister on 17 September last year—the Minister was also present—we pressed him to consider agreeing to the emission limit values arising out of the large combustion plant directive being pursued by the European Commission. We told the Prime Minister that we considered the ELV programme to be in the best interests of the mining industry, and we still do. Although the Government have gone for the national plan instead of that proposal, we ask the Minister to reconsider it and give the mining industry an opportunity to secure long-term markets in the electricity generating industry. I remind him that a majority of electricity generators opted for ELVs.

How could the Government overlook and overturn a proposal that benefited the coal industry and was requested by the electricity generating industry? I have twice written to the Minister asking for a meeting to consider that question, and I hope that this morning he will agree to it. If we cannot get that co-operation with the Department of Trade and Industry, we are left with no option but to go back to the Prime Minister, who said

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at the time that the Minister should consider the issue and then give us, the miners' representatives, an opportunity to make further representations in due course. I make that plea because it is important that we be given the opportunity to discuss issues of importance and relevance to our communities.

On 28 November 2002, the Secretary of State for Trade and Industry addressed the House on the subject of assistance to British Energy, which runs the nuclear industry. She reported that on 26 September 2002 a loan of £650 million was granted to British Energy, and that the Government would underwrite the arrangements secured by British Energy to raise money from bonds. She said:

"The cost to the Government"—

of supporting British Energy—

"will average £150 million to £200 million per year for the next 10 years".—[*Official Report*, 28 November 2002; Vol. 395, c. 489.]

If we are to have fairness, openness and justice within the various parts of the industry, how can the DTI and the Minister say that the support for the mining industry that we are looking for will not be forthcoming? We are not asking for anything like £150 million or £200 million a year over 10 years. A one-off payment of £100 million would help the industry to develop new resources such as clean coal technology, and would aid its survival. That is not unreasonable when one considers what the Government are handing out to the nuclear industry. Will the Minister take this matter seriously and offer us, the representatives of mining communities, the chance to put our case on the future of the mining industry and the development of clean coal technology?

At the beginning of 2003, "Energy Review" said:

"It is surprising that the closure of nuclear capacity is addressed in some detail yet there is no comment about the age of the coal and oil fired capacity."

In other words, according to that report and to the research done by the Institution of Civil Engineers, the Government are writing off the mining industry. We give notice that we will campaign here in this House to retain the mining industry and to develop the reserves at Ellington and Hatfield collieries. We want fairness and justice on assistance for the development of the coal mining industry and the introduction of clean coal technology, which will help to reduce CO_2 emissions. I ask the Minister to address those points first, then we can move on further.

10.6 am

Paddy Tipping (Sherwood) (Lab): I am grateful for the opportunity to take part in this extremely important debate. My hon. Friend the Member for Doncaster, North (Mr. Hughes) spoke about the importance of Hatfield colliery. Twenty years ago the men, their families and their community fought to keep that pit open, and the fight will go on. The debate gives us an opportunity to talk about the future of the British coal industry. Hatfield is important because it gives access to immense reserves—50 per cent. of the reserves in the UK coal industry. These days, it is unfashionable in energy circles to support UK Coal, but I am an enthusiast. There is a place for British coal in the short term, the middle term and the long term. The Minister and his colleagues at the Department of Trade and Industry, working with the Department for Environment, Food and Rural Affairs, must take action to secure the cornerstone of our energy policy.

The most important lesson of the energy White Paper, which is a year old today, is security and diversity of supply. I applaud its direction in moving towards a low-carbon economy—that must be right—but we must take the necessary careful steps to get there, and I have doubts about some of the courses of action being advocated. I have always thought that the target of 10 per cent. renewables by 2010 was ambitious; I think that we will get there, but arrive late. The target of 20 per cent. renewables by 2020 is described as "aspirational", although some people call it impossible.

If we cannot achieve those targets, we need to consider other sources of supply. My hon. Friend the Member for Normanton (Mr. O'Brien) talked about the problems in the nuclear industry. It is clear to me that the private sector will not renew the nuclear industry in the foreseeable future. That takes us to gas. By 2006, Britain will be a net importer of gas. The Department's own figures suggest that by 2020, 80 per cent. of our energy needs in the UK will be met by gas, 70 per cent. of which will be imported. In the context of the diplomacy mentioned in the White Paper—the need to make international connections—we need only look at what has happened in Iraq recently. We need to remember the lessons of 11 September. It would be a fundamental mistake to be so dependent on gas in 10 years' time.

There is, however, a wider argument: the coal industry must be compatible with renewables. Renewables, by their very nature, are peripheral and variable. Our renewables targets could be achieved through wind power if it were sustainable, but the wind does not blow all the time. As only coal is flexible enough to meet demand, it is important for the industry to survive in the short, medium and long term.

The industry is doing its bit. It is no longer uneconomic. The UK Coal work force are the most efficient miners in Europe, and they have brought down the price per gigajoule. The company can now compete on the world market.

I applaud the Government for introducing operating aid and, recently, the investment aid scheme. It may be insufficient, short term and too late in coming, but at least it is there, giving us an opportunity to develop new reserves and giving the coal industry a long-term future. It is, of course, a bargaining counter; public sector money brings in private sector money.

The environment is a difficult issue for the industry, as my hon. Friend the Member for Doncaster, North suggested, and it will be environmental concerns that kill it. I have discussed this with the Minister before, but I ask him now to discuss it thoroughly with his DEFRA colleagues. If he wants a long-term UK coal industry, he must think carefully about the way in which the large combustion plant directive is implemented. It appears that no final decision has been made, but the Government seem inclined towards the national plan. I understand why, but all the advice given to the Minister and all the research show that if that route is taken, as night follows day the coal industry will close. It will survive only if the emissions limit value route is adopted. If we want to lose 15,000 jobs, or deprive the economy

of £700 million, let us go for the national plan, but I counsel my hon. Friend the Minister to be very careful. I know that research has been commissioned and I know that decisions can be reversed, but he must take heed of what I say. He must also consider the long-term issues involving carbon dioxide. We must progress from research on clean coal technology to implementation of that technology.

Across the world—in India, China and Indonesia—we will see the coal industry grow. Coal will remain the powerhouse for industrial growth. Here in the first world, we should be cautious about closing down the industry. We have the technology, we have the expertise, and we have the most efficient miners in Europe. We have a strategy for our energy policy. We must ensure that coal is and remains the cornerstone of that strategy.

10.13 am

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I congratulate my hon. Friend the hon. Member for Doncaster, North (Mr. Hughes) on securing this debate. It is important, and Hatfield is an important colliery. My hon. Friend described it as at the centre of the current coal industry. He also pointed out that this was the 20th anniversary of the miners' strike. At the time of the strike in 1984, there were 170 collieries in the United Kingdom; today there are about a dozen.

Hatfield is indeed at the centre of the coal industry. We expected it to be able to take men from Selby after Selby's closure this spring. We expected that Hatfield would be developed, for it has vast reserves of good low-sulphur coal. Moreover, it is linked with Thorne, whose take of coal on the east side of Doncaster probably makes up the largest reserve in the UK. It is therefore extremely important to the indigenous coal industry. It is also part of a wider industry. It is not always appreciated that the coal industry is still a large industry in the UK, with a turnover of more than £1 billion, that it employs 9,000 men, and that there are probably between 15,000 and 17,000 jobs connected with it. My hon. Friend the Member for Sherwood (Paddy Tipping) pointed out that the industry produces the cheapest deep-mined coal in Europe—yet we hear that the French and German industries draw down much more money for their support.

We are facing another crisis. Since I came to the House 12 years ago in 1992, we have faced crisis after crisis in the coal industry. Luckily we have a Government who have listened, and on each occasion some assistance has been given. This time, however, I fear that the investment has not been enough to enable the industry to continue. We need more help. I hope that even at this 11th hour the Minister will think about that. Perhaps it would be possible to obtain operating aid. It is, after all, important for us to be able to support our indigenous coal industry.

It has been said that by 2006 we shall be importing gas. By 2020, 80 per cent of our energy economy will depend on imports of both gas and coal. It is not always realised that it currently depends on coal, which constitutes about a third of the energy mix. Last year we burned some 50 million tonnes in our coal-fired stations. We need a new generation of such stations. My hon. Friend the Member for Doncaster, North spoke of the integrated gasification combined cycle system. I know that the owner of Hatfield colliery was seeking investment to support a new unit based on the new clean coal technology. Such a unit, if successful, might well provide a stimulus for the development of clean coal technology generators that would help sustain the industry.

My hon. Friend the Member for Sherwood put his finger on the real problem for the future, though. He referred to the large combustion plant directive and the Government's approach to it. There are two possible approaches, the national plan and the emissions limit value plan. The national plan would involve one national sulphur bubble. I suspect that DEFRA has considered how it might trade off the bubble with other European countries, which would be a mistake. DEFRA's calculations fail to take account of the cost of the demise of the UK coal industry. The cost for coalfield communities would be terrific. It is therefore important that the Minister and his colleagues in the Department for Environment, Food and Rural Affairs examine the alternative approach of emission limit value, which would support the UK coal industry. UK Coal estimates that if the national plan is to be the Government's way forward, the industry is likely to be decimated, and could be reduced to 3 million or 5 million tonnes in two or three years.

I therefore urge the Minister to adopt the emission limit value approach and consider the way in which we could make more investment available to Hatfield, which is the centre of the industry. I get the feeling that if Hatfield colliery closes, others may speedily follow.

It is therefore important that the Minister take on board the combustion plant directive, and approach it in a way that gives the UK coal industry sustainability and makes more investment available, so that Hatfield colliery continues into the future.

10.20 am

Mr. Denis Murphy (Wansbeck) (Lab): I congratulate my hon. Friend the Member for Doncaster, North (Mr. Hughes) on securing an important debate. He made a powerful speech for Hatfield colliery, which I support. I am sure that many other people, inside and outside the House, would like Hatfield to have a good future.

I want to make one or two brief remarks about the last remaining colliery in the great northern coalfield—Ellington. Just before Christmas, UK Coal announced 70 redundancies at the colliery and placed it in the review process. That news came after information that £2 million of Government investment aid was available and that £1.1 million was available immediately for development in the next two years. The plan was to develop an area called K3 south district, thereby providing four more years of production and employment. Protecting more than 400 jobs in an area of long-term high unemployment is vital.

Ellington supplies a pithead power station, which is owned by Alcan, and provides power to its adjacent aluminium smelter. More than 1,100 jobs are shared between the two industries. Although Ellington relies almost entirely on Alcan for its survival and future, the closure of the pit would have a negative effect on Alcan's

[Mr. Denis Murphy]

prosperity. Alcan burns 1.2 million tonnes of coal per annum—80 per cent. now comes from Ellington. Finding 1 million tonnes of coal at the price that it now pays would be impossible for Alcan. World coal markets are changing rapidly. Ellington colliery could supply Alcan's requirements for the next 20 years.

At great public expense under British Coal and the National Coal Board, tens of millions of pounds were spent on developing roadways to access new reserves to the north of Ellington—some 14 km under the North sea. It is estimated that between 20 million and 200 million tonnes of accessible coal lie in that Klondike under the North sea—enough to fuel a new generation of clean coal power stations.

To realise that, Ellington needs to overcome its short-term problems. I know that my hon. Friend the Minister is supportive and has been helpful in recent meetings. Indeed, were it not for the Government's commitment, Ellington would have closed several years ago. I ask my hon. Friend to re-examine another application from UK Coal for further investment aid to Ellington.

It is commendable that everyone at the pit—management and work force—is working together for the colliery's survival. However, I am surprised and disappointed that the company's board passes on its responsibilities to the work force when problems occur. I find that strange. Nevertheless, a critical fault has been identified in any survival plan for the colliery: problems with the coal preparation plant because of a poor design that constantly breaks down and spends many days down, on maintenance. That has led to a build-up of some 400,000 tonnes of unwashed and ungraded coal. It is estimated that an improved plant, costing £2.5 million, will be required to solve the long-term problems of Ellington colliery. I respectfully suggest that my hon. Friend the Minister look favourably on any application that includes such a proposal.

Alcan is the largest industrial employer in my constituency. It has invested heavily so that it can continue on site for at least 20 years. Ellington has the reserves, manpower and skills to produce the coal that Alcan requires. Further investment now would make that possible.

10.25 am

Brian Cotter (Weston-super-Mare) (LD): I speak on behalf of the Liberal Democrats, but I appreciate that many speakers, especially the hon. Member for Doncaster, North (Mr. Hughes), have made a case for the coal industry with far more knowledge than I could pretend to possess. I do not believe that I am alone in being moved last night by the television programme about Hatfield. When I first became involved in policies for the Liberal Democrats 20 years ago, I joined one of the miners' marches that went through London. Although I know that that was a token gesture, it represented how I felt about the terrible position that confronted us under the premiership of Margaret Thatcher.

I congratulate the hon. Member for Doncaster, North on presenting his case so well and on expressing great concern for Hatfield colliery. I appreciate that he is anxious today to ensure that the Minister provides clarity, especially about the proposed £15 million in funding. I shall therefore not take issue with the request for that money, although the Liberal Democrats are worried about the amount of funding that the Department of Trade and Industry has put into various projects over the years. We remain concerned about that, but I shall deal with the details of the specific request that we are considering shortly.

A massive amount of money, which has already been mentioned, has been put into nuclear power. At the end of last year, the Secretary of State for Trade and Industry announced that she would increase the credit facility to British Energy by £75 million. Even worse, many people say that the cost of nuclear energy could rise to £50 billion in the next few years because of the need for decommissioning, waste management and the costs of production. Vast sums of money are being put into energy production that is costly and of major environmental concern to many of us. No one here, except perhaps the Minister, would agree that such a use of Department of Trade and Industry funding represents the way that we should go.

At the beginning of the month, the European Commission drew attention to the fact that Britain had crept to the top of the European scoreboard for subsidies, thanks to two big handouts—one to British Energy and the other to Railtrack. That position is not sustainable. All state subsidies to industry should be considered according to the taxpayer's long-term interests and the value that the industries add to society, rather than on the basis of individual commercial or labour interests, so the Minister needs to be asked some questions about that situation.

First, will the coal mine be viable in the long term? Concern has been expressed about the fact that the administrators are finding it hard to attract private investors because of the cost involved in developing a new seam. If such projects are viable in the long run but just need a helping hand to attract investment, should we not consider at least the possibility of loans based on the project's viability, both in this case and in other cases?

Secondly, if the Government agree to fund the maintenance of the mine until a suitable buyer can be found, how much will that cost? If we are to put money into a project, we should have a view about its viability, effectiveness and long-term cost. There is no point putting money in if we will see no result at the end of the day. Of course there is great concern about the future of the £350 million clean coal power station that the pit's former owners were planning to construct next to the mine. Has the Minister any answer to those questions?

The hon. Members who have already spoken, particularly the hon. Member for Doncaster, North, have made some important points about Hatfield colliery holding the key to 50 per cent. of the coal industry's reserves in this country, and about security of supply. The hon. Gentleman has said that we need a clear strategic approach to energy—something that I called for more than a year ago in a previous debate on coal. Above all, we must decide to allow the development of a number of environmentally acceptable forms of energy production, and I very much hope that clean coal can be part of that.

10.32 am

Mr. Laurence Robertson (Tewkesbury) (Con): I congratulate the hon. Member for Doncaster, North (Mr. Hughes) on securing this debate and on speaking so eloquently on behalf of not only Hatfield colliery, but the UK coal industry. I welcome the chance to contribute to the debate. I intend to say a few words, but to leave the Minister plenty of opportunity to reply to a number of the points that have been made by all the hon. Members who have spoken. In some ways, I feel a little sorry for the Minister because he is perhaps a bit isolated on the issue, inasmuch as there seems to be some concern—as expressed not only in this Chamber today, but throughout the industry—not about the White Paper's objectives, which we all share, but about the lack of direction that, I am afraid, it seems to show. I shall return to that in a minute.

I have researched Hatfield colliery, and very interesting reading my brief on it is. I do not intend to go through that brief because the hon. Member for Doncaster, North has indeed spoken about the colliery and I would not pretend to have anything like his knowledge, but I know that the colliery has an interesting history and, potentially, an interesting future, which depends on which way this country decides to go in its energy policy.

When I took on the shadow Department of Trade and Industry brief some six months ago, I started to look at the issues and it became very clear to me that there was no immediate threat to, or problem with, the security of supply. Of course we had some technical problems in London and the west midlands, when the power was out for nothing more than a few minutes. However, those technical problems were in no way related to capacity and were nothing to do with supply, and it is unfortunate that the two issues got confused.

I am satisfied that in the very short term—this year, next year—there is enough capacity to see us through. That is a dangerous thing to say when we are not yet quite through the winter, but I am assured by those at Ofgem and many other people that there is sufficient capacity now and, indeed, there probably will be for next winter. However, when we look slightly beyond that the situation possibly changes. I share the concern that has been expressed not only by a number of hon. Members, but by people throughout the energy world who seem to be somewhat concerned about the prospect of a possible shortage of supply in the medium term.

What do we mean by the medium term? Well, according to one or two discussions that I had only yesterday with people in the industry who really should know, they are concerned not about next winter particularly, but the winter after that, when demand might possibly begin to exceed supply. Things can be done to secure that supply in the short to medium term, but when we move into the middle-medium term things look a little bit worrying.

As the hon. Member for Normanton (Mr. O'Brien) has already suggested, our current mix is about 22 or 23 per cent. nuclear, about 32 per cent. coal and about 38 or 39 per cent. gas, with one or two other bits coming in. That kind of mix—a third, a third, a third, with a desire to increase renewables—is probably not a bad one, but that is, of course, about to change as there are questions about the future of the nuclear industry. I want the Government to give some signs about what will happen to the nuclear industry, which ought to have a future.

I accept that the costs in the past cannot be repeated in the future, but there is no need for that to happen. There is new technology and there are different ways to do things and to handle the waste. I have travelled to Finland—a country that is expanding its nuclear industry and, indeed, finding good, safe and not all that expensive ways to handle and deal with the waste. I think that the nuclear industry has a future, but I am not sure that the Government agree and I should like the Minister to tell us—although I have heard him speak about this before—about his view of the nuclear industry's future. As things stand, I do not believe that the Government particularly intend the nuclear industry to have a future.

If the 22 or 23 per cent. of electricity produced by the nuclear industry starts to fall, how will we make up the difference? Well, let us look at the coal industry, which, as hon. Members have suggested, is under some environmental pressure in respect of sulphur emissions and carbon emissions—a double whammy. That is a threat to the coal industry, and we have to recognise it as such. Of course we have to play our part in reducing emissions, but we ought to remember that the emissions produced in this country amount to about 2 per cent. of world emissions. Although we probably have to play more than our part—that would only be fair—I do not want British industry to be penalised to the extent that we have a power supply crisis.

If the nuclear industry is allowed to diminish and coal is under environmental pressure, so that 32 per cent. might drop, what will happen? Where will our power come from? Well, we have gas. As the hon. Member for Doncaster, North and other hon. Members have said, we are due to become a net importer of gas in 2006. The Minister confirmed that in the House only a few days ago. Therefore the 38 or 39 per cent. of supply that is now provided by gas might creep up to 49, 59, 69 or even 79 per cent. A lot of that gas will be imported, as we have heard.

I am not convinced that the Government have sufficiently advanced the negotiations with countries such as Russia, Algeria and others to enable us to feel secure in the supply of gas, which is so important. Yes, a treaty has already been signed with Norway, but that will cover only a fraction of the gas that we will need to import as we move forward. So where will the security of supply come from?

I am concerned about the fact that we could become over-dependent on gas. We have been over-dependent on middle east oil in the past—we have seen where that gets us—and, to an extent, we have been over-dependent on coal at certain times, which was not a good situation either. What I should like is a balanced energy policy so that we are not over-dependent on any one source, but the Government have not yet come up with such a policy. They have given no guarantee that they know how to achieve that, nor even that it is their desire.

Of course, we have the prospect of increasing our use of renewables. Everyone who cares about the planet and our ability to continue to generate electricity wants renewables to succeed and increase in importance. However, our targets of 10.4 per cent. of supply by 2010,

[Mr. Laurence Robertson]

15.4 per cent. by 2015 and 20 per cent. by 2020 seem ambitious when we consider that the present target, which is underpinned by an obligation, is only 3 per cent. Even that target has not been met—I think that last year's figure was 1.8 per cent. We are not near achieving even a low 3 per cent. target, so how will we reach 10.4 per cent. in only six or seven years?

I am worried that the Government not only expect renewables to come up to the 10, 15 and 20 per cent. targets, but expect windmills to provide all that energy. I am in favour of renewables, and although I am not against windmills, as such, we should consider how unreliable and inefficient they are. They are expensive to build, they do not last long after they are built, the electricity that they produce is expensive and no one wants windmills to be built near them, so there is a bit of a problem. I encourage the Government to try to increase the amount of electricity generated by renewable energy and to look a little wider than simply getting that from windmills.

I want to leave the Minister plenty of time to reply to the many points made by hon. Members. I once again congratulate the hon. Member for Doncaster, North on not only raising the issue of Hatfield colliery, but giving us the opportunity to discuss energy policy in general.

10.42 am

The Minister for Energy, E-Commerce and Postal Services (Mr. Stephen Timms): I, too, congratulate my hon. Friend the Member for Doncaster, North (Mr. Hughes) on securing the debate. I pay tribute to him for the absolute and unyielding determination that he has shown while trying to secure a viable future for Hatfield colliery and the proposed clean coal power station that would be linked to it. Without his determination and work over a long period, the prospect of an attractive future for Hatfield may not have existed.

I thank all hon. Members who represent coal mining constituencies who spoke in the debate. Their contribution is important to maintain a wide recognition that coal continues to play an important role in the UK's energy supply—my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) was right to make that point. Coal will continue to be important for a long time to come. I want to refer to the work involved in producing "Manifesto for Coal", which was launched on 3 November last year, because that has been helpful in focusing attention on the issues that face such an important industry.

The UK coal industry provides about half the coal used by our coal-fired power stations, which, in turn, supply about one third of the country's electricity requirements. There is also a big demand for UK-produced coal for industrial use. Coal's contribution to meeting our national energy needs is in addition to its local economic importance in many parts of the UK where it continues to provide good quality employment.

Several hon. Members, including my hon. Friend the Member for Sherwood (Paddy Tipping), said that we now have the most efficient coal industry in Europe. That is right, and it is important that we celebrate that and draw attention to it. Our coal producers have made big strides to reduce costs to make themselves more competitive with world producers. With world coal prices buoyant, as they are at present, many are well placed to compete on much better terms than previously with producers of coal imported from elsewhere.

We have heard a good deal about Hatfield colliery, so I want to respond to points that hon. Members have made. I understand that the mine at Hatfield was sunk between 1911 and 1917. As we heard, an important and interesting history is attached to the colliery. It has strong support and loyalty from its work force, which is an important part of the reason why we can still talk about its prospects today.

Hatfield colliery received a total of £11.3 million of coal operating aid from the Government between April 2000 and December 2002, of which nearly £4.5 million was paid to Coalpower Ltd. after it took over in October 2001. During that period, and despite such substantial Government support, the mine was not able to generate the income that had been hoped for. It received £867,000 as the last instalment of coal operating aid in March 2003, but the company nevertheless continued to experience financial difficulties. In August and October last year, the Coal Authority released to Coalpower funds that it held on behalf of Hatfield in the hope that that would help the company to finalise the necessary refinancing to secure its future. I was kept regularly briefed on those developments and was keen to do everything that I could to help, so it was with great regret that I learned that those efforts had not come to fruition.

On 3 December, Coalpower Ltd. went into administration. That was judged to be the best option for finding a new owner with the financial resources to pursue the Barnsley seam project, which, with the High Hazels seam all but exhausted, is essential to the mine's future. Once again, with the Coal Authority's help, Hatfield was kept open—albeit not in full production—while a buyer was sought. A possible bid is in development that might lead to an offer that could secure a viable future for the mine. I do not want to prejudge the outcome of the bid or raise any undue hopes, but acquisition by a properly financed and funded company with the resources to carry out the planned investment would clearly be an excellent outcome for the colliery, its work force and the Government.

There were plans to develop a power park on part of the colliery site. It was planned to have been completed by 2005–06 and centred on the construction of a 430 MW coal integrated gasification combined cycle power plant adjacent to the colliery. Coalpower had obtained section 36 planning consent for the plant, but it was unable to finance its construction before the administrators were appointed. The project would present major challenges. The combination of technologies that it would entail is untried at present. The zoning of the site in local plans would be a challenge, and there would be a need for an access road to connect the site with the motorway network. Those are all significant challenges, but if they can be resolved an attractive project could undoubtedly take place at that plant.

The Government need to remain within state aid rules when considering means of support. I hope that the House accepts that we have done everything that we could within those rules to help to secure the colliery's

future. We considered Coalpower's application for coal investment before the other applications that were received. Having done so, we made a formal offer of £15 million of support, in the hope that that would help the company to secure the refinancing that it needed to demonstrate that it could meet the 70 per cent. of costs that have to be provided privately under state aid rules. The company was hopeful that it could do so. When Coalpower went into administration, we authorised the administrators to tell potential buyers that that aid would be available to a new owner who offered a comparable investment project.

The aim of coal investment aid schemes is to create or safeguard jobs in the UK coal industry in areas that are often socially and economically disadvantaged by encouraging coal producers to enter into investment projects that maintain access to coal reserves and help to ensure the medium-term economic viability of those mines. We have a budget of up to £60 million over three years, and bids for the first of three application periods total £131 million—more than twice the total budget available over three years. It clearly was not possible to meet all the bids in full, so it was important when assessing applications to take full account of the benefits that were likely to result from each application. On 27 November, I announced investment offers totalling £52 million, which could secure more than 4,000 coal mining jobs and create an additional 300. Most applicants have until the end of February to accept the offers, and I can confirm that because of its particular circumstances, the period for acceptance of the £15 million offer to Coalpower has been extended to 31 March. It therefore remains available to a new owner of Hatfield if an acceptable bid is received before that date.

Mr. Kevin Hughes: I think that I made it clear that we are grateful for the help that the Government have given to Hatfield colliery over the past few years in coal operating aid and for Coal Authority grants from the summer to December. However, does my hon. Friend agree that if it had not been for the huge gap between the end of coal operating aid and the start of coal investment aid, Coalpower might not have experienced short-term problems with financing, and perhaps we would not be having this debate today?

Mr. Timms: I do not know about that. We were all optimistic once the offer was made. As I said, we made it as early as we could, and we hoped that with the availability of that substantial Government support it would be possible to put together a financing package to make the project viable. We still hope that that is the case, but we are all disappointed that it was not possible to do so as soon as it initially appeared. However, we will keep the offer open until the end of March. I understand that the administrators will maintain a skeleton staff at the colliery until the bid expected in mid-March has been assessed, to make sure that operations can restart promptly if it is accepted.

Mr. Hughes: I am grateful for my hon. Friend's announcement about keeping the £15 million offer open. However, can he confirm that the administrators have been instructed to maintain the pit so that it is ventilated, water-pumped and open for business should the company come up with a successful financial package?

Mr. Timms: That is certainly important. Steps have been taken to ensure that that is the case and operations can restart promptly if the bid is accepted. If my hon. Friend has detailed questions about that, I am happy to consider them.

The offers announced in November included awards to three mines operated by UK Coal, including Ellington, which was mentioned by my hon. Friend the Member for Wansbeck (Mr. Murphy), who has spoken to me on a number of occasions about this matter. I can tell him and other Members that I recently met Alcan to discuss the concerns that he has expressed. The other mines to receive awards were Rossington and Welbeck. There are concerns about the implications of those awards for the collieries, given what UK Coal has since said. I am aware that the review process for Ellington is under way, as my hon. Friend the Member for Wansbeck said, and is expected to take about three months.

If offers of aid made to these collieries are refused, the funds would be returned to the coal investment aid budget and would be available for reallocation in a future application period. The next period is due to close at the end of May this year. Important points have been made about other issues affecting the coal industry. Eighty per cent. of UK-produced coal goes into coal-fired electricity generation, so the future of the industry is inextricably bound to the future of that sector, which is facing considerable challenges in the years ahead, not least because of increasing pressure from the environmental regulation that a number of hon. Members spoke about.

Of immediate concern, as my hon. Friends the Members for Normanton (Mr. O'Brien), for Sherwood and for Barnsley, West and Penistone said, is the implementation of the large combustion plants directive, which will constrain the capability of generators to burn coal mined in the UK because of its relatively high sulphur content. There has been a lot of debate in the coal and generating industries about which of two alternative ways—the emission limit value and the national plan—of implementing the directive is more appropriate, and which option, if not the most beneficial, is the least damaging to their prospects. Coal producers, as we have heard, have clearly stated their preference for the emission limit value option, believing that it offers the best choice for the continued use of UK-mined coal.

The Government considered carefully all the responses to the consultation exercise and announced on 27 November last year that we would submit a national plan to the European Commission. As there may have been some misunderstanding, I emphasise to my hon. Friend the Member for Normanton that at the same time we made it clear that we would conduct further analysis of the likely impact of the implementation of the directive so that full account could be taken of the different and conflicting views expressed by the various interested sectors. In other words, at this stage we are not irrevocably committed to the national plan, as further analysis is needed if we are to be confident about which of the two alternatives is the right one to adopt.

[Mr. Timms]

We recently commissioned further independent research into expected levels of coal production to 2016, which will help further to refine our considerations. I do not anticipate that we will look at low production levels such as the amount of 3 million to 4 million tonnes that was suggested in our debate—I think that production will stay at a higher level. In the remit for the study, we asked the analysts to report on the potential effect on demand for coal, especially indigenous coal, of other environmental controls that are already in place, in the pipeline or in development and are likely to be introduced during this period. They include, for example, the emissions trading scheme and integrated pollution prevention and control regulations. We will work closely with the Department for Environment, Food and Rural Affairs when considering which steps to take, as my hon. Friend the Member for Sherwood requested. In response to the point made by my hon. Friend the Member for Normanton, I am happy to meet again Members who have expressed concern before a final decision is made.

Mr. Frank Cook (in the Chair): Order. We must turn our attention to the next topic for consideration today.

Adult Social Services (Northumberland)

11 am

Mr. Ronnie Campbell (Blyth Valley) (Lab): The topic of this Adjournment debate—the closure of old people's homes—is a sad affair. I shall explain how we reached this point. A couple of weeks ago we learned from the newspapers that the last remaining homes—*[Interruption.]*

Mr. Frank Cook (in the Chair): Order. Would people leaving the Room do so quietly, please, and conduct their conversations outside?

Mr. Campbell: My hon. Friend the Member for Wansbeck (Mr. Murphy) and I were not aware of the closures. The news reached us by way of the newspapers. *The Journal* in Newcastle reported it first. It was a complete surprise to us. Of course, the trade unions and the work force telephoned our offices immediately. I said that I would meet them on the Friday, as soon as I got back from Parliament. My hon. Friend the Member for Wansbeck, who had a home in his area that was to close, said the same.

That was one of the saddest days I have experienced during my 16 years as a Member of Parliament. When I got to the meeting at the home, all the staff were there, even those who were off duty. They had all come to see their Member of Parliament. There were tears all over the place. They would all lose their jobs. Somebody was on their way from county hall to try to fix them up with jobs elsewhere—that is how far advanced matters were. Even the old people were crying, because some of them had been turfed out of a home a year previously and were very upset by the prospect of being turfed out again. I understand that they were to be placed in private homes. The council was washing its hands of care for the aged in Northumberland.

We were not very happy with the situation or with the council. There was a meeting at county level the following Monday which my hon. Friend the Member for Wansbeck attended—I was away that day—at which there were further developments. Voices were raised and concerns were expressed. The next thing we knew was that the closure plan was withdrawn. What annoyed me more than anything was the statement made by the council leader after the closure programme was withdrawn, because it involved the MPs. It stated:

> "Our two MPs have indicated they will help to get better funding for the council and we and local residents will hold them to those promises."

That statement was threatening towards the two Members of Parliament, who were only doing their duty. In fact, as I said, we had not been told of the closure plans. That is the sort of thing we had to put up with.

The statement means that whatever the council closes down next in order to make the required savings of £7 million, the two local Members of Parliament and the Government will get the blame. I do not believe that we can secure any more funding. I hope we can, but I very much doubt it, because in the past two years the local government settlements have been among the best the council has ever had.

I shall try to express the council's concerns as bullet points, without going through all the rigmarole. We all know what this is about: the council wants extra money. It needs to save £7 million in this year's budget. The council says that the underpin cost pressures in social services are £12 million. That is a lot of money. The council goes on to say that the ring-fenced funding has reduced support for the core services. I know what "ring-fenced" means, and I know there is a lot of funding, but the council does not explain how much is ring-fenced. It has not given us that figure. It simply states that the ring-fencing contributes to the pressure and the debt.

The council also says that 60 per cent. of funding in this year's allocation has to be passported directly to education. Whatever happens, 60 per cent. must go to education, and the rest is for the other services. I do not know how the council works out its budget. The councillors sit round the table and work out the budget in their way, but I am not privy to it. But I was a councillor for 19 years before I came to this place, and I remember one year, when Denis Healey was the Chancellor, he was cutting local government spending.

I was chairman of environmental health in Blyth Valley council in those days, and I remember the leader saying, "We have to make severe cuts. I want you—all the chairmen of the departments—to go back to your departments, get to the base budget and cut all the fat you can find. I want the savings reported back here in a fortnight." So I went to the director of environmental health and we started looking for cuts. We decided we did not need to order paper clips that year, or paper or pencils—we went through the whole list. We were due to go to five conferences—the chairman, vice-chairman, various councillors and the officers—but we decided the conferences were not sufficiently important, so we cut them from the budget.

That is what we did in those days. What do councillors do now? I think they just sit there and say, "What's the biggest expenditure? Old people and the adult training centre." I forgot to mention that the adult training centre was to close as well. We have never seen a budget. We have never heard that they attempted to look at the base budget and cut any fat that there might be. If the county council said to me and to my hon. Friend the Member for Wansbeck, "Look, we've cut the fat. We haven't anything left to cut. We are really at rock bottom", I would have no problem with that. I could get on my knees to my hon. Friend the Minister and say that the council had cut its expenditure to the bone.

However, I have to tell the Minister that the council has not told me or my hon. Friend the Member for Wansbeck that it has examined the base budget and cut the fat, like we did in the old days. I suggest that that is what the council should do, if it has not done so already. There are items of expenditure such as car leasing. I have heard that that involves an enormous amount of money, but I cannot find out the figure. I might have to ask the Minister a question and see whether I get the answer. Another item is conferences. There are conferences all over the place and council members are always away somewhere. There are seminars that they attend. These are all headings. One has to ask for the expenditure under each heading, so that one can add them all up. Then there is training—it must be the best trained county council in the land—and of course there is entertainment.

That is what I call fat, and local councillors—may perhaps not just in Northumberland—should start chipping away at that before they announce the closure of old people's homes and adult training centres. That is only fair to the people they represent, who pay their tax and their rates.

I do not want to take too long, because my hon. Friend the Member for Wansbeck wants to contribute. The Minister says that he needs at least 15 minutes. I want to hear what he has to say, because I want to know how much short the council is and how much we can get off it, if we can get anything at all. The council says it is in a dire situation. I do not think that it has done enough. I have said what I want to say—enough said. The council might take note of my words; it might not. I know the Minister will try his best. I will not blame him if he says he has no money available, but I hope that he has.

11.10 am

Mr. Denis Murphy (Wansbeck) (Lab): I congratulate my hon. Friend the Member for Blyth Valley (Mr. Campbell) on securing the debate. I doubt whether he will be offered coffee and biscuits on his next visit to Northumberland county council, but I await it with interest.

The county council recently concluded a consultation process lasting only two weeks on whether to close three residential care homes—two in my constituency and one in my hon. Friend's—and reviewed, with the possibility of closure, adult training centres in both constituencies. Many elderly and vulnerable people were distraught at the thought of moving out of their homes, where they were loved and cared for.

With my hon. Friend, I met staff, residents and the trade unions. We all agreed to oppose those closures and mounted a fairly good campaign. My hon. Friend and I wrote to every councillor in Blyth Valley and Wansbeck, insisting that they vote against the proposals. The county council has since decided not to go ahead with the closures. I commend it for that, but I question why it felt it necessary to make the announcements in the first place.

When that decision was made, the council put out a press release that was both misleading and disingenuous. The impression was given that my hon. Friend and I had promised that extra funding would be available and that the county would hold us to account for that. I can state on the record that that was never said by either of us. We simply said, as we often do, that if we could help in any way, including with ministerial meetings, we would be happy to do so. The county council agreed to put out a statement correcting its original comments, but I have yet to see it in print.

I want to touch on two or three areas of care that are vital, but also extremely expensive. I urge the Minister to press the county council to work very hard to adopt best practice in all areas of care. In keeping with the majority of local authorities, children's services have experienced major increases in demand over recent years. In Northumberland, there has been a large increase in the number of children with disabilities requiring services—more than 300 additional young people since 2000. An extra 25 young people a year require placements outside the county or in secure accommodation.

[Mr. Denis Murphy]

Although those numbers are not great, I am informed that a place at a secure unit costs £4,000 a week. Perhaps the Minister can extract from the county council how that massive figure is arrived at. Additionally, each year about 16 to 18 young adults with severe and complex disabilities leave full-time education—they require care services whose cost averages £45,000 a year for each person. That is a total of £750,000 each year.

More pressure is applied to adults' services by the Government's expectation that remaining long-stay residents in learning disability hospitals should be resettled in the community. There are 24 residents in Northgate hospital at Morpeth. They all have complex needs and, until recently, they were expected to stay in hospital indefinitely. The cost to the council of community schemes for those people is over £1 million, plus significant capital costs.

The future of adult training centres is of great concern to my constituents, many of whom rely heavily on them to provide essential family respite and support. For those persons using the centres, they represent a chance to contact the outside world and to enjoy the company of others. Their closure would have a devastating effect on family carers with employment responsibilities, a growing number of ageing carers and those caring for people with complex needs.

Almost 500 people are using the adult training centres and demand is growing year on year. Many service users have indicated a strong interest in finding employment and have been helped through either supported education and employment or social enterprise firms, a number of which operate successfully throughout Northumberland. There is a proven need to expand those services, which makes the call for closure even more alarming.

Those are just some of the services provided by Northumberland county council. My hon. Friend the Member for Blyth Valley described the need to continue with residential care. Pressure on social services increases year on year; the Government recognise that, and have increased the budget year on year to match it. Northumberland county council conceded that it has had the most generous settlement in its history, so I urge the Minister to meet its representatives to determine the truth.

The people in my constituency want to know that their care homes and training centres are safe and have a future. I call on Northumberland county council to assure them on that and on the fact that, whatever decisions it needs to make, it will protect the elderly and the most vulnerable people in our society. The responsibility lies with the county council; it cannot pass it on to anyone else. It has to make the ultimate decision.

11.16 am

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): I congratulate my hon. Friends the Members for Blyth Valley (Mr. Campbell) and for Wansbeck (Mr. Murphy) on their contributions. In particular, I congratulate my hon. Friend the Member for Blyth Valley on securing the debate and bringing these issues to the attention of the House. He is keen to have high-quality social services in his area, and so he should be. He is also keen for the council to get value for money for local council tax payers, and so he should be. I would be delighted to engage with him and my hon. Friend the Member for Wansbeck in any way I can to help to ensure that they understand what is going on, what the Government are doing and what they can do, and what are the responsibilities of the county council.

My hon. Friends both made the point that, ultimately, devolution to local government means that local government is responsible for making certain decisions. It has to stand up and be counted after making those decisions; it cannot try to fob the blame off on Members of Parliament, who have a role to play in approaching Ministers. Ultimately, however, decisions will be made by local government, and it needs to explain them.

To put these matters in context, I want to make a few points about the money that we have given to social services nationally. Between 1996–97 and 2002–03, resources for personal social services were increased by this Government by 20 per cent. on average over inflation. That is an average real-terms increase of 3 per cent. a year. Last year, this year and next, we have done even better, as we have given 6 per cent. more than inflation to local government for social services. That is a huge increase by any calculation.

Next year, total social services resources for adults are set to increase by 8.2 per cent., or £775 million. That includes a 6.8 per cent. rise in formula spending shares as well as extra resources, which have been provided to local authorities to expand the range of community-based social care services, improve services for carers and raise the quality of the social care work force.

Northumberland has benefited significantly over recent years from that extra investment in social services. In 2002–03, the council's total social services resources increased, on a like-for-like basis, by 6.4 per cent. That followed a 7.8 per cent. increase in 2001–02. This year, Northumberland received an increase of 3.9 per cent. in its formula grant, as well as significant increases in the grants paid by the Department of Health. Next year, Northumberland will see its total adult social services resources increase by a further 9.4 per cent. That includes a 7.8 per cent. increase in its formula grant and large increases in its access and systems capacity grant, its carers grant and its training grants.

That means that overall resources for adult social services for Northumberland have increased from £38 million in 1996–97 to £62 million in 2004–05. That is a whopping 62 per cent. increase. My hon. Friend the Member for Blyth Valley acknowledged the generosity of that settlement, and I am surprised that the county council is not joining him by sending letters of congratulation to the Government on the size of that increase. It has done a heck of lot better than most councils around the country—I wish that my council had done that well.

As my hon. Friend said, we have also reduced dramatically the level of ring-fencing on adult social services. In 2004–05, only 2 per cent. of the resources provided for adult social services will be ring-fenced. The council will therefore have the freedom to target extra resources for social services on the areas of social

services that are most in need. I am surprised to hear from my hon. Friend that the council is claiming that somehow, because we have removed ring fences, the pressure on social services is increased. Local councils have been pressing for the removal of ring fences—they believe that they need that extra freedom. It is not a pressure on social services but a freedom for them.

Only a year ago, we finished a full review of the formula used to allocate funding for adult personal social services. As a result of that review, we revised the formula introduced this year. During that review, we looked at the extra cost of providing non-residential care to older people in rural areas because of the extra travelling involved, and as a result we doubled the weighting given to sparsity in the older people's formula. That was a measure for which Northumberland pressed and from which it benefited. Overall, Northumberland gained from the changes made to the personal social services formula this year, so the formula will be frozen for the next few years to allow for a period of stability. All those things were done at the request of Northumberland and have benefited Northumberland.

I should perhaps make it clear that the Department of Health was given a fixed amount for social care by the Chancellor at the time of the last spending review. It covered the period 2003–04 to 2005–06. We have told local government what that money has been provided for and how it will be distributed. I have held no money back, so I fear that I must disappoint my hon. Friends by saying that I have no extra money to give to Northumberland—it has it all, and it has done very well out of it. In no way should Northumberland try to blame my hon. Friends for that. The simple fact is that the money has already gone to the county council, and it has been very well done-by. It has more than adequate resources now to start moving things forward. It should not try to blame Members of Parliament if it must make some tough decisions.

We have given a generous settlement to the council, and the council needs to live within that amount. It needs to consult widely about what is needed locally, and to think long and hard about how it should spend the money that we have given in ways that will provide the best possible services for those needing support—exactly the point made by my hon. Friend the Member for Blyth Valley. I say to both my hon. Friends that I must question whether the council has done that consultation and made that information available, because if two Members of Parliament have not been given the information, what is the likelihood that other people living in the local area have been given sufficient information and consultation on that process?

I have noted my hon. Friend's comments on the passporting of funds to schools, but I would like to point out that education has been well funded and sufficient resources have been provided to enable councils, including Northumberland, to passport the schools funding. Social services funding is separate and is unaffected by the arrangements introduced on education. I also recognise that some of the extra resources that we have provided are required to meet the pressures arising from Government policies such as improvements in inspection, the introduction of the minimum wage and the introduction of criminal record checks. I am not apologetic about any of those measures, however: we have fully allowed for them in the money that we have provided to councils.

What do those substantial extra resources mean for Northumberland? The council can and should use its substantial extra resources to purchase services at realistic prices, to meet the needs of its residents in any way that it wants. It can increase fees locally, if that is what it needs to do; it can invest in new capacity locally, if that is what it wants to do; it can make the eligibility criteria for social care more generous, if that is what it wants to do; and it can cut the charges that it seeks to impose on people who must contribute to the cost of care at home, if that is what it wants to do. It needs to achieve value for money, however. Wherever it decides to buy care services, it needs to ensure that it is getting a good deal, and that includes where it buys care home places.

I understand that it costs about £35 a week more to keep a client in Northumberland's own care homes than to place that same client in an independent home. The council needs to be certain that that extra cost is reflected in either the quality of care that the client receives or the quality of the home in which the client is placed. It also needs to ask why there are extra costs, and to examine whether those services can be provided more efficiently. It is open to councils, however, to pay a different rate to one provider over another, if, but only if, paying more means that they get more. We want councils to commission the services that they need in an effective way, reflecting best value and the needs of their local community. They must, therefore, carry out a best value review if they have not done so already. Councils should make sure that their services are fair to the people who use them, as service users ought to be at the centre of planning services. Councils have to build person-centred services, and that means new ways of thinking and planning. We must move away from dependency models of care in which "professionals always know best", building a high-quality, well-regulated system that makes independence a real option and puts individuals in control of their own care.

I want to see councils "commissioning for choice" with, at its centre, recognition of disabled and older people as citizens with the same hopes and aspirations for the future as all of us. People want to be able to choose from a full menu of care services: from being able to receive care in their own homes through to extra care housing and residential accommodation. Very few people would choose residential care as one of their first options, and yet so much commissioning activity has been and still is preoccupied with that type of care.

Mr. Ronnie Campbell: Can my hon. Friend expand on the other point that I should have raised: the modernising or upgrading of homes? The Government have set a time limit, I believe, whereby all homes must be en suite and up to the standard required by 2007. Is that hard and fast, or is it just a figure?

Dr. Ladyman: Certainly, we have set national minimum standards, and we have said that we will review them next year to see whether we have got them right. In any event, we have relaxed the physical standards, so I do not know whether the county council is giving my hon. Friend an accurate picture of what is required.

[Dr. Ladyman]

Certainly, however, I advise and encourage the council and my hon. Friends, if I can help to facilitate matters, to look at best practice emerging from other areas, to see what can be done in care homes. If older people are living in unmodernised homes at the moment, whether they are council-owned or privately owned, they are not getting the level of service that they deserve. Some of the current best practice models of care are fabulous. I commend particularly to my hon. Friends and their constituents the extra care model, which I am trying to encourage throughout the country. In extra care, people live in their own private accommodation—usually a flat, sometimes a bungalow—but with all the care services that they need to be able to live independently on the doorstep, either provided by the council, or, if it is a private setting, by a private provider. Such a model means that people can live independently while still receiving the care that they need. As an alternative to care homes, it is incredibly popular. I advise both the council and my hon. Friends to examine those models, and to challenge themselves to see whether their current services match that best practice, and therefore whether modernisation might be appropriate—

Mr. Frank Cook (in the Chair): Order.

11.30 am

Sitting suspended until Four o'clock.

Mobile Phone Masts

4 pm

Mr. Andrew Mitchell (Sutton Coldfield) (Con): I am enormously grateful for the opportunity to raise this matter in the Chamber. I thank the Leader of the House for agreeing that the sitting be suspended until 4 o'clock to enable those of us who wanted to be on the Floor of the House to hear the Hutton statement to do so.

I must declare a non-pecuniary interest in that I am the Conservative trustee of the Radiation Research Trust. I see the Labour trustee, the hon. Member for Norwich, North (Dr. Gibson), in his seat. The hon. Member for Winchester (Mr. Oaten) represents the Liberal Democrats.

I am not a scientist and I come to these matters, like so many colleagues throughout the House, on the basis of constituency experience. I want to mention three key constituency experiences that have helped to inform my concern and are the reason for raising the matter today.

The first happened early in my time as Member of Parliament for Sutton Coldfield, when I became involved in the matter of a mast being sited adjacent to St. Nicholas school in Boldmere in my constituency. I hope that I came to that with a clean mind; I certainly came to it with no prejudice. I observed how the school, together with the governors and parents, sought in a dignified way to raise its concern about the siting of the mast. I also observed the response of Orange and the way in which it dealt with consultation, the school and me as the local Member of Parliament.

Mr. John Taylor (Solihull) (Con): As a matter of courtesy to the House, may I explain that I have another meeting to attend at 4.30 pm and that if I do not remain in the Chamber until the end of the debate I intend no discourtesy? I shall read *Hansard* diligently tomorrow.

My hon. Friend rightly opened the debate, on which I congratulate him, with a reference to his handsome constituency of Sutton Coldfield, which is largely residential, one of the finest towns in the midlands and a royal borough. As the representative of the neighbouring seat of Solihull, which is also largely residential and much like his constituency, will he acknowledge that many of my constituents have similar concerns? They will read this debate and the Minister's reply with great interest.

Mr. Mitchell: I am grateful to my hon. Friend. I know that he shares many of the concerns that I shall raise.

I observed the perfectly legitimate nervousness and concerns of the governors, heads and parents at the lack of information and the high-handed and arrogant way in which Orange behaved. I became very involved in the discussions and was amazed at how blatantly Orange merely paid lip service to them. I wrote to the chairman of Orange, but to this day I have not received a response. One of his underlings replied. I raised that experience with the then Minister with responsibility for planning, Lord Falconer, who was extremely sympathetic and I know raised my concerns at one of his meetings with leaders in the industry. That was my first experience of the way in which the health concerns of my constituents were dealt with by the industry.

The second event was a meeting last summer in my constituency at the Sutton Coldfield grammar school for girls, which is a fine school. A huge number of members of the public attended. Some had a professional involvement and interest in such matters and some came from much further afield than the west midlands. We had assembled a group of eminent experts to talk. I chaired that meeting and we heard from Professor Laurie Challis, the successor to Sir William Stewart as chairman of the mobile telecommunications and health research group, who made an interesting and distinguished contribution. We also heard from those who were concerned about the health aspects of mobile phone masts and those who were not. Alasdair Philips was also there—hon. Members will be aware that he runs an organisation called Powerwatch—and he made an impressive contribution. I sat and listened to the questions and the presentations for and against mobile phone masts made by that distinguished group of experts. The conclusion that I reached at the end of that lengthy meeting was that research is inadequate. Not enough research programmes are being commissioned by the Government and others, and much more needs to be done.

My third experience took place towards the end of last year. A mast was vandalised early in November in Wishaw in my constituency—not, I am advised, by members of what has become known as the Wishaw protest group against the mast, and not by my constituents. I know the people involved in the Wishaw group extremely well. Many of them have campaigned against the mast for a number of years.

I followed the events closely before and after the mast was vandalised. For instance, once it had collapsed, the group commissioned meetings with Crown Castle and T-Mobile. Two or three meetings have taken place, and I followed what happened at them. It is clear to me—I hope that I am an objective observer—that the meetings were a complete waste of time. The companies raised false hopes among my constituents, and although lip service was paid to making an effort to identify alternative sites, I am satisfied that it was merely lip service and not a serious intent.

Mr. John Horam (Orpington) (Con): We are all grateful to my hon. Friend for raising this important subject. There is huge concern about it in Orpington, just as there is in Sutton Coldfield. He mentioned alternative sites. From my experience in Orpington, I know that alternative sites that are often quite practicable are not considered seriously enough, particularly by the inspector and certainly not by the companies in question. I am glad to support my hon. Friend on that.

Mr. Mitchell: I agree entirely with my hon. Friend. That will be the burden of my case for alternative sites.

The Wishaw group's experiences repay careful study. Wishaw is a small hamlet in my constituency. Let me outline what has happened in recent years. Five ladies have developed breast cancer. There is one case of prostate cancer, one of bladder cancer and one of lung cancer, and there are three cases of pre-cancerous cervical cells. One person, aged 51, who has motor neurone disease, has also had a massive tumour removed from the top of his spine. Others have developed benign lumps, and there are also cases of electro-sensitivity. We also have three cases of severe skin rashes, and many villagers suffer with sleep problems, headaches, dizziness and problems with low immune systems.

Eighteen houses surround the mast, at a range of up to 500m, and 77 per cent. of the hamlet has health-related illness, which is believed by those who live there to be the result of radiation from the mast. The outbreak of illness occurred in 2001, after seven years of exposure to the radiation emitted by the T-Mobile mast. Incidentally, there is non-scientific evidence in the village that, since the mast came down, many of those minor ailments have cleared up. Doctors will say that it could be as a result of the removal of the cause of anxiety, but it is an interesting observation.

As I said earlier, I am not a scientist, and I am not qualified to judge the medical responses. However, it seems to me that important questions need to be asked. I have considered them carefully. I hope that the Minister has forgiven me for making available to her a list of 18 questions. I shall now go through them. I hope that she will be able to answer them because it would take us a long way forward.

My first questions are on the guidelines of the International Commission on Non-Ionising Radiation Protection. Will the Minister concede that on its own, adoption of the ICNIRP exposure guidelines will not fully allow for current gaps in scientific knowledge, particularly the possibility of as yet unrecognised thermal or non-thermal adverse effects at lower levels of exposure? Secondly, the Stewart report stated at paragraph 5.59 that the biological effects can occur at energy levels too low to cause significant heating. According to paragraph 6.44:

"the possibility of harm from exposures insufficient to cause important heating of tissues cannot yet be ruled out with confidence."

Given that the ICNIRP guidelines ensure only that exposure to radiation of the kind used in mobile telephony does not result in an adverse degree of body heating, do the Government believe that the measurements are an appropriate test of the potential risk to health?

Thirdly, will the Government recognise that using a heat-based guideline is insufficient if there are non-thermal effects from radiation arising from the use of mobile telephony? Fourthly, will the Minister explain why the allowed public exposure microwave radiation levels from masts in the UK, based on ICNIRP, are so much higher than those allowed elsewhere, such as in Salzburg, Italy, Switzerland, Russia, China, Liechtenstein and Luxembourg?

The next questions relate to Government guidelines on planning policy guidance 8. In a letter sent to the Office of the Deputy Prime Minister on 5 June, the chief planning officer of Birmingham city council said:

"I am writing as Chief Planning Officer of the largest local planning authority in the country in response to concerns being expressed to me regarding the lack of clarity in Government guidance on the health implications of telecommunication development.

As Chief Planning Officer, I find myself in a difficult position. Whilst Government guidance makes it clear that health issues can be a material consideration, PPG8 states that it is the Government policy 'to facilitate the growth of telecommunications systems'

[Mr. Mitchell]

and that 'the planning system is not the place for determining health safeguards. It remains central government's responsibility to decide what measures are necessary to protect public health'."

He went on to say:

"With respect this advice, allied with the inconclusive nature of the Stewart Report, provides little help to local planning authorities at the front line in dealing with the increasing number of telecommunication proposals being submitted. I believe that there is a pressing need for urgent further research into the health aspects of telecommunication development together with a review of the existing guidance and regulations on how such proposals should be considered."

That is the opinion of the chief planning officer of the largest local authority in Britain, and I hope that his words will weigh heavily on the Minister and her colleagues.

Mr. Hugo Swire (East Devon) (Con): I congratulate my hon. Friend on securing this useful debate. In my constituency, Mrs. Jane Lee of "Otterton Against Masts" has campaigned successfully to stop Orange erecting a mast in a playing field. The application was also turned down by East Devon district council. Mrs. Lee, Mrs. Charlotte Sanderson and others have already raised about £8,000 locally. There is a High Court case at the beginning of March and Mrs. Lee has been told that if she loses she will be personally liable for £8,000. The system is weighted against the individuals making appeals. Does my hon. Friend agree that it would be useful if the Minister could outline how, in the case of an appeal, an individual can campaign successfully and overturn decisions?

Mr. Mitchell: My hon. Friend makes a useful point that is much wider than the specific case in his constituency. He flagged up a specific problem that the Minister will have heard, and I will say more on that later.

Does the Minister agree with Mr. Justice Richards' High Court judgment on 22 October 2003, in the case of Mrs. Jodie Phillips and Hutchinson 3G, that people's health fears must be taken into account? Concerning the location of a mast and base station, he found that the question asked should not be, "Is this an acceptable location?", but, "Is it the best location?", and that

"for the purpose of answering that question, one can and should look at whatever alternative possibilities there may be".

Will the Minister urge her colleagues, especially those involved in planning, to ensure that PPG8 is amended to encourage operators to consider fully all viable alternative sites for a mast and base station so that the public are exposed to the lowest practical level of microwave radiation? Does the Minister agree that a requirement for operators to make available to the public a list of alternative locations for masts and base stations would further the Government's aim of

"providing for more discussions between operators, local authorities and members of the public"?

In the recent court case of Yasmin Skelt *v.* The First Secretary of State and Three Rivers District Council and Orange PCS Ltd. on 26 September 2003, it was conceded that the ICNIRP certificate must not be used as a bar to full and proper consideration of the public's health concerns. If the ICNIRP certificate is to be no more than a document informing people that an installation will not exceed the emission levels set out by ICNIRP, and is not to be read as a block on full and appropriate consideration of public health concerns despite the assertion to the contrary in paragraph 30 of PPG8, will the Government issue planning authorities with new guidelines amending that paragraph?

Will the Minister concede that paragraph 30 of PPG8, which states:

"In the Government's view, if a proposed mobile phone base station meets the ICNIRP guidelines for public exposure it should not be necessary for a local planning authority, in processing an application for planning permission or prior approval, to consider further the health aspects and concerns about them",

encourages planning inspectors to act unlawfully? I ask that in the light of the ruling, given by Mr. Justice Moses on 26 September 2003, that a Government planning inspector had acted unlawfully and had

"failed to adequately consider the weight to be given to the health concerns"

because he had followed that advice.

I have some more questions for the Minister on the subject of further research, which is at the heart of my case today. Will she rule out the possibility that increased incidences of sleeping disorders, headaches, seizures, infertility and unexplained clusters of human cancers in the vicinity of base stations can be attributed to the increase in background radiation due to the expansion of the mobile phone mast network?

Will the Minister state how much of the £7.4 million provided by the Government, in conjunction with industry, for a research programme on a number of important health-related issues identified in the Stewart report will go towards research into the possible effects on health as a result of exposure to base station emissions? Does she agree that, given the increasing level of public concern about possible adverse effects on health exposure to base station emissions, the low priority given to that area of research in the mobile telecommunications and health research programme is hugely inadequate? Given the increasing level of public concern, not least in Sutton Coldfield, about cancer clusters around mobile phone masts, does she agree that there should be a study into the distribution of cancers around mobile phone masts that have been in place for 10 years, using the cancer registry data and geographic information system software?

Recent research commissioned by the Health and Safety Executive and carried out by the highly respected professor, Anthony Swerdlow, reveals that interference with melatonin at night could be the cause of an increased risk of breast cancer among night workers. In the light of studies such as the Schwarzenburg study by Abelin and Altpeter, which have revealed that melatonin levels are significantly different after exposure to weak radiation, will the Minister admit the need for further research to ensure the future health of women living near masts?

Will the Department of Health consider setting up an online voluntary register for people who believe that they have been affected by mobile phone handsets and/or base station microwave radiation? That could be similar to the yellow card system for reporting the side effects of medical drugs. If properly implemented, it

would help to provide a useful database of information to assist with the setting of future research priorities. Of course, I understand the need to screen out potential abusers of such a system.

My next two questions relate to Tetra, which I know is of considerable concern and interest to the hon. Member for Stroud (Mr. Drew). On 10 July, in a House of Commons debate, the Minister for Crime Reduction, Policing and Community Safety told MPs that concern over the possible health effects of Tetra emissions arose from research in the 1970s and that it had since been "virtually impossible" to replicate those research findings. Given that research findings on this subject, listed in the Stewart report and the National Radiological Protection Board report on Tetra, show more successful than unsuccessful replications since 1980—the most recent successful replication being in 1999—how do the Government explain her claim?

Is the Minister aware that there have been four cases of motorneurone disease in the three-year period since the erection of a Dolphin Tetra mast in Drumcarrow, Fife, in Scotland, despite that disease being a rare condition that affects, on average, only one in 50,000 people? Drumcarrow has a population of around 800. Will the Minister have the high incidence of this life-threatening disease in Drumcarrow investigated in case it is connected with the installation of the Tetra mast, and will she consider whether any findings that result from it should impact on the countrywide roll-out of Tetra?

Does the Minister agree with the following quote taken from an article in the *South Wales Evening Post* on 11 December 2003? In it, a spokesman for Tetra Airwave mentioned that it was up to the Home Office to decide on the safety of the system, saying:

"The safety of what we supply is nothing to do with us."

Do the Government agree that technology providers have a specific responsibility for the safety of the technology they provide? Will the Minister clarify exactly who is responsible for setting precautionary guidance in these matters? I have given the Minister prior notice of those questions, and I am grateful to her and her officials for considering them.

Mr. Andrew Turner (Isle of Wight) (Con): My constituents have asked me how Airwave can say that safety is not its concern when the suppliers of drugs, such as thalidomide, found themselves responsible for the consequences of supplying them.

Mr. Mitchell: My hon. Friend makes a good legal point and, although I am neither a scientist nor a lawyer, it sounds right. Airwave's attitude is not acceptable in providers of such equipment, as he said.

Dr. Ian Gibson (Norwich, North) (Lab): I congratulate the hon. Gentleman on securing the debate. I am sure that every MP has the same problem. Local newspapers, such as the *Evening News* in Norwich, have taken up the clarion call, and people like me are targeted by Orange. I expect that on returning home I will find a mast in my garden, because I have asked for mobile-free zones. It is said that people like mobile phones. What would they do if they went home and found a mast in their front garden?

Mr. Mitchell: My detailed response to the hon. Gentleman and my fellow trustee is best left until after the debate, but I take his point. I want to end my comments, so that other hon. Members can contribute. However, I want to emphasise two key points.

First, I listened to the experts speaking at the meeting in Sutton Coldfield, and I talked to the group in Wishaw, which is composed of highly intelligent, sophisticated people who have looked at the science behind the technology and who asked a series of highly pertinent questions, some of which I have repeated today. Having considered all that evidence, it seems to me that there is an overwhelming case for the Government to accept the need for more research to address the genuine health concerns felt by sensible, rational people.

The Minister will be aware of the Freiburger appeal, in which 2,000 medical professionals in Germany expressed their concern about illnesses that may be caused by the masts. That appeal was originally in German, but it has been translated into 15 languages. It may even be taken to the European Parliament, although much good that will do them. It shows that professional people are increasingly concerned. I have read what the 30 doctors in Crosby said about the matter, and I am sure that the Minister has, too. They said: "These are legitimate concerns." They may be wrong, but we need a great deal of research into that and a much greater sense of effort on the part of the Government. The tiny budget that I mentioned earlier is insufficient. When one considers that the telecommunications industry has paid the Government something like £20 billion or more for their licences, it is right that money should be spent on such research.

Secondly, the precautionary principle, which was advocated by Sir William Stewart when he was the Government's senior adviser, is important. We must have proper transparency on alternative locations. Cost is important, but it is only part of the equation. I want the industry to be far more open with people about what the alternative locations are and why it made the decision it did. I want the precautionary principle to mean that, in most cases, it is accepted that the masts should not be placed too close to people's homes, schools and hospitals. I want the information about where the masts are sited made widely available. I recently walked in the countryside not far from my constituency in the midlands and came across a mast that was cunningly disguised as a tree. We must be transparent about where the masts are placed.

I want a change to paragraph 40 of PPG8 to enable the councillors who have to make such decisions to take into account the fears of those whom they represent. At the moment, the process is imbalanced. We need to redress the imbalance in the system. It is too much in favour of phone companies and not enough in favour of local people. Decisions are made through their local councillors, who do not adequately reflect their concerns. The Department, the planners and those in the Government who are re-examining PPG8 would do well to heed the wise words of Emrys Jones, the chief planner of Birmingham city council.

Mr. Frank Cook (in the Chair): At the risk of being tiresome to those who know the drill in Westminster Hall, I remind hon. Members that it is customary to start the first of the three winding-up speeches 30 minutes before the debate concludes. Five hon.

[Mr. Frank Cook]

Members want to catch my eye, one of whom was a late arrival. Nevertheless, will all hon. Members bear in mind the time constraints when making their contributions and when accepting or responding to interventions?

4.27 pm

Mr. David Drew (Stroud) (Lab/Co-op): I start by congratulating the hon. Member for Sutton Coldfield (Mr. Mitchell) on introducing the debate. I am pleased to see that the chairman of the all-party group on mobile communications is present. I apologise to the Minister of State, Department of Health, my hon. Friend the Member for Doncaster, Central (Ms Winterton), for having to leave the debate a few minutes early. I have a meeting with the Under-Secretary of State for Health, the hon. Member for South Thanet (Dr. Ladyman), at 4.30 pm. However, I am grateful for the opportunity to spend five minutes talking about my problems with Airwave, the main organisation behind Tetra, which, I always remind myself, stands for "Trust your enhanced trunk radio systems."

I come to the debate with no alarmist views. In many respects, I have been a defender of the system. In 2000, the police approached me saying that they needed a new radio system. Having been out with them on many occasions, I knew that their existing system was defective and it seemed sensible for them to move towards a much more integrated state-of-the-art technology. From the outset I was supportive of Tetra, but the problem is that the way in which the system was put in place does the opposite to that recommended in the Stewart report, which is based on the precautionary principle. Throughout the report, the precautionary principle is central to its argument.

More inappropriate places could not have been chosen for the two major masts that have been erected in the Stroud constituency. The first was placed on top of Stroud police station. Given that the mast was a police communications system, it may be thought right for the police to be part of it. However, it is the biggest eyesore in my constituency. It is on a hill and it is a dreadful building. The problem is that the police station is a few hundred yards from a school. From the outset, I asked Airwave to examine alternative sites. It reached the conclusion that there were no alternative sites. I have not seen any documentation to that effect. When I suggested alternative sites, I just kept being told that they were unsuitable.

When the mast was put in place, it was agreed that its impact would be monitored. That was in 2001. To be fair, since I raised the matter in business questions, Airwave has sought a meeting with me. However, although I have asked on occasions, I have received no real evidence, one way or the other, about what is happening as a result of the mast. We must remember that the mast is not fully operational yet. It will be some months before it can do what it needs to be able to do for the police to use the system properly.

The Stroud saga was bad enough. However, we needed another mast in the south of my constituency, in the Dursley area. I thought that lessons would be learned from the problems in Stroud. There are a number of places where the mast could have been placed, but it was decided to put it slap bang in the middle of Dursley, on top of the old GPO building and right next to the Dursley tabernacle. The Rev. Simon Helme was inevitably worried and came to see me with Shirley Welsh, a member of his congregation. We agreed to go through the process of seeking clarification about why the mast had to be there and of trying to ensure that the radio waves were monitored.

I was unhappy from the outset. There has been a strong community campaign, which reached a crescendo before Christmas when one lady put metal curtains around her whole house in the belief that that was the only way in which she could deflect the radio waves. It is easy to see that as an emotional, over-the-top reaction. The Green party has been active in alleging links to leukaemia, cancer and so on. Things of that sort happen.

I had a meeting with the chief constable before Christmas, and we were under the impression that the Tetra mast had not been turned on, except on one occasion when it was tested during the course of the Stroud half marathon. On that occasion, there was a full-blown exercise so that it could be seen how the force on the ground monitored the half marathon. I went along with that in confidence, because we did not want the exercise to receive the full glare of publicity.

As I said, I checked with the chief constable and we were both under the impression that the mast was not operational. However, I have a problem because, on 6 January, I received a letter from the chief constable that said that the mast had been operational for some time. It had been used not in the locality, but on the motorway and for other purposes. I was telling people one thing, and then I had a completely different, and very honest, answer from the police, who were also under the impression that the mast was not operational.

On the basis that we are talking about the precautionary element, that process has left me naked in terms of how I approach constituents who have been making allegations and saying, "Well, it's bad enough thinking that we have the mast there, but let's have some clarity about monitoring and testing things out fully before the mast is turned on." It has been turned on for months. That is not good enough. There is now a degree of alarm in the area, and scepticism about the authorities having any control over what they have agreed to. There were reservations in terms of the district council, but because of the needs linked to the mast, those reservations were overcome.

I would like some clarity from the Minister. We are considering the precautionary principle. We have to be open, transparent and honest with people about what is going on. That has not happened with the two masts that I am talking about. I will have another meeting with Airwave. I have to go to Airwave; it does not seem to be keen to come to me. However, if it thinks that the issue will go away, it is mistaken.

I use what happened in my constituency as an example. It is linked to the health issue, because people are worried about their health, and they have every reason to voice those opinions. The response that they have got, basically amounts to nothing. Airwave has refused to attend the meetings that they have held, and I have to say that the police have not been much better. Things must improve; otherwise, people will inevitably demand that the masts are taken down.

4.34 pm

Mr. Simon Burns (West Chelmsford) (Con): I, too, congratulate my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell). Like him, I have many constituents who have experienced problems when there are attempts to place telecommunications masts in highly residential areas in which they are not wanted. We have faced an extraordinary situation over the past few years. There was a proposal to put a mast on top of a hospital in my constituency and another to put one in a school in my constituency. In the villages in my constituency and in Chelmsford, the main town, there have been constant battles as companies, particularly Orange, have sought to put masts in highly residential areas. Such attempts include the latest saga in Linnet drive, where Orange has made a planning application for the third or fourth time.

The people of West Chelmsford are fortunate, in that Chelmsford district council has had a proactive and positive attitude towards local people's representations. Fortunately, in many cases, the council's refusals of applications have been upheld on appeal. However, the trouble is that the companies come back again and again, slightly modifying the plans after listening to why the local authority refused permission. There is something flawed in the current planning regime. It is outdated and does not take into account the changes that have resulted from the greatly increased use of mobile phones, which has necessitated more masts.

The reasons for concern are not always to do with the aesthetics of the masts, although that is indeed sometimes the problem. The problem is the genuine fear of ill health as a result of the positioning of a mast in a highly residential area. The jury is out on that question. Many references have been made in this debate to the Stewart report. Notwithstanding that, the trouble is that there is not enough scientific evidence to prove the case one way or the other. For every Stewart report, there are other reports from around the world that give conflicting views. In the absence of a comprehensive and conclusive determination of the health risks, we should err on the side of caution. The system should be weighted in favour of those who do not want a mast in their residential area.

Dr. Gibson: Will the hon. Gentleman give way?

Mr. Burns: I will not, because we are on a strict time scale.

It is also wrong that many of the companies seem to have a high-handed attitude to their planning applications for masts. Orange has already been cited and the experience of my constituents is similar. Representation is usually made both to the local authority and to the company directly, but there is a sense of frustration in local communities that companies go through the motions of listening to people's concerns, but then do nothing whatever to meet them. More should be done on that.

More powers should be given in the system to include all types of mast in the planning regime and, importantly, to give local people more powers to determine what happens in their communities. The Government have a significant role to play in that, and I would hope that the Department of Health could exert its influence on those Ministers with responsibility for planning matters, to try to further the debate. At the moment, we are perceived to have far too much of a top-down rather than a bottom-up system. I would like there to be more powers in the planning system to allow the genuine concerns, views and wishes of the people who will be most directly affected to influence the decision to erect a mast.

I would also like more consideration to be given to alternative sites to those in highly residential areas. More masts could be put near major trunk roads—thereby placing them out of sight, out of mind in the domestic dwelling context. Far more should be done to make different companies use the same mast, in order to minimise the number of masts required, so that there is one problem in the immediate area rather than two or three, although I accept that that already happens in certain cases.

My ultimate message is that more should be done, because there is argument and uncertainty about the scientific evidence. I welcome the fact that, as a result of the research recommended by the Stewart report, for which £7.4 million has been provided, the Government have widened the research to include base stations. That is a positive step forward. However, in the absence of conclusive evidence, we should err on the side of caution. My constituents in Linnet drive have had problem after problem with the siting of an Orange mast that has so far been refused. Such local people should have greater power and influence in the planning process so that they are genuinely empowered to determine what goes on in their neighbourhoods.

4.41 pm

Dr. Vincent Cable (Twickenham) (LD): I apologise for letting my mobile phone go off earlier. That was a tribute to the double standards that most of us stoutly maintain on this subject; we make use of mobile phones while deploring the possible spin-off effects of their technology.

I welcome the debate secured by the hon. Member for Sutton Coldfield (Mr. Mitchell). I have six controversial mast applications in my constituency, all of which have generated petitions and protests. The key phrase in the hon. Gentleman's introductory statement was "lack of clarity". The combination of a lack of clarity and frustration causes so many problems for residents, planners and members of planning committees. They simply do not know how to deal with the problem.

Mr. Andrew Tyrie (Chichester) (Con): Even worse than a lack of clarity is the putting up of masts without planning consent, as has happened in Rogate and East Harting in my constituency. Subsequently, local people have had to put pressure on district councils to try to get those masts removed. That is a wholly unacceptable way to deploy the technology.

Dr. Cable: Yes, I know. There is a wider issue about the weakness of third parties in planning appeals, but I will not pursue that rabbit down that particular hole.

The uncertainty stems from two issues; the lack of clarity about the science, and planning guidance. On the science, Sir William Stewart did us a considerable disfavour. He considered the science and looked at the

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physics and the biology and concluded that there was no empirical evidence of any health impact. He considered the examples—the clusters of illnesses that have been cited—and made the valid point that the research was not epidemiological and did not stand up. Having dismissed the scientific evidence, he could have said that there was no risk, as did the chief medical officer in relation to the MMR vaccine. Had he said that, we would have known where we stood, but he did not. He said that there must be a precautionary approach. He did not say a "precautionary principle", which is an environment policy term, but that there had to be a precautionary approach. Most people interpret his words on a common-sense basis as meaning that it is better to be safe than sorry.

Sir William also said—this is important—that we have to be particularly careful with schools, because children have thin skull bones, so there may be extra cause for concern. In saying that, he stated that there was a problem. Clearly, people will interpret his words in a worried way. Local authorities can hardly be blamed when they respond with particular sensitivity to planning protests in respect of schools. In the review of the science that I know the Department has carried out, the scientists did not help us as to whether any clear conclusion has been reached about the new 3G masts, which many argue are more potent and therefore more dangerous.

The second point is the confusion generated by the planning process. As I understand it, PPG8 makes clear that local authorities have to judge applications purely on planning grounds—the aesthetics, or the visual impact—and are not allowed to consider health impact. However, in response to a debate that I initiated on 21 May 2002, the Minister's predecessor said, repeating what has been said in other contexts:

> "Our guidance is clear that health considerations and public concern can, in principle, be material considerations in determining applications for planning permission"—[*Official Report*, 21 May 2002; Vol. 386, c. 274.]

Therefore, councils have been told that health impacts are not relevant, but that public concerns about health are.

I have great difficulty in getting my head round this problem, and planners have difficulty in understanding it. With the best will in the world, members of planning committees of all parties cannot understand what is expected of them through the planning process. My own local council, a consensus of Liberal and Conservative members, has taken a stand on a particular case to test the issue. It has taken the case of a mast that beams directly into a school. The planning officer said "We have no grounds for turning it down. There is no planning problem. There are no visual amenity issues." However, there has been a large petition from the school, which closed certain classrooms for fear of the health effect. The council has overridden the advice of officials, saying, "Here there is a demonstrable fear about health. Let's test it out in a planning appeal." I do not know what the outcome will be, but we need clarification.

Mr. Andrew Mitchell: Will the hon. Gentleman give way?

Dr. Cable: I shall take just one more intervention.

Mr. Mitchell: I fear that the hon. Gentleman was not here when I made the point. In fact the situation is worse than that. In the High Court judgment in the case of Mrs. Jodie Phillips, Mr. Justice Richards said that people's health must be taken into account. Therefore, there is a complete impasse in the law; we cannot get it right.

Dr. Cable: I was here throughout the hon. Gentleman's speech, but the comment is helpful. I shall be interested to see whether the planning inspector who hears my local appeal is aware of that ruling and takes it into account.

We need to move on. I want to make a suggestion about the way in which hon. Members' concerns for greater flexibility in siting masts can be taken into account. The Government could help to solve the problem by giving guidance along the following lines. They could say to local authorities, "We wish you to contribute to the roll-out of masts. That is a national obligation. Each local authority, depending on its population, density and topography, should, as it does with housing, construct a certain number of units. However, there is discretion within that as to where masts are sited." If a local authority chose to have a moratorium on masts within 100m of a school, it can do so, provided that it compensates with additional masts somewhere else, leaving councils with discretion over where masts are sited.

If that were to happen, the industry's objectives would be maintained and our constituents' concerns substantially alleviated. I should be interested to know whether the Minister thinks that guidance to councils along those lines—which could then be used as a basis for dealing with planning appeals—would help to deal with the problem.

4.51 pm

Dr. Howard Stoate (Dartford) (Lab): I apologise for being late and for missing the beginning of the debate. I congratulate the hon. Member for Sutton Coldfield (Mr. Mitchell) on securing a debate on this subject, which causes enormous concern among our constituents. I am still a part-time general practitioner, so I see a number of people who raise with me health issues about mobile phones and, particularly, masts.

Mobile phones are an extremely important part of our society, and the majority of people have them, including quite small children. Therefore, people are using these phones; it is a useful technology. I would not want to do anything that made phones more difficult to use. People make their own choices about using mobile phones and decide how often to use them—I hope with common-sense guidance from the industry.

The problem is that people have that choice; they can choose not to have a phone, not to use the phone or to use it on a limited basis. However, they cannot choose whether a mobile phone mast is next door to them. A mast is switched on 24 hours a day; it cannot be removed from one's presence. It emits micro-radiation the whole time. Our difficulty as parliamentarians in trying to guide people in this matter is the lack of conclusive science. There is a fair amount of science around, but none of it is conclusive.

Perhaps I may use the analogy of medical research. We can give a new drug to 10,000 people and it has no side effects at all. That does not prove that the drug is 100 per cent. safe. It proves that the drug is pretty safe and may be extremely safe, but the next person who takes the drug may get an idiosyncratic side effect from it that turns the science on its head. The scientists would have to say, "We were wrong. This drug isn't 100 per cent. safe, because poor Mrs. Smith has just had an extremely unusual and nasty reaction to it." We can never prove conclusive safety; we can prove only relative safety. It does not matter how much science we do. Unless we have new models of science, we can never totally reassure people.

The other problem is that it is said that the masts radiate energy. It is difficult for the public to separate the radiation that comes from mobile phone masts from the radiation that comes from nuclear materials—which they know for a fact are dangerous—or the radiation from X-rays, which are dangerous if used excessively. It is difficult for many people to grasp the fact. The point is simple. It will be extremely difficult to give people 100 per cent. conclusive reassurance that the masts are safe, so we must take the proportionate approach.

My approach with the mobile phone operators is to say that I am happy to have phone masts in my constituency provided that they are sited in a position that will have the minimum impact on people's health. They are not put near schools or hospitals, nor outside people's bedroom windows. They are put in fields further down the road, or alongside trunk roads.

The mobile phone companies, however, say that that is a more difficult solution. Yes, it might be; but what they usually mean by that is that the solution is more expensive. It is much cheaper to put a small mast on the top of a school than it is to put a more powerful mast covering a larger area near a motorway. It is technologically more difficult, and it is more expensive. We must give local people the right, through the planning mechanism, to make such judgments for themselves.

If putting up proper masts in sensible places costs more, we may have to bear the cost, but people may be prepared to pay that price. If it is more expensive to put masts in more sensitive or sensible areas, the mobile phone companies may have to tell people that their phones will be relatively more expensive. That at least can be debated and a judgment made. The difficulty at the moment is that local authorities do not have the power to be able to say to a company, "Thou shalt not put that mast on that hospital roof" or "Thou shalt not put that mast in the middle of that housing estate." They do not have that right. The Government need to consider that carefully; I believe that people should have that right.

Although there is a huge difference between fear and fact, what really disturbs people is the fear. In the same way that the fear of crime is more real to most people than the experience of crime, the fear of mobile phone masts is probably more real than the fact.

Dr. Gibson: Another feature of the debate is trust and confidence. As we found in the GM debate, once Monsanto made the move, it lost the argument. The way in which such companies behave does not give people trust and confidence, regardless of whether what they are told is factually correct.

Dr. Stoate: My hon. Friend makes a valid point. Many companies should take note of it.

In conclusion, the fear of mobile phone masts may significantly outweigh the facts. However, as politicians, we must represent our constituents; we must take note of people's fear because that is what blights their lives. I urge the Government to look again at the planning mechanisms. We should allow people to use their own judgment and, in conjunction with the local council, ensure that mobile phone masts are put where they are safe and where people feel happy with them.

4.54 pm

Mr. Andrew Turner (Isle of Wight) (Con): I thank my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) for obtaining the debate, and I congratulate the hon. Member for Dartford (Dr. Stoate) on speaking for less than six minutes.

This matter arose in my constituency because of a sudden flood of applications for Tetra masts early last year. Some of them were approved under delegated powers. One was rejected under those powers, but the developer, Airwave, said that it was an emergency; it was allowed to put it up as an emergency measure. That is the first power that we must withdraw from developers.

Fortunately, Rod Burman, a constituent, and Richard White of the *Isle of Wight County Press* organised a public meeting in Woodlands vale in Seaview. More than 250 people were present on Mrs. Burman's cream-coloured drawing-room carpet. They were told by the planning officer that they had to follow Government guidelines. I am pleased to say that there was a muffled explosion from two of those present at the meeting—I was one, and the local district judge was the other—who were rather better versed in the law than the planning officer. The consequence was that Westridge Estates withdrew permission for Airwave to put the mast up. Meanwhile, however, a mast had been erected on the Commodore cinema in Ryde. The problem was that the Phillips case guidance had not been followed—neither Airwave nor the local authority had looked for the best site; they just looked for any site, and permission had been given under delegated powers.

I am very pleased to say that John Ackroyd is now running an organisation called "No to Tetra", and that followed from a public meeting that I held at the Methodist church hall in Garfield road in Ryde, where a mast is very close to as many as four schools: Ryde school, Five Ways nursery, Dover Park school and Greenmount School. The problem, as my hon. Friend the Member for Sutton Coldfield pointed out, is that

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paragraph 98 of PPG8 suggests that planning authorities have to allow these things to go up, but there are doubts surrounding the legitimacy of the ICNIRP guidelines, and since the Government base their directives on those guidelines, the doubts need to be cleared up.

First, ICNIRP and the National Radiological Protection Board do not agree on what level of radioactive output is safe. For example, for one type of microwave system 900 W per square centimetre is allowed by ICNIRP, yet the NRPB allows 3,300. Secondly, a contradiction is built into PPG8. I mentioned paragraph 98, but paragraph 97 says that

"health considerations and public concern can in principle be material considerations in determining applications for planning permission and prior approval".

In addition, the Government have allocated funding for further investigations into the health-affecting Tetra mast, which has actually had the effect of heightening people's concern. Does the Minister take account of people's bad health as a result of uncertainty on the long-term effects of Tetra masts?

Thirdly, as my hon. Friend the Member for Sutton Coldfield quoted, there has been the Skelt *v.* Three Bridges case, in which Mr. Justice Moses overturned the planning inspectors' decision on appeal, and on 17 May 2002 the Court of Appeal stated that

"a guidance circular issued by the Secretary of State needed to be kept in mind but was not direction, and also had to be HRA Convention compliant."

The Government planning policy guidance pre-dates the Human Rights Act 1998, which raises two issues: first, the HRA, which applies to public authorities, says in section 6(1) that

"it is unlawful for a public authority to act in a way which is incompatible with a Convention Right"

and article 6 of the convention requires

"a fair and impartial hearing in public".

Without focusing on the public airing of perceived health concerns, a fair, impartial hearing cannot take place, and yet planners believe that because of ICNIRP's guidance and PPG8 they are not allowed to take account of these considerations.

My constituents are genuinely concerned. They write, for example:

"I live within about 200 metres of this mast"—

the mast on the Commodore cinema—

"well within the zone of greatest influence, and am now living in constant fear for the health of my five-year-old daughter, my 76-year-old mother and myself."

Another writes:

"A Tetra base station was erected only 50 metres from our house and was soon making us feel ill. We were subjected to ongoing radiation from the mast 24 hours a day and suffered a variety of symptoms, mainly being headaches, deep nausea, inability to concentrate, poor memory and general feelings of dizziness and disorientation."

Mr. V. Philpot of Monkton Street, Ryde, says:

"I live and work in Ryde (as does my partner who is heavily pregnant) . . . I am gravely concerned about the possible health effects of this mast."

Mrs. J.C. Warwick writes:

"I am now extremely worried. I am a mum, I love my son who is only six years old. Since I became aware of the mast and its effects I have become extremely frightened for his health and well-being. I am now so frightened that we spend as much time as possible away from the flat . . . At night I cannot bear for my son to sleep in his bedroom with the mast just outside."

I have seen photographs, and it is no further away than that wall is from you, Mr. Cook.

"As a result he sleeps with me in my room."

What do we want done? First, we want the Government to make PPG8 HRA-compliant. Secondly, we want a proper system to receive evidence from the public and explain to them, if necessary, how they should keep that evidence so that proper scientific investigations can be undertaken into the consequence of these and other masts. Thirdly, we need a national register of all telecommunications apparatus of this kind. Some of it is concealed, for example in shopping centres. It does not necessarily look like a tree with sticky-out metal bits. Fourthly, we need clear information on public liability. Do the Government or the planning authority approving the development issue the guidelines, or is Airwave legally liable for constructing such devices?

5 pm

Mrs. Patsy Calton (Cheadle) (LD): I congratulate the hon. Member for Sutton Coldfield (Mr. Mitchell) on securing what is obviously an important debate, and one to which a huge amount of information has been brought. I hope that it carries some of the issues forward. Clearly, the debate has been initiated by health concerns, but a number of other issues, such as the planning regime, have been raised, and they need to be considered even more carefully. It is undoubtedly true that large numbers of the public are worried about the potential implications of masts erected near them.

In most of the cases of which I have particular knowledge, people are worried not only about possible health implications but visual amenity implications; often they are most concerned about that. They are worried about possible effects on their homes and about going out every day and seeing something that is often so incongruous with their surroundings.

There are two effects. One concerns health and the other is environmental, and we must take seriously both those concerns. However, I have said to people who have asked me about the issue that the evidence so far is inconclusive. There is no clear evidence of any directly harmful health effects caused by mobile phone masts. The science can be complicated to the non-scientist and there is much confusion, as mentioned by the hon. Member for Dartford (Dr. Stoate). That the word "radiation" can be confused with known hazardous forms of radiation is sufficient for people to feel that they are perhaps being exposed to death rays close to their homes. We cannot ignore that.

The hon. Members for Stroud (Mr. Drew) and for West Chelmsford (Mr. Burns) and my hon. Friend the Member for Twickenham (Dr. Cable) talked about the planning regime and the sense of helplessness that people feel when they are faced with the fact that masts under 15 m do not require the same planning controls as those over 15 m. Even when the telecommunications

mast companies apply for masts over 15 m, there seem to be few ways forward for the public to make their presence felt and to have their genuine concerns about health and visual amenity brought to bear.

A few consultations are going on in this country—concerned not just with these issues—that leave people feeling that their views are being ignored. They feel that organisations go through the motions but do not necessarily genuinely engage with people or take notice of points made to them. My experience has been that only when several hundred people have brought their feelings to bear on mobile phone companies do those companies take notice of what people are saying and site the masts somewhere else. That tends to happen when large numbers of people come forward.

My hon. Friend the Member for Twickenham made the point that the Stewart report asked for the precautionary approach. It would have been nice if as well as slightly muddying the water, the Stewart report had given clear-cut advice that would not have caused any confusion.

I hope that the precautionary approach is applied to schools and nurseries. However, it is difficult to see how governors of schools, who must be consulted when a mast is to be put close to their schools, can put pressure on the process. They can report and say what their views are, but notice will not necessarily be taken. It appears that the planning system takes notice only when concerns and fears about public health are raised, and then not on every occasion. There are concerns about the new third generation masts, although there is no real evidence of health risks. There have been some studies, but they have not been repeated.

The Liberal Democrats believe that a watching brief should be kept. It will never be possible to prove that those masts are safe. As it will never be possible to prove that they are safe, all of the evidence that is and becomes available must be closely monitored and carefully watched.

The Government should take some notice of the Office of the Deputy Prime Minister's review of permitted development rights, which was published in September. It is a publication of more than 300 pages, which, so far, has been published only on the website. It makes it clear that permitted development rights need to be looked at. I was somewhat reassured to hear that all that stands between the Office of the Deputy Prime Minister and changes to the planning legislation on permitted development rights is further public consultation. I hope that that will take place in a timely fashion and will not be left until the next Parliament. It seems that a great deal of good work has been done that could be pursued to bring about the changes that would remove the sense of helplessness that people feel. People feel that they are not being listened to and that things go ahead without their having any real say.

I think that I have just about managed to get through all of the points that I wanted to make. We would like to see the precautionary approach taken seriously and for research to continue. Although it will never be possible to prove that mobile phone masts are absolutely safe, it will be possible to set people's minds at rest that there is no substantiated evidence that they are being exposed to harm.

My own view, and that of others to whom I have spoken—*[Interruption.]* I apologise to the hon. Member for Westbury (Dr. Murrison) for stopping him, but I think that I am still within my time. My view is that the issues of visual amenity and health and safety concerns meet quite significantly in the middle.

5.9 pm

Dr. Andrew Murrison (Westbury) (Con): I will try to be brief, because I know that the Minister has 18 questions to get through. That will take a while, so I will try to rattle through my remarks.

I congratulate my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) on securing this debate. It is an important issue, and had I not been speaking from the Front Bench, I would have contributed nevertheless. The matter involves my constituents as much as anybody else up and down the country.

There have been several criticisms of various operators. I add my voice to that criticism; my experience of operators has not been happy and has been largely characterised by a degree of unwelcome arrogance, which is unhelpful.

We have had talk of clusters of cancers. I would counsel caution when dealing with clusters, as Professor Challis, who was involved with Wishaw, has said, because we will always get them—that is the nature of statistics. People will inevitably be concerned, particularly when there is a cluster of cancer. The debate is about reflecting those concerns and establishing what the Government will do to address them. Communication, as I am sure the Minister knows, is part of public health. Clearly, we need better communication because people are worried.

The hon. Member for Stroud (Mr. Drew) voiced his concerns about shabby dealings with a company called Airwave. My hon. Friend the Member for West Chelmsford (Mr. Burns) has also suffered from the high-handed attitude of operators. The hon. Member for Twickenham (Dr. Cable) was a little more conciliatory, but he commented rather bravely on the Stewart report. Those of us who know Sir William Stewart would be very reluctant to criticise his report. It was a good report that struck a proper balance between the evidence at its time of writing and the recommendations that, given that the evidence was not great, were necessarily equivocal. The reference to schools and schoolchildren had something to do with fears about leukaemia and brain tumours and the sensitivity of the developing neuroendochrine system, which obviously applies to children.

The hon. Member for Cheadle (Mrs. Calton) was also cautious about the Stewart report, feeling that it may have muddied the water and that clearer answers would have been preferred. Owing to the necessarily sketchy evidence—I suspect that we will come shortly to the subject of research funding to ensure that in future evidence is less sketchy—the recommendations were going to disappoint those who wanted clear-cut answers.

My view of health is rather more holistic than that of many people; health is to do with well-being. Regardless of whether one believes that radio frequency radiation—RF radiation—in the way that we are discussing it causes tumours, one has to accept that base

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stations have damaged people's well-being. It is evidenced by our mailbags, by the concerns that people have, by the symptoms that they report and by their general unease.

When we have a loss of well-being on the scale that we clearly have from the masts, it becomes a public health matter and it is therefore to the Minister that we look for a remedy to those concerns. I am aware of the time, but I will be fascinated to hear what she plans to do—addressing not only the 18 questions, but the public health concerns that people have because of mobile phone masts.

In my constituency, we have concerns about mobile phone masts and mobile phone operators. West Wiltshire district council is doing a splendid job of representing the views of local people and using the existing guidance to address their concerns. It is not easy because, as hon. Members have mentioned, the scales seem to be weighted in favour of the operators. Given the precautionary approach recommended by Sir William Stewart, that seems odd. I fully accept that in the Government's amended guidance—PPG8—they attempted to incorporate some of his recommendations. However, most people feel that they did not go far enough.

On a slightly more philosophical note, we must be careful about the science. As I am sure the hon. Member for Norwich, North (Dr. Gibson) will admit, scientists and scientific inquiry are fallible. One cannot simply interpret evidence directly into public policy; the alchemy is far subtler than that. Most of our constituents have sound good sense, and often it confounds the scientific evidence and is rewarded in the fullness of time by being shown to be spot on.

The Stewart report found no evidence for harm, but that does not mean to say that no harm was done or can be done. Very often it means that the research has not been done, and the matter has not been sufficiently investigated. That was probably the burden of the argument of my hon. Friend the Member for Sutton Coldfield in arguing for further research. We would all support that.

The Stewart report drew an analogy with exposure from handsets. That is problematic because, as the hon. Member for Dartford (Dr. Stoate) mentioned, handsets are associated with acute, short-term, short, sharp exposures. Base stations are not; the exposure is constant and affects the whole body. Therefore, one cannot compare one with the other. In considering exposures, one cannot just look at the dose. It is necessary to consider how that dose is received and for how long it is received.

Some research has been done on nematodes—little worms—in Petri dishes. They respond in a certain way when they are exposed to RF. Some have said that that is evidence that RF causes problems to biological entities. No one can interpolate that directly to the case of human beings, let alone interpolate it to the issue of health. That takes several leaps of logic. Nevertheless, those responses happen; they can be observed and quantified, and that means that they have to be taken seriously. Again, that points towards further research.

This really is a quintessential public health issue. The Minister and her predecessors have dealt with a whole raft of public health matters for many years. It has not been a very happy scene. I am sure that she would be the first to admit that we have had problems with TB, sexually transmitted diseases and other matters. We have an opportunity to grip the issue, and I hope that the Minister will. In particular, I hope that she will answer the 18 questions that have been put to her. With that in mind, I shall wrap up a little earlier, and give her the opportunity to address those questions.

5.17 pm

The Minister of State, Department of Health (Ms Rosie Winterton): First, I congratulate the hon. Member for Sutton Coldfield (Mr. Mitchell) on securing the debate, which has been well attended. I completely understand how important an issue this is because of my constituency experience.

Obviously, the matter attracts a great deal of attention from MPs, the public and the media. All hon. Members have illustrated particular difficulties faced at constituency level. My hon. Friend the Member for Stroud (Mr. Drew) talked about the difficulty he had with a particular company. My hon. Friends the Members for Dartford (Dr. Stoate) and for Norwich, North (Dr. Gibson) talked about problems of perception, an issue that permeated the debate; perception versus some of the scientific evidence.

The hon. Member for Westbury (Dr. Murrison) referred to the importance of people's well-being in these considerations and how planning mechanisms fit into that. The hon. Member for West Chelmsford (Mr. Burns) explained how he had been pursuing the matter on behalf of constituents with some vigour and raised issues that I shall try to address later. The hon. Member for Twickenham (Dr. Cable) talked about the problems of his constituents, and the graphic descriptions of the public meetings attended by the hon. Member for Isle of Wight (Mr. Turner) showed the strength of feeling in his constituency.

The hon. Member for Cheadle (Mrs. Calton) talked about the responsiveness or otherwise of mobile phone companies. I hope to address some of those issues later because they are similar to those raised by the hon. Member for Westbury on the attitude of operators and how we can deal with them. We are addressing real problems caused by the fact that more people want to use mobile phone technology. In the UK we are in the forefront of that technology, but how does that fit in with people's fears and health concerns?

I am sure that Members will have seen the recent report from the National Radiological Protection Board's advisory group on non-ionising radiation—AGNIR—on health effects from radio frequency electromagnetic fields. The Under-Secretary of State for Health, my hon. Friend the Member for Welwyn Hatfield (Miss Johnson) wrote to hon. Members with an update on our initiatives on that, but this debate is an opportunity to address more of the issues and answer some of the specific queries that have been raised.

The hon. Member for Sutton Coldfield set out 18 questions in all, and I shall answer as many as I can. I shall concentrate on the health and research issues that have been raised, as many of the other issues are for the

Office of the Deputy Prime Minister. I want refer to a few of them in the context of how they have been raised today, but if I cannot, I will ensure that the ODPM is made aware of the points that were made.

Many Members referred to the Stewart report from May 2000. Its conclusions remain central to Government advice, which is that the balance of evidence to date suggests that exposures to mobile phone radiation below national guidelines do not cause adverse health effects to the general population. It also indicates there is no general risk to the health of people living near base stations on the basis that exposures are expected to be small fractions of guidelines. However, there can be indirect effects on their well-being in some cases. As many hon. Members have said, a precautionary approach to the use of mobile phone technologies should be adopted until much more detailed and scientifically robust information on health effects becomes available.

The hon. Member for Sutton Coldfield asked about the adoption of the International Commission on Non-Ionising Radiation Protection guidelines incorporated into the 1999 European Council recommendation. The ICNIRP and UK national guidelines are based on the comprehensive assessment of current scientific knowledge, including the possibility of harm caused by effects other than heating. The guidelines are kept under review, and a recent report by the independent advisory group on non-ionising radiation, which I mentioned earlier, examined the evidence for biological effects and concluded:

"The weight of evidence now available does not suggest that there are adverse health effects from exposures to radiofrequency fields below guideline levels."

The Government acknowledge that there are uncertainties in the science, and having accepted the precautionary approach recommended by Stewart, we set up a research programme in conjunction with the industry. It has a £7.4 million budget to investigate a number of important health-related issues. The research is mainly concerned with users of mobile phone handsets, as the mobile phone user receives the greatest exposure to mobile phone radio frequencies, but all the research is relevant to investigating possible health effects from exposure to base stations.

More recently, the programme has been able to extend its range of studies to accommodate concerns about exposures from base stations as robust scientific protocols have become available. Two projects are considering emissions from base stations in particular. One is a study using volunteers to investigate whether base stations can be shown to cause symptoms in the short term, while the other is examining the incidence of early childhood cancer in relation to base station exposure.

MTHR, the mobile telecommunications and health research programmer is possibly unique in supporting two projects on base stations alone, and when other UK-based research is taken into consideration, such as the Home Office research programme on terrestrial trunked radio—Tetra—we see that the UK has one of the largest research efforts in the world.

Dr. Julian Lewis (New Forest, East) (Con): Will the Minister give way?

Ms Winterton: I cannot. I am sorry, but I have to gallop through these questions.

The hon. Member for Sutton Coldfield asked specifically about some aspects of the research programme. First, he asked whether a number of different symptoms could be attributed to the mobile phone mast network. Science cannot rule out the possibility of effects such as sleep disorders and headaches occurring, but such effects can have many causes and can pre-date the installation of base stations. There is no clear scientific evidence that such effects are caused by exposure to radio frequency fields from base stations or that they have increased in recent years. The research programmes that we support are investigating a range of disorders such as those that the hon. Gentleman mentioned.

I have already answered the hon. Gentleman's queries on the proportion of the programme being spent on base station research, but I remind hon. Members that base station emissions are low intensity compared with mobile phone emissions.

The hon. Gentleman and the hon. Member for Westbury asked whether a study of cancer clusters around mobile phone masts should be undertaken. Research funding decisions by the programme management committee are clearly based on sound scientific principles. I understand that, in the absence of any clear indication of people's exposure, there would be little scientific merit in such a study; mere proximity is not likely to be a good measure of exposure.

Another question posed by the hon. Member for Sutton Coldfield concerned melatonin and cancer. The melatonin issue is a complex one, as his questions implied. Research papers on this issue are currently being referred to the National Radiological Protection Board, which has asked its advisory group on non-ionising radiation to undertake a thorough investigation of melatonin effects and provide a report. The report is expected some time next year.

The hon. Member for Sutton Coldfield made a helpful suggestion about setting up a register of people who believe that they have been affected by mobile phone handset and/or base station microwave radiation. His suggestion is interesting, but it needs to be carefully managed to protect against abuse, as he suggests. The research committee is keen to encourage people to register with the researchers, who are funded by the mobile telecommunications and health research programme. Volunteers who feel that they are affected in this way are asked to contact the researchers directly through the MTHR website.

I hope that I can answer the hon. Member for Sutton Coldfield's questions on Tetra by quoting directly from the report published by the NRPB's advisory group on non-ionising radiation in 2001. It concluded:

"Although areas of uncertainty remain about the biological effects of low level radio frequency radiation in general, including modulated signals, current evidence suggests that it is unlikely that the special features of the signals from TETRA mobile terminals and repeaters pose a hazard to health."

[Ms Winterton]

That conclusion was reinforced in AGNIR's recent report, issued two weeks ago.

Several questions have been asked about Government guidelines on planning for mobile phone base station masts. Responsibility for the guidelines lies with the Office of the Deputy Prime Minister, but I want to make two brief points. Pre-application discussions should be carried out with relevant groups, including residents, and alternative sites should be looked at. Those are clear guidelines. I know that there have been concerns about that that I shall take back to Ministers in the ODPM, particularly on the issue of motorways.

This has been a comprehensive debate. I am sorry that I have not been able to answer all the questions that were raised, but I hope that I have been able to give some reassurance to hon. Members about the research that is being undertaken.

Mr. Frank Cook (in the Chair): We must now turn our attention to the issue of roads in the Honiton and Tiverton constituency.

Roads (Tiverton and Honiton)

5.30 pm

Mrs. Angela Browning (Tiverton and Honiton) (Con): For the record, Mr. Cook, I should say that my constituency is Tiverton and Honiton. It would be remiss of me not to correct its title.

I wish to raise three matters to do with roads in my constituency. I have given the Minister prior notice of them; I know that we will have some good answers because I am sure he will be well prepared. The first is an issue that I have raised on many occasions. In fact, I have been raising it since I was first elected in 1992. The A303 runs from Honiton to Ilminster and passes through the constituency of my hon. Friend the Member for East Devon (Mr. Swire), who is in his place. We believe that that road should be dualled.

When the Government took office in 1997, there had already been a public inquiry and I understand that the contract was ready to go out to tender. Since then, the Government have initiated one report after another, all of which seem to have been kicked into the long grass. As yet, there is no progress on dualling that important stretch of road.

Mr. Hugo Swire (East Devon) (Con): I congratulate my hon. Friend on obtaining this debate. We are constantly lobbied by the Federation of East Devon chambers of commerce—with whom we have a meeting on Friday—the Devon and Cornwall business council and business men in both our constituencies, who tell us that even if the road between Ilminster and Taunton were dualled, dualling the A303 would still be a priority. One cannot replace the other; one will merely be in addition to the other.

Mrs. Browning: My hon. Friend is absolutely right; it should not be an "either or" argument. All who know that part of the country will recognise the need to dual the road from Ilminster to the M5 at Taunton. However, that does not detract from the need for the A303 to be dualled. Indeed, transport links were identified earlier this month in a report by the Department for Environment, Food and Rural Affairs as one of the major barriers to economic improvement in the south-west. Most of the rural south-west was described in that report as a disadvantaged area.

The A303 joins with the M3 to London in one direction, and it is a main east-west route. It is meant to be the second arterial route through the west country. At the moment, we have only the M5. It is wrong that we should be deprived of that second arterial route, as it affects the economic development of the whole peninsula. The Minister, who represents a Plymouth seat, will know that most people who travel to the west, especially businesses looking to relocate in the south-west peninsula, will carefully consider the arterial routes, of which we have only one. Indeed, I suggest to him that people wanting to relocate to the Plymouth area would be most favourably impressed if the A303 were dualled.

It is not only an economic argument; the road goes through an area of outstanding natural beauty. Unusually for such an area, every parish council on the route supports the dualling of the A303. Normally,

major road works attract local opposition. People who live and work in the area know how important improvements would be for road safety, an important consideration. Certainly, those who drive along that part of the road that goes through my constituency and that of my hon. Friend the Member for East Devon will know that it is dangerous. It is a bendy and hilly road, and is not compatible with today's transport standards. It should be dualled on road safety grounds alone.

We are not the only ones who think so. The fact that the Amesbury to Honiton road should be built entirely to dual carriageway standards was endorsed by the RAC. Having noticed that I had an Adjournment debate today, it immediately wrote to brief me on its recommendations on roads throughout the country, and it shows that the A303 has a high priority.

Since 1997, we have had umpteen multi-modal studies. Goodness knows what has happened to them. Hours have been spent on them, and money has been spent on convening meetings to consider them. The regional assembly has been involved, as has the Department for Transport and the Highways Agency. Consultants have been brought in to consider the issue, but whenever I raise it with Ministers there is always a reason not to proceed. The last time I raised the matter, the Secretary of State prayed in aid the environmental considerations of taking a dual carriageway on an existing route—not a new route—through an area of outstanding natural beauty. It is about time the Government stopped hiding behind the environmental argument. That argument has not been swept aside, but has been subject to a full public inquiry in which all the environmental factors were laid open and considered. The public inquiry endorsed the building of the dual carriageway.

I suggest that the problem is to do not with the environment, but with money. The Government do not appear to have the money. For both road and rail, we have recently seen reports ditched and put to one side. My research assistant was ready to attend a meeting, on 15 January I think, in Weston-super-Mare, because the regional assembly kept saying that the report was due any day. So confident was the assembly of the Government's promised report that it had booked a venue but on the very day before the meeting was due to take place, we were let down again. Are there new spending constraints on the Minister? When will the latest report on the A303 be put in the public domain for discussion?

Does the Minister recognise the economic importance of a second arterial route in and out of the south-west peninsula? Representing a west Devon seat, he of all Ministers must recognise that the scheme would be as important to people living in his side of Devon as it would be to the people living in my side of Devon.

The other thing that I should like to raise is the A373 Cullompton to Honiton road. I have written to the Minister about that and I know he has received the letter; not only did I post it, I faxed it to his private office. The Minister looks askance. When this debate came up, his private office asked me to fax that letter, so I hope that he has received it. Although the A373 is an A road, it links the M5 at Cullompton, at junction 28, to the centre of Honiton, the high street. The Minister will be familiar with the A30 between the M5 at Exeter and Honiton, because it is the noisy road that he is going to resurface any minute now. When that road was dualled, it was recognised that heavy traffic—goods vehicles—would not need to turn left at Cullompton, at junction 28, and cut through on the A373 to Honiton, but that there should be some direction for heavy vehicles being routed down the M5 to Exeter and back up the dual carriageway.

Again, that proposal seems to have been kicked into the long grass. For months and months I corresponded with Devon county council and the Highways Agency in Exeter about the scheme. I am not concerned so much about access traffic, but about the A373 being used as a rat-run. Despite being an A road, it is single carriageway in some places and passes through several hamlets and villages. I have had representations from parish councils in Broadhembury, Payhembury and elsewhere. I have also had representations from residents in Honiton, at the urban end of the road, who say that their houses are so close to the road that heavy good vehicles rattling through cause vibrations and disturbances, particularly in the early hours.

I have had sight of the minutes of a 1999 meeting of the East Devon partnership committee, where all the options for that road were considered and the police made their representation. It was agreed that once the dualling of the A30 was complete, the heavy vehicles should be directed to take what is obviously a heavy goods vehicle route; further down the motorway, off at the slip road and down the dual carriageway to Honiton, rather than along a windy A road through lots of little villages. However, the answer from the Highways Agency in Exeter was that that could not be done because signs on the motorway at the junction advising heavy goods vehicles to continue down the motorway would distract drivers and could cause accidents.

I realise that the Highways Agency might be acting on Government guidelines. On the approach to London, for instance, there are lots of junctions very close together on the M4. In Devon, as the Minister knows only too well, distances between junctions are many miles; for example, between junctions 27 and 28. There is a straight line of motorway at the approach to the junction at Cullompton. I cannot believe that a redirection sign for heavy goods vehicles at junction 28 represents the sort of motorway hazard that the Highways Agency is suggesting.

Are budgetary constraints preventing the decision from being made? Unless we have a decision, we shall not see progress on the A373. Will the Minister explain why the national guidelines about direction signs on motorways apply equally to motorways running through sparsely populated areas such as Devon and those running through the Slough conurbation? That is not the answer and I hope that the Minister will take a personal interest in the problem.

I have invited the Minister personally to drive along the road and I have offered to drive him, with a cream tea on the way and another at the end in Honiton where there are some excellent restaurants. I cannot make the package more attractive and we would be only too pleased to see him. The invitation is on the table and I hope that he will avail himself of it.

Finally, I want to raise a matter that affects virtually all the roads in my constituency and further afield: funding for maintenance of Devon roads. I know that,

[Mrs. Browning]

technically, that is not the Minister's responsibility, but is part of the local government settlement to Devon county council. However, I gave his office advance warning that I would raise the matter and he will understand why. As the Minister with responsibility for roads, he will have a serious interest in road safety and we all know that the maintenance of roads is a matter of road safety.

Increasingly in Devon, particularly in rural communities and with so-called climate change, more and more roads are subject to flooding, which has a huge impact on the maintenance budget. Devon, a large, rural county, has three times the national average of road length per head of population. We find that in the new formula methodology that the Government introduced last year for calculating the need for road maintenance funding, we lose out because we receive less per mile—I still work in miles, not kilometres, and intend to continue to do so—than other, smaller counties. We share the problem of underfunding of our roads budget with counties such as Yorkshire and Cumbria. It seems strange, going back to the DEFRA report on the need for infrastructure and economic viability in rural areas, that we are penalised for having so many rural roads.

The result of changing the methodology that the Government introduced last year means that, under last year's county settlement, Devon county council had a reduction of 20 per cent. in its road budget, which will be reduced again this year. A small reduction in the allocation per mile results in a funding reduction to the county budget of several million pounds. Will the Minister look again—or urge his colleagues to do so—at the representations made by Devon county council recently in response to the Government's local government settlement?

I shall mention a couple of points from the letter the council submitted on the way in which it assesses different roads. It is clear that the formula change will be an ongoing problem and will seriously affect road maintenance. One can get away with it for a year or two, but an ongoing reduction in the maintenance budget means that big costs will eventually arise when there is no longer a possibility of patching or repairing, and complete resurfacing is necessary. Devon is facing some very large bills down the track.

The Government's formula recognises two categories of road; rural roads and urban roads. The county council believes that that is too simplistic, but the Government say that it is obvious that it costs less per mile—they say kilometres, but I shall stick to miles—to maintain access roads within surburban housing estates and busy stretches on non-trunk principal roads running between towns. However, the proposed formula allocates more than twice as much for roads in housing estates, despite the extensive infrastructure associated with the principal road network.

Additional features, such as lay-bys, rest facilities, landscaping and noise management should be taken into consideration, and the funding model needs to be sufficiently sophisticated to recognise that. The council goes on to explain why that is, using as an example the way in which local authority grant distribution has been utilised in Scotland to make sure that it is fairer system. Scotland gives a good example of what would be fairer in a rural, sparsely populated community, and I urge the Government to consider that.

We all know that there are pressures on all parts of the county budget, not least in social services and education. Ultimately, when there are pressures on those two important areas, it is always the road budget that is cut back to meet the county's statutory obligations. That is very important now; the county needs to set a budget and has already made representations to the Government. A word from the Minister to his hon. Friends might help to relieve the problem, not just for this year's settlement, but for the ongoing maintenance of Devon's roads.

5.46 pm

The Parliamentary Under-Secretary of State for Transport (Mr. David Jamieson): I congratulate the hon. Member for Tiverton and Honiton (Mrs. Browning) on securing this debate and giving me an opportunity to respond to some of the issues that she has raised. I can think of no better way of whiling away an afternoon than by having a cream tea with her on the A373 or thereabouts. I am sure that our offices can arrange that.

Let me begin by stating that the Government are committed to sustained and long-term investment to improve local transport as a key element of our 10-year transport plan. In December 2000, we announced that £8.4 billion would be made available to implement local transport plans across England in the next five years. That funding will help to deliver the Government's vision of a high-quality transport network that meets people's needs and offers more choice to individuals, families, communities and businesses.

The hon. Lady gave the impression that some of that money has not gone to Devon, but Devon will benefit from that investment. Over £9.2 million will be made available to Devon next year for capital investment in integrated transport. That is over £1 million more than this year, and is a 14 per cent. increase. That rise in capital investment has been matched by an increase for the county to maintain its roads. This year, we gave Devon £14.5 million of capital investment for its roads, which we have increased to £16.5 million for 2004–05. We have made a further £1.6 million available for the strengthening of the Bideford Long bridge. The hon. Lady must agree that, contrary to the picture that she has painted, generous amounts of money have been made available to Devon, which, I say to her delicately, are far greater in real terms than Devon received when her party was in government.

I understand the hon. Lady's concern that the level of revenue provided to Devon through the formula spending share does not adequately reflect the length of roads that the county has to maintain. I accept that Devon is an unusual county in that it has many small roads; one hon. Member described it as having more roads than Belgium. I do not know whether that is true, but it certainly has a high proportion of roads to the population. I hope that the hon. Lady appreciates that resources must be distributed to authorities based on a consistent assessment of their needs. The formula provides more resources to the roads that are used most and, more particularly, to those roads used by heavy goods vehicles; obviously, the heavier the vehicle the

greater the damage to the roads. The new funding formula was agreed with the Local Government Association.

I now turn to the hon. Lady's concerns about the volume of heavy goods vehicles using the A373 as an apparent short cut to Honiton and beyond from junction 28 on the M5, and to her request for a sign on the M5 advising HGVs to use junction 29 and the A30. I fully appreciate the safety concerns. I also understand that such traffic may disturb local communities along the A373, and that the road is not of an appropriate standard to take some of those HGVs.

The Highways Agency endeavours to ensure that motorway signing benefits all users in directing them to the most appropriate routes to their destination. However, that must be set against the need not to overload the road user with information that may benefit only a few road users. That creates distractions that can result both in a disturbance of traffic flow and have a negative impact on road safety. That is particularly important on motorways, with the higher speeds at which traffic passes, irrespective of the distance between junctions.

The Highways Agency is not aware of having given any prior commitment to advisory signing. If the hon. Lady has evidence in that regard, I would be pleased to see it. The agency's position has always been to consider positively any request to improve signing if it is supported by sufficient evidence to ensure that increased advisory signing will be effective.

Devon county council has made available some information on traffic flows on the A373. That suggests that the opening of the dualled A30 has not resulted in a significant reduction of heavy goods traffic using the A373. However, that evidence in itself has not been sufficient for the Highways Agency to erect additional signing at junction 28, as it does not indicate the nature or destination of the traffic flow.

To know where and how we might sign appropriately, we need more information as to the destinations and where the vehicles come from. There may be other routes. For example, if heavy vehicles are coming from the Bristol direction, it may be more appropriate to get to Honiton using the A358 instead. It may be more appropriate for other signing to be used. We need better information.

If Devon can provide additional evidence on the origin and destination of some of the vehicles, the Highways Agency will be happy to consider it. I assure the hon. Lady that I will take a personal interest in that. If, for example, the evidence showed that heavy goods vehicles were coming from further north up the M5, it might be more appropriate for them to take other routes. However, it needs to be borne in mind that signing does not necessarily mean that the vehicles will use the A30 in preference to the A373 because as well as seeing the signs, the driver will have a map in his cab and will often use the quickest route. Devon county council would have to take other measures to restrict the use of the road; it would not just be a matter of using signs.

Mrs. Browning: If a goods vehicle came off prior to that junction, it would go through the Blackdown hills, an area of outstanding natural beauty. I think that the Minister is suggesting that those coming from Bristol would end up on the A303. I hope that he will bear in mind what I have said, because we seem to be between a rock and a hard place. It is no good telling us that the A303 does not merit dualling if he is now saying that it might be a good idea if more heavy vehicles travelled on it.

Mr. Jamieson: I am saying that we can put up signs, but in the end drivers will make their own choices. The route that the hon. Lady suggests is substantially longer, with all the environmental impact that that would have in terms of extra fuel. The journey involving the A373, for example, is about 10.6 miles instead of 23 miles. Of course, drivers will make that choice. For the signing to have maximum effect, the local highways authority might need to consider additional measures on the A373 and ways of enforcing them. For example, as it is not a primary route, weight restrictions could be considered, but those are matters for Devon county council to consider, and I am sure that the hon. Lady is taking that up with the council. I repeat that the Highways Agency is happy to consider a request if it can be supported by additional evidence of traffic volume and by the information on origin and destination to which I referred.

Let me now deal with the A303 and A358. I am well aware of the views on this matter. There has been enormous discussion at local level and in this place about those roads. I represent a constituency much further down the line in Devon. We in Plymouth do not consider ourselves to be in west Devon; we consider ourselves to be in Plymouth, but there we are. The issue is important for economic development, and we recognise that it is important to have two routes for the growing holiday traffic going into Cornwall.

Ms Candy Atherton (Falmouth and Camborne) (Lab): Hear, hear.

Mr. Jamieson: My hon. Friend takes a close interest in such matters. She is much further away from the area—nearly 100 miles—but the issue is still significant to her. I know that she constantly takes an interest in these important matters.

In our 1998 White Paper, "A new deal for transport: better for everyone", we announced a new approach to the assessment of all transport infrastructure. The assessment is much broader than was the case before. We are talking about multi-modal studies. Our new approach involves considering all modes of transport. In "A new deal for trunk roads", we adopted a strong policy presumption against new or expanded transport infrastructure that would adversely affect environmentally sensitive areas such as national parks or areas of outstanding natural beauty, except when there was an overriding public interest in the development. I think that the hon. Member for Tiverton and Honiton, who knows the area well, would accept that that is a right and sensible policy to adopt.

The London to south-west and south Wales multi-modal study—SWARMMS—considered the two main corridors into the south-west: the M4-M5, and the M3-A303. A number of improvements were suggested in

[Mr. Jamieson]

relation to the A303, including the improvement at Stonehenge, which the hon. Lady knows about and about which we have already made an announcement.

The SWARMMS consultants recommended that the four schemes east of Ilminster—Wylye, Chicklade, Sparkford and the Ilminster bypass—should go ahead, subject to some amendments following the reassessment. The A303 to the west of Ilminster—the Ilminster-to-Marsh, and Marsh-to-Honiton schemes—was also assessed and some changes were recommended. The hon. Lady will be only too aware that that route, which runs through the Blackdown hills—an area of outstanding natural beauty—was examined by a public inquiry in the mid 1990s and an alternative was proposed. That involved diverting the route from the Southfields roundabout along the A358.

However, there are some difficulties involving the junction between the A358 and the motorway, which could become seriously congested. We are considering some of those issues carefully. The SWARMMS study considered both alternatives and found that things were not as straightforward as they appeared.

The hon. Lady will know that, under planning policy guidance note 11, the Government now involve the regional planning bodies in determining needs and priorities for major strategic transport investment. Following discussions in December last year, my right hon. Friend the Secretary of State accepted the main recommendation that the whole of the A303 between the M3 and the M5 at Exeter be upgraded to a dual carriageway to form a second high-quality strategic road corridor into the peninsular. We are the first Government to have accepted that. He asked the Highways Agency to prepare the four schemes east of Ilminster for entry into our targeted programme of improvements.

On the two options west of Ilminster, in the same announcement my right hon. Friend the Secretary of State asked the Highways Agency to carry out further work on the feasibility of the scheme involving the A358 and the connection with the M5 at junction 25. We are talking about something that is clearly crucial to the viability of the alternative. We agreed that the regional assembly would have the opportunity to comment on the work before a final decision was made. However, I have to say that the work is extremely complex. I have considered the matter carefully. The work has taken longer than we expected but it is nearing completion. The Highways Agency will prepare a summary report that outlines the findings to help the regional assembly in its considerations.

I know that the hon. Lady feels that this is a long process that goes over old ground, but it is important to get the analysis right. An area of outstanding natural beauty is involved and the schemes are extremely expensive. Budgetary considerations are important and we must consider the cost of these schemes. The other, somewhat unexpected, factor that has come to light in the past 18 months is the increase in traffic in and out of Devon and Cornwall. After the BSE difficulties, we are seeing an increase in tourism in Cornwall. We have seen a growth in traffic along the route to Cornwall, which has made us consider the decision more carefully. I hope that we will be in a position to submit the work to the regional body.

I thank the hon. Lady for raising the points. If I have not covered some matters, I shall be happy to correspond with her.

Former Tin Mining Communities

6 pm

Ms Candy Atherton (Falmouth and Camborne) (Lab): I am pleased to introduce this debate on the regeneration of former tin mining communities. I chose the title deliberately. There are often debates in the House on the regeneration of coalfields and, even more on specific funding packages for coalfields. In the coming months, we are expecting a report from the Office of the Deputy Prime Minister and the Housing, Planning and Local Government Committee on coalfield communities. It was when I and others in Cornwall heard about the investigation that we realised we were lagging behind other former mining areas in the country, the heart of which is the Camborne-Pool-Redruth area in my constituency.

By way of a little history, I wish to remind hon. Members that, in its heyday, that area was a powerhouse of the industrial revolution. The steam that drove British economic might was developed by our most famous son, Richard Trevithick. The first gas lamp was lit in Redruth. It is no exaggeration to say that Cornwall was the genesis of the modern industrial age. The technology and brilliance of Cornish engineering were transferred to the coal mines and propelled this country into being the workshop of the world.

At its height, Cornwall boasted 2,000 mines and was a world leader. However, just as Cornwall led the world into the industrial revolution, it became one of the first victims of globalisation. Discoveries of tin and cheaper production costs in Malaysia led to a painful, protracted decline—not the shock closure of the coal mines. As a result, Cornwall was England's poorest county by the time I was elected in 1997. Low wages, low aspirations and high unemployment, much of it long term, were the economic climate. Only one mine remained and it, too, has now closed.

Of course, 1997 was when Cornwall's wider fortunes began to turn. The election of a Labour Government has seen unemployment cut by more than half in my constituency. That is one of the largest falls in the country. It is in low-income areas, such as Cornwall, where the national minimum wage, tax credits and extra support for families have attacked poverty and broken the cycle of economic and human depression. Again, thanks to the Government, Cornwall has received the boon of objective 1 funding and a raft of Government investment, which exceeds the meagre offerings of years gone by.

Now we look to the future with optimism and the belief that we can make Cornwall an economic powerhouse once more, focused on the area that I represent. However, we cannot afford to be satisfied with the work thus far. Cornwall remains a poor county. According to current estimates, if the funding formula remains the same we expect to be eligible for objective 1 funding for a second time. Wages still remain far below the national average.

Like former mining areas elsewhere, we have a large proportion of economically inactive people. Poor health, particularly among older males, reflects our mining tradition. The number of people with limiting long-term illness well exceeds the national average. A cluster of wards in my constituency falls into the 10 per cent. of the most deprived wards in the country. A study in 1998 that estimated gross household incomes showed that mean household incomes in Camborne North and Redruth North wards were the fourth and fifth lowest in the country.

We are, in effect, a post-industrial area that is in need of assistance. We may not have mined coal, but our need is as great as those areas—if not greater still. Unlike other parts of the country, we did not have the infrastructure or capacity in the private sector to step into the breach. We are peripheral, with transport links that are improving, but we cannot change geography. Other local industries, such as agriculture, tourism and fishing, have their own problems. Indeed, a report published last week by Oxfam showed that, on average, Cornish farmers receive £7,500 in European Union subsidies, while more prosperous farmers in other areas can add one, two or even three noughts to that figure.

I believe that our area should receive the same commitment from the Government and their agencies as other former mining communities throughout the United Kingdom. The industrial legacy is the same in my constituency as in other parts of the country affected by coal. The only difference is that we mined tin, not king coal.

Last year the Camborne-Pool-Redruth area became home to one of the Government's 12 new urban regeneration companies. Camborne-Pool-Redruth Regeneration brings together key local agencies and partners to support a focused, integrated regeneration strategy for the area. In real speak, the intention is to turn the area around and create a new future. The partnership brings together local authorities, the south west of England development agency, English Partnerships and the Government office for the south west alongside local business and education leaders.

By setting up CPR Urban Regeneration, the Government have recognised the distinct and urgent needs of this area of Cornwall. I should tell my right hon. Friend the Minister that I served on the shadow board of the company as vice-chair, and I am a current member of the board. We do, however, need some help. Our ability to attract private investment to the area to work with the local partnerships, schools and public agencies will be key.

Our mining heritage is a significant and a limiting factor. Hundreds of miles of mines stretch under land and sea. As someone put it to me recently, there is a perception that the whole area is full of holes. This is not helping us to attract the private sector, because there is concern about the costs hidden beneath the ground. A great deal of land is in need of remediation work, especially near the surface workings and near the oldest and largest shafts. Work has been done, but we have not tackled the problems below the surface.

There is also an associated risk of potential subsidence because of mine workings. A regular and desperate story in our local newspapers and in my surgeries is of householders waking up to discover that their garden has disappeared into a great hole. Recently Cusgarne school, also in my constituency, had to be abandoned for some months after a former mineshaft swallowed up the recreation ground. A significant

[Ms Candy Atherton]

additional cost for prospective home owners in my constituency is the mine survey, to see what may lurk beneath the surface. The problems underground are a daily and recurring issue. This concern affects businesses as much as householders. For businesses considering relocation to the area, there is a real concern about what lies beneath, and that once we start digging, who knows what we may find?

For that reason, I am keen to explore the drawing up of a comprehensive remediation strategy for the area. By making use of the expertise in the county, such as the Camborne school of mines, and the expertise and experience of others in the country, we could tackle this problem head-on. We know how former coalfields have re-used land, such as in the transformations at Glasshoughton, Grimethorpe and others. Can we not use their expertise and skills alongside the specialist knowledge of our own mineral industries to do something similar in the Camborne-Pool-Redruth area?

English Partnerships has already identified and bought key sites in the area for development on an ad hoc basis. As we know, it is advising the Government on a national brownfield strategy. However, Government policy for contaminated land, as distinct from merely brownfield sites, understandably focuses on the risk to human health and the environment, rather than land for development. I believe we must go further—we need a comprehensive strategy to tackle the problems in the ground, to make use of expertise and experiences elsewhere, to map the problem and to look to fund remedial work.

Tackling the problems in the ground will also tackle the perceptions in the air. We could say to the private sector,"We are a former mining area, we have had contaminated land, it was a problem, but this is what we are doing to tackle it. We have found those holes, we know what is beneath your factory or industrial site. Where there is land that must be treated, we will treat it. Now you can invest with us with confidence." That could be worth its weight in gold, let alone tin and copper. I would ask my right hon. Friend to consider funding an exemplary pilot project to stabilise the land, to be undertaken by the Urban Regeneration Company. In that way we can attract new businesses to the area.

We have had good news of late. CompAir UK, which was formerly the main manufacturing company in Camborne, closed just before Christmas after 200 years in the town. That was sad. However, we are pleased that two new manufacturing businesses—Quaife and OEM Fabrications—have moved on to the CompAir site and are creating new manufacturing jobs, using our skills and becoming part of the area's renaissance. Today we have been successful in securing a call centre for regional trading standards, thanks to the Department of Trade and Industry, which listened to our lobbying. That will bring a further 50-plus jobs to the area. I am delighted to say that instead of going to over-saturated Truro, they will come to the URC area. We are working on that. The day before that there was the announcement that Furniss, a food producer based in the URC area, had brought in the receivers and 150 jobs were under threat. We have a mixture of good news one day, and not such good news on others. There are real issues to tackle.

We hope that the new companies are the first of many to take advantage of the incentives that are available to do business in Cornwall. The Government have cut stamp duty and provided tax relief for companies cleaning up land. If we had the resources to build on those initiatives and deal with the land issue, we could overcome a significant barrier and create an environment that inspires confidence. Then the investment will follow.

There is a similar story with housing. I know that the Minister has looked carefully at the situation in Cornwall. As I have said in person, and in letters, we are lucky that there is land for new housing in the Camborne-Pool-Redruth area. The Minister is well aware of the political interests around affordable housing. Building on post-industrial land is considered less attractive than in other areas. We lack the capacity to create competition among suppliers to attract them to the Camborne-Pool-Redruth area; the profits to be gained from high-value executive homes in more prosperous towns are too great. Even though the developments in popular locations by the coast, or in over-developed Truro and Falmouth, may be controversial, enough of them get through to keep the builders happy. However, that does not solve the area's housing problem or get investment to the industrial heartland of the Camborne- Pool-Redruth area where it is most needed. There is a vicious cycle that we must break.

If we can find the right balance of incentives, we can offer the Government solutions. We do not just have questions—we have answers and solutions to long-standing issues of land, the environment, housing and prosperity in an area with some 50,000 people. There are many differences between west Cornwall and the UK's industrial heartlands, but we face many similar problems. However, there is one big difference: while those areas have benefited for many years from coalfields programmes and coalfield regeneration, our needs have been overlooked.

This Government have done more for Cornwall than any other Government. I say that on the record with every confidence. I hope that by accepting the case for the needs of the former mining community, we can go further still. I urge the Minister to consider making the former tin mining communities of Camborne-Pool-Redruth eligible for the funding and support packages that are provided under the coalfield regeneration schemes. We would not only benefit from the funding streams that are available, but tap into the wealth of experience that has been generated and ally that with local knowledge. Will the Minister fund a comprehensive study into the remediation of former tin mining communities?

It is wrong that Cornwall should fall behind other areas in the country, yet we have evidence that that is so. We shall hear this year about our bid for world heritage status. The engine houses and the industrial legacy are still there because the area was not regenerating. When other parts of the world were knocking down that legacy and rebuilding, our buildings remained on the skyline.

In other parts of the country, the Coal Authority has made great strides in cleaning up discharges from mines. The Camborne school of mines and the Environment Agency have done much in Cornwall, but it is estimated that at least 100 discharges will have to be cleaned up to

meet EU water standards by 2015. It sounds a long way away, but the clock is ticking on the clean up of those discharges. We have yet to undertake even the survey to assess the work. I recently met the Minister for the Environment, and he is discussing how to address the problems of water discharges with colleagues at the Department of Trade and Industry.

There is a river in the CPR area of my constituency called the Red river, so-called because of the mine discharges. Surely, like the mines beneath the ground, it could and should be reinstated. Would it not be an obvious first win for everyone as we tackle the tin inheritance?

We are a long way away from the coalfields, but our need is as great and our potential as exciting. Will the Minister fund a comprehensive study into the remediation of the former tin mining communities to ensure that we have learned the lessons from the recent coalfields experience? It is a fair request; we should be treated like other mining communities, and our industrial legacy should be tackled.

6.16 pm

The Minister for Housing and Planning (Keith Hill): I congratulate my hon. Friend the Member for Falmouth and Camborne (Ms Atherton) on securing the debate and applaud her assiduousness in bringing the needs of her constituents to the attention of the House.

Falmouth and Camborne may be geographically distant from London, but my hon. Friend ensures that it is never far from Ministers' thoughts. In a previous ministerial capacity I visited her in her constituency and, in my new capacity, I hope to visit again shortly.

I was pleased to hear my hon. Friend welcoming the number of initiatives and the level of funding being introduced to west Cornwall and, in particular, to the former tin mining communities of Camborne, Pool and Redruth. I was delighted to hear the good news about recent investments in the locality.

The south-west is a diverse region. Its high-quality built and natural environments have tempted many to locate there and its economic and employment levels have been high in recent years. However, the long-term decline in traditional industries such as tin mining and fishing, especially when combined with the peripherality and rurality of Cornwall's geography, has created pockets of deprivation. Communities have suffered from limited economic opportunities, low productivity, a low skills base and a lack of affordable housing.

The Government are determined to ensure that these areas are not overlooked, even if they do not conform to the idea of classic inner-city deprivation. The concept of sustainable communities—our drive towards creating places where people can, and want to, live and work—is as relevant to Camborne as it is to Manchester or London.

In order to achieve sustainable communities, certain conditions need to be in place. Communities need economic prosperity where businesses are located and growing in order to provide jobs for the local work force and they need a local work force who have been trained to have the right skills to do the jobs.

In addition, people need to be able to live in homes of a decent standard that they can afford, and they need to live in a pleasant and well-designed built environment that does not encroach on their green spaces. That is especially true in places such as Cornwall where the rural setting is such an important element of its attraction. Other infrastructure such as transport, hospitals and schools must also be in place for such communities to work.

The Government have consistently supported prosperity, growth and regeneration in Cornwall and we have undertaken a wide variety of initiatives, from match funding objective 1 projects through to grants from the neighbourhood renewal fund to help improve housing, raise school standards, reduce crime and improve health in deprived areas. The whole of Cornwall is eligible for regional selective assistance to companies, and it is also a health action zone. There is also an education action zone in the Camborne-Pool-Redruth area.

We all recognise the challenges of achieving economic prosperity against the background of the decline in traditional industry and the peripherality that I have already mentioned. That is why the south west of England development agency has identified Camborne-Pool-Redruth as one of only five priority areas of investment in the south-west. It has already provided about £10 million for projects in the area.

Early successes such as the Tolvaden energy park, which received a Building Research Establishment environmental award in 2002 and was the first development of its kind to receive that sort of recognition, have been followed by other projects such as the Treleigh industrial estate in Redruth. On brownfield land at Falmouth the development agency is helping to develop the Ponsharden—*[Interruption.]* I shall sit down at this point to be corrected on the pronunciation of these wonderful Cornwall names.

Ms Atherton: The Minister might care to know that they are Treleigh, Ponsharden and Tolvaden.

Keith Hill: I am delighted to be corrected. The Ponsharden site is now under construction and will provide marine-related work space and a park-and-float facility for the town. Of course, the jewel in the crown is the combined universities of Cornwall project, which has seen the investment of nearly £60 million of Government and European Union objective 1 programme funding and is expected to provide a step-change in developing the local economy through teaching and research facilities that link directly with the growth of specific business centres, such as marine and earth sciences, design and media. I am aware that the CUC is already forging ahead because a niece of mine happens to be studying media studies and is living in fabulous Falmouth.

I appreciate the case that my hon. Friend makes about the similarities between the decline of coal mining industries and that of the tin mining industries in west Cornwall. However, the coalfield programme was set up as a result of the coalfield taskforce. Its funding streams were ring-fenced specifically around coalfields, and have

[Keith Hill]

already been allocated to a large extent. Nevertheless, there may be lessons learned by the coalfield taskforce that are applicable to communities in Camborne, Pool and Redruth, and we shall endeavour to ensure that those lessons are appropriately disseminated to stakeholders in the former tin mining communities in west Cornwall.

We also need to look at the specific issues that face those communities and not try to import models for regeneration from elsewhere if they are not applicable to the conditions in a specific area. I am aware that my hon. Friend met my hon. Friend the Minister for the Environment recently. He undertook to investigate the implications of her suggestion that the Coal Authority might take on responsibility not only for abandoned coal mines, but for other sorts of abandoned mine. It will be for DEFRA to take that process forward. I would not want to pre-empt or second-guess the results of that investigation. However, I would like to say a little about land contamination later in my speech.

As I have said, a great deal of regeneration activity is taking place in the Camborne, Pool and Redruth area. In order for the changes to be sustainable, they have to be considered strategically alongside economic development and skills and training. Such regeneration also needs to be clear about its connectivity to other areas of economic activity in the region and how the businesses created in Camborne complement rather than compete with others in the south-west.

That is why regional development agencies were created; to be regional drivers of economic development and regeneration and to ensure that the extent and type of economic activity across the region works in balance and in a joined-up way. That approach is already working for Camborne, Pool and Redruth. The development agency, working with together with other key partners such as English Partnerships and local authorities, has been essential to the creation of the urban regeneration company CPR Regeneration and, as my hon. Friend stated, she sits on the board of that important body.

My hon. Friend mentioned the excellent work of that body in driving forward an ambitious £150 million investment programme. Around two thirds of this investment is expected to come from the private sector, with the remainder from the public sector over the next 10 years. It will be one of the largest urban renewal projects in the country, driving the regeneration of up to 150 hectares of land with the aim of creating more than 4,000 jobs and raising wages in the area by 15 per cent.

I take my hon. Friend's point about the nature of land contamination in former tin mining communities but I cannot undertake to fund a pilot project to stabilise land nor to fund a comprehensive study into remediation of former tin mining communities. However, I want to suggest a way forward. My hon. Friend will know that the purpose of an urban regeneration company is to work towards a co-ordinated approach to the problems and opportunities in its target areas. Although its principal focus is to engage the private sector in an agreed physical and economic regeneration strategy, that strategy must be in the wider context of tackling the problems and identifying the opportunities of an area.

Thus, if the URC board, which consists of the regional development agency, English Partnerships, local authorities and others, considers that the work that my hon. Friend describes is a priority for the physical and economic regeneration of the area, it is open to the board to fund that activity. However, the bodies must be allowed to determine the priorities for themselves. It would not be appropriate for central Government to impose requirements upon them.

My hon. Friend also said that economic growth is likely to put pressure on an already problematic housing situation. The south-west suffers the particular problem of fast-rising house prices combined with low indigenous income. That creates serious problems in terms of affordable housing for key workers and others. There is only limited opportunity to build on brownfield land to control urban sprawl. The south-west also has a high proportion of homeless people, the third highest in England in 2001–02.

Under the sustainable communities plan, we set up regional housing boards to ensure the delivery of our housing policies in the region. The south west regional housing body is developing a regional housing strategy, which has already identified as its priorities the creation of more housing, particularly affordable housing; improvements in private sector housing occupied by vulnerable people; and the delivery of decent homes. I am delighted to report that, at £83 million, the housing settlement announced by the body last autumn in recognition of the south-west's special housing pressures represents a 30 per cent. increase over previous allocations.

I am aware that the URC regards housing for local people as one of the key challenges that it must tackle as part of its overall regeneration of that part of the county. I believe that, by working closely with the local authority, the regional housing body, the RDA, English Partnerships, the Government office, the Housing Corporation and other partners, the URC will be able to play an important role in bringing together the expertise and funding streams that will deliver sustainable housing solutions. I also agree that the role of the private sector is extremely important in securing appropriate levels of affordable housing in new developments.

Although the detail of agreements between planning authorities and developers must remain matters for local negotiation, the Government are anxious that the agreements should deliver as much new affordable housing as possible. That is why we are consulting on changes to planning guidance that propose that local planning authorities set targets for affordable housing and identify sites where it will be expected and in what proportion.

I hope that my hon. Friend will agree with me that this is an exciting time for west Cornwall. There are real opportunities, not merely for handling the impact of decline in traditional industries but for creating an economic renaissance in the area that will result in truly modern, dynamic, sustainable communities.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes past Six o'clock.

Westminster Hall

Thursday 29 January 2004

[SIR NICHOLAS WINTERTON *in the Chair*]

Afghanistan

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Gareth Thomas.]*

2.30 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I am grateful to you, Sir Nicholas, and to Mr. Speaker for allowing this Government-initiated debate on the development challenge in Afghanistan. The development of Afghanistan is of considerable importance and interest to many hon. Members beyond those present today. It is appropriate that we are taking the opportunity to debate the country's future and, hopefully, to reflect on the progress that has been made over the past two years. I am sure that hon. Members will want first to join me in expressing our condolences to the family and friends of one of our soldiers who was killed yesterday in Kabul and in wishing the four other British soldiers and their interpreter who were injured in the same blast a full recovery. This dreadful incident is an all-too-powerful reminder of what the people of Afghanistan have had to endure for far too long.

Before November 2001, Afghanistan had been the scene of two decades of internal and external conflict, forcing millions of refugees to flee their homes. It was a wrecked country, one of the most heavily land-mined in the world. Under the Taliban, schools and hospitals for girls and women were closed; women could not leave their homes without a male relative; extremist religious laws were enforced; men were jailed if their beards were too short; television was banned; and, as we all know, one of the world's worst terrorist groups, al-Qaeda, was allowed to operate with impunity.

Today, women in Afghanistan are returning to work and girls are going to school again. Television and radio are flourishing, and more than 2 million refugees have gone home. Afghanistan now has a constitution that guarantees the equal rights of all citizens—men and women—and religious freedom, surely the latest sign of the political, economic and social development that is occurring there. However, the achievements and the progress of the past two years cannot and should not hide the fact that Afghanistan remains one of the poorest nations in the world. It is facing major additional and parallel security challenges, particularly in the south and east of the country where the Taliban still operates, and the destabilising impact of the drugs trade, which reaches far beyond the borders of Afghanistan and has a particular impact on this country.

Afghanistan remains a high priority for my Department and for the Government, too. During my visit there in December, I reaffirmed to President Karzai our long-term commitment to the country's development. We have already committed £322 million to humanitarian and reconstruction assistance over five years, and we have spent £155 million of that since September 2001. We also provide significant levels of aid through multilateral assistance, through our contributions to, for example, the United Nations, the European Union and international development banks.

The debate is timely, given that it is two days after the final step was taken in agreeing a constitution that will pave the way for the country's first democratic elections planned for later in the year. It gives us the opportunity to reflect on the progress that has led Afghanistan to this point and also provides us with the chance to look ahead at the challenges that will face its first democratically elected Government. As hon. Members will know, back in December 2001 with the support of the United Nations, Afghan leaders met in Bonn and agreed the process for political transition in Afghanistan. In June 2002, a broad-based transitional Administration elected Hamid Karzai for two years.

One of the priorities of the Bonn process was to make Kabul safe by deploying a multinational force. As a result the International Security Assistance Force was created in December 2001, coming under the command of NATO in August last year, and having its mandate expanded in October to allow it to operate beyond the Kabul region. British forces have played an absolutely essential role in providing security, both as part of ISAF and beforehand. I would like to pay tribute to the work of our soldiers and, indeed, to the other staff whom we have deployed, who continue to do hugely important work in Afghanistan.

As well as providing security, the UK has also played a key role in keeping the democratic transition laid down by the Bonn process firmly on track. We have given some £2 million from the global conflict prevention pool operated by the Foreign and Commonwealth Office, my Department and the Ministry of Defence, and £1 million from my Department's bilateral programme to support the voter registration process for the coming elections. My Department has also provided £500,000 to support the population consultation process on the constitution which involved many ordinary people throughout Afghanistan.

To complement the Bonn process international donors met in Tokyo in January 2002 to discuss the reconstruction of Afghanistan, pledging some $4.5 billion over a varying time scale. I am pleased to say that that total has now increased to some $5.2 billion, and Afghan Government figures confirm that the international community is delivering on those pledges already, with some $1.8 billion provided by donors in 2002–03.

The Afghan Government deserve considerable credit for the way in which they have taken the lead in the development process, holding the first Afghanistan development forum in Kabul in March last year. In advance of that meeting, my Department was able to fund a team of consultants to work with the Ministry of Finance to prepare its national development budget, developing the capacity of the Ministry and therefore of the Afghan Government. The international community responded at that development forum, pledging more than $2 billion for this financial year to fund some 90 per cent. of the Afghan Government's budget. The Afghans believe that they will be able to raise the remaining balance from their domestic revenues.

[Mr. Gareth Thomas]

Another international donor conference is planned for March this year to ensure continued donor co-ordination and complementarity. That conference will be able to point to major development landmarks over the last two years. Four million children are back at school, and 37 per cent. of those pupils are girls; that proportion is up from some 5 per cent. in 2001. In total there are now 6,500 functioning schools with more than 70,000 teachers, a third of whom are women. Since 2002, 12 million children have been immunised against polio and 16 million children have been immunised against measles, saving in the process an estimated 30,000 lives.

At the same time UN agencies have been working to improve health facilities. UNICEF, for example, has refurbished the Malalai hospital, which is the largest maternity hospital in Kabul, with some 15,000 children being born there every year. Under the Taliban the hospital suffered from poor hygiene and a lack of qualified staff. There was no blood bank in Kabul, and patients often had to get their own medicines and find their own basic medical equipment for operations. On top of that conditions were made even more difficult by the all-too-frequent power shortages.

Women are increasingly taking part in politics. The new constitution guarantees women 25 per cent. of seats in Afghanistan's new lower House, as well as equal rights and duties before the law.

Human rights abuses, massacres, the abduction of innocent citizens and the systematic burning of houses, combined with a severe drought, led millions of Afghans to flee to Pakistan and Iraq in the five years before the end of the Taliban regime. With the help of the UNHCR, communities are returning to Afghanistan; more than 2.5 million Afghan refugees have returned so far, beginning the process of rebuilding their lives and communities after years of conflict. Thanks, too, to the end of the drought, and work by the UN Food and Agriculture Organisation, grain production increased by some 80 per cent. in 2002, and we are expecting to see a record harvest for last year as well. That improving harvest and the greatly improved security situation have dramatically reduced the need for humanitarian aid.

Despite the significant advances that have been made in Afghanistan, huge challenges remain. The most urgent of those is security, particularly in the south and east, where Taliban insurgents continue to encroach, and to put development at risk. Because of threats to the safety of Afghan and international staff, some non-governmental organisations and international organisations are finding it increasingly difficult to operate in certain parts of the country. I hope that the House will join me in praising the contribution of those bodies in continuing to operate where they are able to do so, despite the difficult circumstances.

The overall effect of the security threat on the provision of humanitarian aid and on reconstruction in some parts of Afghanistan is serious. The international community is heavily involved in helping the Afghan authorities to try to deal with the problems. Afghanistan's six neighbours have signed a non-intervention agreement, promising to try to help to provide the security, stability and territorial integrity that Afghanistan needs after so many years of conflict and deprivation. International coalition forces continue to try to counter Taliban fighters in southern and eastern Afghanistan, and the deployment of joint civil and military provincial reconstruction teams, including by the British Army, is facilitating security sector reforms and building the authority of the Afghan Government.

The UK leads a PRT based in Mazar-e-Sharif in northern Afghanistan. It is one of 13 planned and operational teams in the country. It is a joint MOD-FCO-DFID-led operation, with some 100 military personnel as well as development and political advisers. That PRT has three main objectives in the region: to help to expand the authority of the Afghan Government, to facilitate security sector reform and to facilitate development in the region. It has had successes in all three areas, in particular in security sector reform: the police have been able to deploy from Kabul to Mazar-e-Sharif and a number of heavy weapons have been removed from local factions to the guard of the new Afghan national army. The UK is also working to support the Afghan police in helping to build the national army, and it is assisting with the disarmament, demobilisation and reintegration of former combatants. Recently, an agreement was signed to begin the demobilisation of some of the heavy artillery belonging to powerful militia commanders.

On 15 January, the first heavy weapons tanks and heavy artillery started to move to cantonments outside Kabul, under the supervision of the international peacekeeping force, ISAF. Weapons from militias in Kunduz, Gardez and Mazar are all being handed in under disarmament, demobilisation and reintegration programmes. To date, some 2,240 personnel have been demobilised, of whom 1,700 have completed reintegration interviews and made their final selections for their new livelihoods and the training and support that they will want. Agriculture vocation training, small business support, de-mining and joining the Afghan national army or police continue to be key choices for those who have worked and fought with the militias. Those DDR programmes aim to disarm a total of about 100,000 militia men nationwide.

The second major challenge is to deal with the drugs trade. That will be an important step towards ensuring greater security. Those who profit from the trade have a strong interest in undermining an effective Afghan state.

As the final milestone of the Bonn agreement, the elections will be an important step towards the peaceful and democratic Afghan state that we all want to see. It is essential that those are seen to be fair and legitimate. That fair, democratic process should allow Afghan policy makers to re-establish Government legitimacy and pave the way for the Afghan people to elect a representative Government that truly reflects their own aspirations.

There is still a challenge in continuing to help the most vulnerable people. Until the Afghan Government's capacity has grown sufficiently, the international community will have to continue to provide services where the Afghan Government cannot. For example, UN agencies are supporting the remaining Afghan refugees in Iran and Pakistan and assisting their voluntary repatriation to Afghanistan. In Afghanistan two vulnerable groups are receiving food and shelter,

and they are still in receipt of vaccination programmes that are helping slowly to eliminate the threat of polio and measles.

Although we are meeting those immediate challenges, there are two much longer term challenges among the underlying causes of poverty that must also be addressed. An effective, functioning Government are central to long-term development. We must work with the Afghan authorities to strengthen the public sector and build the capacity of their Government to deliver the services that we expect and have come to rely on in the UK. In that way the Afghan Government will be able to provide services, such as the schools and hospitals that the Afghan people rightly want to see in place.

We are, therefore, promoting and supporting the Afghanistan reconstruction trust fund as a mechanism to allow donors to pool their resources, reduce transaction costs, improve co-ordination and allow the Afghans themselves to prioritise how money should be spent. The private sector, too, will play a vital role in the development of Afghanistan. In the past two years we have seen economic growth at a rate of some 30 per cent. However, it will still take a concerted effort by the international community to support the development of an effective private sector and help Afghanistan to establish international trade. One important sign of progress is that the Standard Chartered Bank has opened an office in Kabul. That is, hopefully, the first of a number of major western businesses looking to move to Kabul and set up operations.

The development of a proper transport and energy infrastructure, too, will be fundamental to the development of the private sector and a functioning state. We have already provided some £12.7 million to clear Afghanistan's debts with international financial institutions. That in turn has allowed the Afghan Government to unlock further highly concessionary loans that are being spent, for example, on funding repairs to 112 km of roads in northern Afghanistan by replacing bombed-out concrete sections and broken bridges. Those repairs will vastly improve access to health care, education, employment and local markets there. If we are to tackle the drugs trade in Afghanistan, it is critical that we help the Afghans to make a living legally and work with them to develop new sources of income and new livelihoods.

I am sure that hon. Members will be aware of the figures released by the UN Office on Drugs and Crime in October last year, which showed that opium poppy cultivation increased by 8 per cent. in 2002. The production of actual poppy numbers rose by some 6 per cent. The survey also revealed that in traditional areas where the Afghan Government have been able to exert control, cultivation has decreased and moved into more marginal areas. Although the area covered with opium poppy has increased, poppy production has decreased where security has been effectively established.

That UN survey is a reference point for our work as the lead nation in dealing with counter-narcotics in Afghanistan. The increase in opium cultivation is unwelcome, but it is not unexpected when one looks at other countries, such as Pakistan and Thailand, where drug cultivation has taken place and where evidence shows that cultivation tends to increase before eventually declining. The production and processing of narcotic drugs inevitably grossly distorts the Afghan economy and, by supporting criminal and terrorist activity, jeopardises the security and stability of the region, as well as the development of the country itself. We need to be realistic about how long it will take to end the illegal production of opium poppy.

Tom Brake (Carshalton and Wallington) (LD): What is the Government's preferred approach to tackling opium cultivation? Do they consider it better to deal with the poppy fields first and provide alternatives afterwards, or to provide alternatives to farmers first and then tackle the fields?

Mr. Thomas: Essentially, it is for us to support the Afghan Government in making those decisions. We are working with them to achieve both objectives. We have committed £70 million over the next three years to support the implementation of the Afghanistan national drug control strategy. There are a number of pillars to that. We need to improve the enforcement of drugs laws and help the Afghans to eradicate opium fields and promote alternative livelihoods for poor farmers.

We also need to help to improve the effectiveness of the country's drugs institutions. We want to help to improve public awareness campaigns about the risks of growing opium poppy to persuade farmers to look at alternative livelihoods much earlier in the agricultural cycle than they might otherwise have done. The international community is working alongside the Afghan authorities to enforce legislation banning the cultivation of poppy. We are trying to assist with the demobilisation and disarmament of militias. We are also helping to build an effective, multi-ethnic national army and police force, under democratic control, which can work with the international community to tackle the eradication of opium poppy.

Mr. Kevan Jones (North Durham) (Lab): Does my hon. Friend agree that drugs are a problem for Afghanistan not only for the reasons that he has stated but because there is evidence that the number of addicts in the country is increasing? It is estimated that there are 25,000 addicts in Kandahar, which is difficult to cope with as the country does not have the medical infrastructure to assist them.

Mr. Thomas: My hon. Friend is right. It is interesting that a number of neighbouring countries have also been heavily hit by poppy growth in Afghanistan. They are working alongside countries such as Great Britain and organisations such as the UN agencies to examine what else they can do to tackle the drugs trade.

The international community is also working to rebuild the legal system, which will have an impact in tackling the opium trade. We are examining what support we can provide to a district stabilisation programme, for which the Afghan Government are seeking support, to spread the authority of the state from Kabul to other districts, particularly in the south and east. That programme will rebuild the institutions of the police—such as police stations—and courts so that the legal system and the legal authority of the Afghan state can be restored in areas which for far too long have failed to submit to the will of the national Government.

[Mr. Thomas]

Given that 20 to 30 per cent. of those living in rural areas of Afghanistan are at least partially dependent on poppy growing, it is essential that alternative livelihoods are promoted alongside eradication. The hon. Member for Carshalton and Wallington (Tom Brake) referred to that. He and other hon. Members will be pleased to know that we have committed £20 million over three years to our livelihoods programme in Afghanistan. In Badakshan, we are working in partnership with the Aga Khan Development Network to provide farmers with tools, training and sinks to grow alternative crops. A number of pilot projects are under way, for example in small-scale poultry farming and apricot drying, and there is a project to encourage women to grow agricultural produce.

One of the reasons why people in rural areas of Afghanistan support the poppy trade is because there is a lack of access to forms of credit. In Badakshan, we are looking at establishing a micro-credit project that will extend access to the finance that people need to buy tools and so forth, so that they can engage in more legitimate activity. In eastern Hazarajat, we are working with the UN Food and Agriculture Organisation to help farmers improve their production. We are also helping in the development of non-farm enterprises that add value to agriculture production, such as processing.

In conclusion, the people of Afghanistan, who are supported by the international community, have come a long way in reconstructing their country in the past two years. This year is crucial for Afghanistan. Elections will see the culmination of the Bonn process: the establishment, hopefully, of a democratic and representative state. The Government's capacity to administer resources and deliver services is developing quickly, and we are seeing the emergence of a police force and a national army, which are prepared to provide law enforcement. Elections will not be an end for Afghanistan, but a beginning in the truest sense. We will be able to celebrate, with the Afghan people, the establishment of a constitution and a Government whom they have shaped and chosen. However, we must remember that the challenges facing that Government will remain huge and that the continued support of the international community in providing resources and expertise will continue to be vital.

The UK remains committed to helping the Afghan people with their long-term goals of developing their country and ensuring sustained poverty reduction. I am sure that the whole House hopes to see that in Afghanistan, and I look forward to hearing hon. Members' views about the challenges that remain.

Sir Nicholas Winterton (in the Chair): Before I call the spokesman for the Opposition, I draw hon. Members' attention to the fact that although the House has adjourned, this Chamber has not, and we still have quite a debate ahead of us.

2.56 pm

Mr. Julian Brazier (Canterbury) (Con): I, too, send my condolences to the family and friends of the soldier who recently died in Afghanistan, and to the families of the wounded. The Opposition welcome most of the Minister's comments, although we might have reached slightly different conclusions on a few things. We also feel committed to Afghanistan for a number of reasons.

The events of 11 September brought dramatic changes to the political landscape in Afghanistan. In 2001, our armed forces, despite already being overstretched, made a highly professional contribution to the operations in Afghanistan. What we achieved there with the Americans, and a number of other allies, considerably pre-empted further terrorist action. We must remember that Afghanistan was linked to Osama bin Laden and was the Taliban's principal base in the world. Although there has since been a terrorist attack in Bali and we have lost a consulate in two ghastly incidents, one can only imagine how much worse the terrorist situation would be had the Afghan operation not taken place. None the less, it is vital that we avoid the risk of Afghanistan lapsing back into the category of a failed state and it providing fertile territory for anti-western resentment and future global instability. The Minister recognises that.

Since 1980, I have been a financial supporter of an Afghan charity, now called Afghanaid. In the old days, it struggled to provide medical supplies and food behind the Russian lines. My father-in-law played a prominent role in drawing up the plans for clearing mines in Afghanistan. He is no longer the director of the UN de-mining operation, but he operated over there as a freelancer more than once. I saw the military action that we took two and a half years ago as the first opportunity in more than two decades for peace and stability in that unhappy country. None the less, I put a less optimistic gloss than the Minister on the situation there.

My first point is that the lessons that should have been learned from Bosnia and Kosovo seem to have passed unheeded. In the early stages, focus was so heavily placed on the combat phase that plans for the long-term future of Afghanistan were squeezed out. Although the MOD, DFID and counterpart organisations in other countries co-operated well over Kosovo, co-operation was not nearly as effective in Afghanistan or, indeed, Iraq, which is a matter for another debate.

Secondly, the challenges to creating security and economic development in Afghanistan are immense. That is surely uncontentious: the country is huge, the terrain is some of the most inhospitable in the world and there is virtually no tradition of political stability or institutions that date back to the pre-Taliban days. Despite that, however, had the Government spent more time considering the implications of post-conflict security and reconstruction, Afghanistan would be in better shape today. There are parallels with what happened in Afghanistan with what has gone on in Iraq, as highlighted in the recent National Audit Office report on Iraq.

The Minister reported quite a lot of progress since 2001, but it has taken us a long time to achieve that. Furthermore, there is evidence that some NGOs are starting to run down their operations because of fears for their security. Inevitably, that hits the vulnerable most heavily.

Joan Ruddock (Lewisham, Deptford) (Lab) *indicated assent.*

Mr. Brazier: The hon. Lady nods. There have been constant reports of kidnapping, extortion and acts of

terrorism, all aimed at destabilising the country. According to the logic of the terrorist, if he kills those distributing food and bringing hope to the people, he improves the environment for reaping the crop that he wants. For many Afghans today, it is unsafe simply to get on with ordinary life. There is huge frustration in the country at the slow pace of reconstruction.

Many problems arise from three main causes: the need for the disarmament, demobilisation and reintegration of those whose lives have been based around a military existence, the alarming increase in the opium trade, and the risk that the financial support of international donors, which has been so critical to recovery so far, could weaken prematurely. I was glad to hear the Minister's robust remarks on the last point, but he obviously cannot speak for the international community as a whole. We can be leaders in the international community, but we cannot speak for it collectively.

There is no neat division between the military and civil parts of Afghan society. There are several different groups of armed men, which to some extent blend into each other. There are those who have been in either the army or one or more of the many militias for all their working lives and, in effect, see the military as a career, those who are conscripted or absorbed compulsorily for short periods, and a vast number of Afghan males who keep a gun at home because that has been the way of life for many generations. The soldiers and militiamen who were more recently mobilised for one reason or another find it easier to return to a civilian life, in some cases to what they did beforehand, even if that was subsistence agriculture. However, for people who have basically known nothing but soldiering of one sort or another for all their working lives, the change is much harder.

The Minister briefly mentioned measures to find other things for such people to do. It is not good enough to ask them simply to hand in their arms. They will of course not do so unless there is something else for them to do. If a line is to be drawn under the era when those who were armed were those who reaped the rewards, disarmament must go hand in hand either with real alternatives for employment that benefits the community as a whole and is seen to be beneficial by the individuals concerned, or with the training and education necessary for such employment. At a time when trust is preciously thin on the ground, links with individuals and communities need to be built.

The Minister mentioned that Afghanistan produces a substantial proportion of the world's illicit opium and talked about some measures that we are taking. He also mentioned, rather briefly I thought, the impact that that production has on our country. Let us be clear: Afghanistan is, by a very long way, the main producer of opium in the world and by far the most important factor in putting opium on British streets. As the interim Government close down production in traditional poppy growing areas, cultivation spreads to new parts of the country.

In October last year, the UN stated that Afghan opium farmers and traffickers had brought home about $2.3 billion so far that year and that production had increased by 6 per cent. on the previous year. Yet the country is nominally run through the UN by outside powers. The director of the United Nations Office on Drugs and Crime warned that the country was at a crossroads and that it risked falling into the hands of drug cartels and narco-terrorists. We really must not allow that to happen.

The Taliban regime was monstrous and horrible and operated on the basis of oppression. I will not bother to repeat the appalling evidence that the Minister gave us, although I acknowledge every word of it. However, we must recognise that we will be in serious danger of creating a power vacuum if we do not replace the Taliban with a full structure. There is a danger that that vacuum will be filled by something equally bad—powerful drug and terrorist factions. We must therefore tackle that illegal trade.

We should be clear about where the official Opposition stand on the dilemma mentioned by the Liberal Democrat spokesman, the hon. Member for Carshalton and Wallington (Tom Brake). More active measures to stamp out opium growing and the opium trade must come alongside, not after, measures to provide alternative employment. *[Interruption.]* Well, the Minister could have made his reply a little clearer. He asserted that these were matters for the Afghan Government and that we could encourage them. Given that the Afghan Government are wholly supported by outside agencies, which fund them, provide their infrastructure and educate those who work within them, Britain is not simply a third party, and we must insist on the toughest possible action wherever possible.

Mr. Gareth Thomas: The hon. Gentleman is painting my remarks a tad unfairly. Of course we are working very closely with the Afghan authorities. We are seeking to develop their capacity to respond to the drugs trade that exists on their doorstep. We are providing resources and expertise to identify areas where drugs might be eradicated. We are also providing the alternative livelihoods that will be essential in the long term if we are to prevent the drugs trade from taking hold in the way that he suggests.

Mr. Brazier: I am grateful to the Minister for that clarification, but I must qualify it to some extent. We should be clear about the fact that the figures show that we are losing the battle, so more needs to be done. Six per cent. growth in drugs production in a country that is being run by outside agencies, to which we are a major contributor, is not a success.

Mr. Kevan Jones: As the hon. Gentleman said earlier, Afghanistan has had no Government structures. I was there in November, and despite its vast size and the fact that a war is going on in the south, where most of the poppy growing takes place, the efforts undertaken by the British and other members of the international community are making a difference. Does he not agree that it is very difficult job?

Mr. Brazier: I am grateful to the hon. Gentleman. I thoroughly agree, and I do not deny for a moment that it is very difficult to operate in Afghanistan. I am glad to hear the Minister provide more evidence of what the Government are doing, but the fact remains that the country is by far the biggest player in the opium market and there have been substantial further increases in its capacity, so we should be deeply worried. We and our

[Mr. Brazier]

allies must step up our efforts because we are losing the battle and there is a danger that a bad situation will get a lot worse.

Mr. Thomas: The hon. Gentleman is absolutely right that we must not be complacent about the drugs trade. I hope that he and other hon. Members will draw further reassurance from the fact that a major narcotics conference will take place in Afghanistan next month, and we shall consider how to scale up our response to the drugs trade. I should, however, draw his attention to another small point that was flagged up in the UN survey. Last year, there was a decline in opium poppy production in those areas in which security had been re-established.

Mr. Brazier: I accept all that. My most important conclusion is that the restoration of security has to override everything else. None of the other factors—not schools opening, not hospitals operating—are worth anything at all unless security is firmly re-established, because without security they can disappear overnight, as has happened so often in Afghanistan.

In last month's report the situation in Afghanistan, the International Monetary Fund was cautiously complimentary about some progress made in rebuilding institutions and in implementing economic policies. However, it was fearful that some huge challenges remain to be overcome to ensure that the economy continues to recover. Such challenges were tragically brought home to us by those two terrible attacks in the past few days.

The IMF points to a possible Catch-22 situation in relation to securing the necessary funding. On the one hand, aid may well be withdrawn if the political and security situation deteriorates further—either deliberately withdrawn or de facto withdrawn as aid agencies pull out. On the other hand, creating a stable and widely recognised authority requires sufficient funds. That is a Catch-22 situation indeed.

It is essential that we should not walk away from our responsibilities to Afghanistan, and I welcome the closing lines of the Minister's speech for that reason. The country has survived more than 20 years of conflict, interspersed with earthquakes and droughts. Afghanistan is a country of brave, resilient people, to whom we in the west owe a tremendous debt. The Afghan mujaheddin played a pivotal role in breaking the Soviet empire, and all that that terrible colossus stood for, and thus helped to stabilise the global dynamics of power. During the course of that incredibly brave resistance, 1 million out of 15 million Afghans died, and a further 7 million lost their homes—the biggest single refugee crisis that the world has ever seen. It also threw up that remarkable leader Masood. He had such an impact in the Islamic world that Osama bin Laden felt unable to mount his horrific attack on the United States until Masood had been murdered in the most cowardly fashion. He was only able to go ahead with the 11 September attacks two days after that murder.

We now have the chance to repay the debt that we owe the Afghan people, by helping them build a strong, free and democratic country. The Opposition endorse all that the Government are trying to do on that, although we may press for more action on certain things.

I finish on a positive note. It is excellent news that the transitional Government, led by the President of Afghanistan, Hamid Karzai, signed a new constitution earlier this week, paving the way for elections later this year. The constitution envisages a strong presidency and enshrines equal rights for men and women. It permits religious freedom, in a thriving democratic state. Our responsibility, as part of the liberating force, is to ensure that that dream becomes a reality. We liberated the Afghan people from the repression that they had suffered for far too long. Now we must remove the instability and criminal activity that have appeared in its place. To ensure that those free and fair elections take place, we must focus on existing obstacles in a systematic manner and be prepared to invest for the future of Afghanistan. That is important for our own security too.

The Minister mentioned progress—some rather belated—in many things, from health to education. However, that all depends on security, which is critical to Afghanistan and to those developments. The people of Afghanistan must, of course, take control of their country. The UN forces, including our own, must help them to move forward and Afghanistan to become the stable and viable country that it has the right and the eventual capacity to be.

3.15 pm

Tom Brake (Carshalton and Wallington) (LD): I join the Minister in extending my condolences to the family of the soldier who was killed and those who were injured. However, I cannot echo the Minister's optimism. As the hon. Member for Canterbury (Mr. Brazier) said, the Minister was quite upbeat when he gave his presentation. I understand why he has to be upbeat, but I am much more concerned about what is happening in Afghanistan and the threats to its long-term survival, which I shall talk about later.

It is worth reminding Members of the timeline of events. In November 2001, the Taliban fell. A month later, the interim authority was set up. In June 2002, Hamid Karzai was elected president. As the hon. Member for Canterbury said, President Karzai signed the Afghan constitution into law earlier this week. Much has happened in the past couple of years. It is also worth reminding Members of what the Prime Minister said a couple of years ago about Afghanistan. He said that

"we will provide strong diplomatic and economic support to the aspirations of Afghan parties committed to an inclusive, democratic political structure, committed to the welfare of all Afghan men, women and children . . . We want to see a country with a Government representing all the people of Afghanistan, occupying a proud place in the community of nations, growing economically, enriching its people and liberating their potential."—[*Official Report*, 11 November 2001; Vol. 374, c. 863–64.]

It is also worth considering what progress has been made according to the criteria set out by the Prime Minister. Clearly, security is the most significant concern, and the one most likely to stop the Prime Minister's vision of Afghanistan being realised.

Developments in the past couple of days, and reports that 60 suicide bombers may have slipped into Afghanistan and may be about to take action in the way that we have seen in Iraq, are threatening the country, foreigners and NGOs based there. I wonder whether the Minister recognises the description of the security situation that I received from an agency working there.

A couple of days ago, I spoke to several organisations that are very active in Afghanistan. I was surprised to find that they were unaware that this debate was taking place. That is not intended as a criticism, but there should be some mechanism through which the Government can inform organisations of a debate in advance. Those organisations say that security in the south is deteriorating daily, which is restricting movement and making projects less effective, and that the atmosphere is tense. Very few expatriate international NGO staff are now working in the south. Extremists, bandits, local warlords and the opium mafia are causing security alerts.

I would welcome the Minister's comments on the US operations in the south, which are not conducive to the development of trust of foreigners in local populations. There are also concerns that NATO cannot do an effective security job in Afghanistan if it is not given the troops to do it. Does the Minister recognise that picture, which is not an optimistic one? He will know that on 12 December, Lakhdar Brahimi, the outgoing special representative of the UN Secretary-General, warned that the UN might soon have to abandon its two-year effort to stabilise Afghanistan unless security improved. Does the Minister concur with that view?

The agency to which I spoke said that it believed that between 5,000 and 10,000 extra troops might be required to guarantee the security of people in Afghanistan. Will the Minister also comment on that? Several agencies mentioned the provincial reconstruction teams to which the Minister referred. Although their view is that the PRTs were contributing, they have concerns that their remit, which seems to be a dual one of security and humanitarian work, is making it difficult for them to do either effectively. One of the organisations alleges that the PRTs are less effective at the reconstruction work than the NGOs, for instance. Is there an ongoing process of monitoring their work to see whether they are up to scratch?

Mr. Kevan Jones: I am interested in what the hon. Gentleman says about the PRTs. I visited the British PRT at Mazar-e-Sharif in November. The work that it was doing was making a real difference. It was a combined effort between staff from the MOD, DFID and the Foreign Office. One of the complaints that I received from the Royal Army Medical Corps was that the NGOs would not work with them. I find it strange that certain NGOs are putting out a line that the PRTs do not want to work or co-operate with them.

Tom Brake: I thank the hon. Gentleman for his interesting intervention. Clearly there is a need for the PRTs and DFID and so on to establish stronger lines of communication with the NGOs, so that any issue about NGOs not being willing to work with the PRTs is resolved. We want the most effective development to be taking place. I welcome the Minister's comments on security and the PRTs. Not having visited Afghanistan, I am not in a position to say whether that is true, but there is concern that to a certain extent the PRTs are about window-dressing and providing positive PR from the point of view of the US and other players rather than necessarily delivering all they could from the point of view of the Afghan people.

Mr. Jones: I am sorry that I have to intervene again, but I do not accept that the PRTs are window-dressing. In the north, the week before we arrived, because of the sterling efforts of the British PRT—the MOD, the Foreign Office and DFID—a cease-fire had been negotiated between the two main warlords, Dostum and Atta, which helped the security situation and the daily lives of the people whom I met in Mazar-e-Sharif.

Tom Brake: Indeed, and I respect the hon. Gentleman's experiences. However, I suspect that he was not present to see the work of all the PRTs and that he did not visit every site in the country. Although he may have seen a good example, it may be that elsewhere—I am simply conveying to hon. Members what has been conveyed to me—there are concerns about the PRTs' effectiveness. I am sure that the Minister would like to comment on that when he responds.

The second issue that I would like to raise is opium production, on which the Minister touched at some length. He will be aware of the commitments that have been made. In a debate in the House of Lords on 4 November 2003, the Government committed themselves, in the comprehensive spending review, to reducing opium production to nothing within 10 years.

I know that the Minister has said—this was said in the Lords—that it is natural for there to be a period in which we have to build up effective institutions, so one might expect an increase in production while that is happening, but does he think it realistic to achieve an eradication of opium production in 10 years? Does he want to reconsider that challenge and come forward with something more realistic, particularly given the increases in production in the past 12 months?

Associated with opium is the issue of HIV/AIDS. It seems that there is an extremely small number of cases in Afghanistan—according to a World Bank report, 11 have been reported—but that may have much to do with the fact that the infrastructure that would enable testing to be done and statistics to be collated is simply not there. If there really are only the 11 cases that have been reported, one has to wonder why the global health fund is about to allocate some $3 million to Afghanistan. Presumably, a significant proportion of that will be spent on tuberculosis and malaria, rather than on HIV/AIDS, but I should appreciate some comment from the Minister. Have the Government any concerns that there may be a hidden epidemic that is not being picked up because of the absence of an adequate health infrastructure?

That grant of $3 million or more is due to be assigned in March, and I would welcome the Minister's comments as to how it will be possible to monitor the project effectively. I recently had a meeting with Dr. Feacham of the global health fund, who expects the

[Tom Brake]

number of projects that it funds to increase significantly. He also anticipates the need to strengthen the structure at the centre to ensure that that increase in projects is properly monitored. I am therefore interested in how the Minister envisages tracking the money to ensure that it reaches the places where it is most needed.

I know that one of the Government's key priorities is to focus on income generation, but have they had any discussions with the Afghan Government about HIV/AIDS and do they intend to play a more active role in that regard? The Minister painted a positive picture of what is happening in relation to democracy. Is he aware of concerns expressed by Amnesty International about the extent to which it was possible for some delegates to express their views about the constitution? I refer him to a press release that Amnesty issued on 6 January in which it expresses those concerns:

> "Dominance by strong political and armed factional leaders and the absence of the rule of law in many parts of the country contributes to an atmosphere of insecurity"

that, it argues, actively stops delegates from expressing their views openly. Can the Minister give us some feedback on that? A significant number of Afghans are now registered to vote—upwards of 500,000—but that is out of a potential electorate of 10 million. There are clearly parts of the country where it will be difficult for voters to be registered. That being the case, does the Minister feel that it will be possible for all ethnic groups and women to participate properly in the elections and in the voter registration process? Will ethnic groups such as the southern Pushtuns be able to participate? The bottom line is, is the Minister confident that it will be possible for free elections to take place?

Next is the issue of funding. Many organisations that previously received aid are now having their funding channelled through the Afghan Government. I would be interested to know whether that process has been evaluated to see whether the distribution of aid by the Afghan Government is as effective as that of the NGOs.

I would particularly appreciate hearing the Minister's views on the time for which projects can be funded. As far as I am aware, the longest period for which funding can be granted is two years, and many projects receive funding for shorter periods. If so, from a development point of view, shorter funding periods would clearly make it difficult to ensure that longer term projects get off the ground and continuing running successfully.

The level of aid is also a concern. I understand that, at the Tokyo conference, £5.2 billion was pledged in aid to Afghanistan, but that by September last year only 40 per cent. of that aid had been delivered. Does the Minister have any more up-to-date information, and can he say whether any of those commitments have been converted from verbal pledges to something more concrete?

Mr. Thomas: I can clarify the situation. A total of £5.2 billion was pledged over a number of years, and the amounts transferred from those donors who had pledged money to the Afghan Government are proceeding as expected—£1.8 billion in the first year, and almost £2 billion last year. As I said, a donor conference is scheduled shortly to discuss the next stages.

Tom Brake: I thank the Minister for that intervention. I take it that he is confident that the next tranche will be agreed at that conference and that the money will be made available. It is good news.

I turn now to education. The Prime Minister referred to liberating the potential of the Afghan people, which clearly involves education. The Government rightly focus on gender issues, and part of that is ensuring that girls receive education. The recent attacks on girls schools in Kandahar, Sar-e Pol, Zabol, Lowgar and Vardak provinces has not helped in that process. Notwithstanding the fact that the Government's main focus is on income generation, are they actively involved in trying to improve security at schools? That will obviously be wrapped up in the whole issue of security, but are the Government involved in any special initiatives?

Those are the key parts of the development challenges on which I wished to focus, but I have identified many more challenges than solutions. It is an extremely difficult environment in which to operate. The Minister will know that the Liberal Democrats supported military action in Afghanistan. The situation is not yet stable, and there is every risk that the country will revert to the warlordism of the past. It is possible that an unrepresentative Government may be elected in Kabul who represent the capital city and not the provinces.

The Minister said that the United Kingdom has to make a long-term commitment, and we would certainly support that. Resources have to be provided to work with the international community. I hope that the Minister will say whether he feels that between 5,000 and 10,000 more troops may be needed to stabilise the situation. If we do not stabilise it, Afghanistan could once again be the scene of a bloodbath, which has been all too common in its recent history.

3.35 pm

Mr. Kevan Jones (North Durham) (Lab): In the media age in which we live, it is strange to think that less than two years ago Afghanistan was in every national newspaper and on every news channel every night. I welcome the debate because it continues to highlight the problems that that country faces and reminds us that we have troops and personnel serving there. I also express my condolences to the families of those who were injured this week and of the individual who was killed.

In November last year, I had the privilege of going to Afghanistan, along with my hon. Friends the Members for Motherwell and Wishaw (Mr. Roy) and for Bolton, North-East (Mr. Crausby), to visit British troops in Kabul and in Mazar-e-Sharif in the north. I want to put it on the record what a privilege it was meet those individuals, not just military personnel, but people from DFID, the Foreign Office and our intelligence civil service who work out there and do not get credit for their work. They work very hard on our behalf and on trying to reconstruct a country that has gone through the tragedy described in the debate.

It has already been stated that Afghanistan has been torn apart in the past 25 years. It was on the front line of the cold war in the 1980s, and as the Berlin wall came

down it seemed to be ignored. The hon. Member for Canterbury (Mr. Brazier) said that we should learn from that lesson; we should not ignore failed states. The international community took our eye off Afghanistan and allowed al-Qaeda to bankroll a terrible regime, the Taliban, which not only inflicted horrendous torture on the Afghan people, but planned the events that led to the tragic consequences of 11 September.

My speech has four main themes: the impressions that I gained on my visit and the issues of security, political stability and drugs. As I flew into Afghanistan from Pakistan, I was struck by the vastness of the country. A military person I met described it adeptly as a 12th-century country with cars. It is certainly mountainous and basic communications that we take for granted are not there. In many parts of the country, roads are either non-existent or dirt tracks. People have to recognise that when they talk about ensuring that authority reaches every part of the country.

It is also important to remember that parts of Afghanistan have never been governed by any form of government for many years. The country has gone through the trauma of the past 25 years of war. I was struck by the area in and around the Kings' palace in Kabul, which is reminiscent of Berlin in 1945 with street after street of burnt-out and bombed-out buildings. People sadly eke out an existence, living in those burnt-out buildings.

Another issue that has been raised, which we need to take into account when we consider trying to reconstruct Afghanistan, is the legacy of the conflict. There are 10 million munitions and mines that lie not only across the countryside, but in towns and villages. People are dying on a daily basis. It is estimated that 400,000 people have died since 1979, killed by either unexploded ordinance or mines. Unfortunately, many of them were women, and children playing in fields.

I also came away from Afghanistan with a sense of optimism. I was quite disappointed with the speech by the hon. Member for Carshalton and Wallington (Tom Brake), because a lot of good work is going on there. The Afghan people I met were certainly a cause for optimism. I had the privilege, along with my hon. Friend the Member for Motherwell and Wishaw, of going out on patrol with the Gurkhas in a suburb of Kabul. We went into individuals' houses and met ordinary Afghanis. What summed it up for me was the sense that these people are sick and tired of war; they want peace. It was summed up by a comment made when I visited the kings' tomb, from which there is a fantastic panoramic view of downtown Kabul. A 22-year-old medical student came up to me and said, in perfect English—better than I can manage sometimes—that he had throughout his life known only war and destruction, and the one thing he wanted for his family in the future was peace and security.

We make the mistake of thinking that because people speak a different language and look different they want different things from us. I do not think they do. Most people just want peace and security and a family life.

Mr. Brazier: The hon. Gentleman has had the direct experience of a visit, which sadly I have not. I put it to him that there is nothing inconsistent between what he rightly says about the wishes of those extremely brave people on the one hand and the fact that it takes only a small minority, through the use of terrorism, to continue to thwart those aspirations. That is why it is so important that the outside community continues to emphasise the military and security side for a long time.

Mr. Jones: I totally agree and will turn to security issues later. The hon. Gentleman is right: terrorism can wreck the fragile peace. I am not going to give the impression that everything in Afghanistan is wonderful—I do not think it is; the peace is, in parts, very fragile.

The other matter worth dwelling on is the damage the Taliban did to Afghanistan, in terms not just of physical destruction, but of psychological scars. I pay tribute to MOD and DFID staff and others who are working there on reconstruction projects. I went to a girls school just outside Kabul that had been reconstructed with the help of military personnel. It had 3,000 pupils who sat in two-hour shifts. The head teacher movingly said that she and the deputy head had been arrested during the Taliban years for the horrendous crime of teaching girls privately in their homes once the Taliban had closed all the girls schools. It is only when we face someone who has been through that—tortured and put in prison for doing something that we would take for granted—that we recognise the problems as well as the horrendous nature of the Taliban regime.

We also visited nursery school projects and a footbridge in downtown central Kabul that was being built by civil military reconstruction teams of the British Army. Those people are making a difference to the lives of ordinary Afghan citizens, for which they are being thanked and recognised. We need to place on the record the thanks to those individuals.

The hon. Member for Canterbury referred to the security situation. We are not deluding ourselves: unless we have security, not just in Kabul but also in the provinces, the transition towards democracy and the development of that country will not be achieved. However, if the hon. Member for Carshalton and Wallington just asks for more troops, he does not understand the process. The Afghan people must take responsibility for their own security. The key effort is the training of the Afghan national army, a difficult task because we are dealing with people who, as the hon. Member for Canterbury said, have a lifetime commitment to warlords and a way of life that does not necessarily fit clearly and easily with the military discipline of a modern army. The idea is to train that army and to get it out into the provinces to provide the security that people want. That will be better received in certain parts of the country if it is done by Afghanis rather than by foreign troops.

Tom Brake: How long does the hon. Gentleman think it will take to train the Afghan army and how long will it be before it can be deployed in the provinces, because there are security problems now?

Mr. Jones: I understand that the army is being deployed. There were elements of it in Mazar-e-Sharif when we were there. It is also moving down into Kandahar and other provinces, but that will take time. We must recognise that this will not be a quick solution

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to rebuilding Afghanistan. There is a genuine multinational effort by the British, the French and others to train and equip the Afghan national army. It is important that the central authority of the Government in Kabul is spread out into the provinces.

The hon. Member for Canterbury mentioned terrorism. I agree that some al-Qaeda, Taliban and Hezb-e-Islami Gulbaddin—HIG—people are hell-bent on fracturing the delicate peace. Afghanistan has been used to the militaristic way of life, to which he referred, and there are large amounts of weaponry in the country.

There is increased activity and movement from Pakistan back into southern Afghanistan, which is causing a problem for the reconstruction efforts there. It is important to recognise that stopping that insurgence will mean more co-operation with Pakistan. Although the Pakistani Government are working closely with coalition forces to eradicate some elements and to deal with the people who are coming across from the tribal territories in the north of Pakistan, such activity is a source of money and individuals continue to attack coalition forces and Afghan projects in the south of Afghanistan. However, Task Force 180 and operations such as Operation Mountain Viper are having some success.

The Taliban are moving away from fighting in mass formations and turning towards suicide terrorist bomb attacks and small attacks, like the one that tragically occurred in Kabul this week. In addition, there is evidence that aid workers are being targeted in the south, which we were told about. One individual told us that as much as £45,000 was being offered as a bounty in parts of northern Pakistan for the death of aid workers in southern Afghanistan. That is for one simple reason: those people do not want peace or stability and they see that aid workers make a difference. Security must be a vital consideration. The situation in the south is slowly improving. It will be a long haul and we must be committed to the south militarily and in terms of aid.

On political structures, during our visit to Afghanistan we had the honour of meeting President Karzai—an impressive and brave individual—and it is important that his authority and the authority of the central Kabul Administration are extended to the provinces. There are bright hopes for the agreement on the constitution, especially with the Loya Jirga reaching that resolution.

I will think again about the constitution. We were told by President Karzai that there were about 100,000 contributions from different citizens before the constitution was agreed. That represents a new process in open democracy. I do not accept that the PRTs are window dressing. They are making a real difference in the country and need to be spread out.

I visited the PRT in Mazar-e-Sharif, in the north. It is a good model of co-operation, with the military providing security and the staff from DFID and the Foreign Office working closely together. We must take credit for stabilising a tense situation in Mazar-e-Sharif, with a small group of 80 British personnel working between two heavily armed warlords. Credit is due to those individuals. A week before we arrived, they managed to separate those warlords and stop them fighting. The Minister referred to the moves that have been made to disarm some of those groups. Those moves have yielded not only small arms, but the heavy weaponry that it is vital they give up if the central authority is to be maintained.

President Karzai has boldly taken a hard line, again with the help of the PRT in Mazar-e-Sharif, in removing police chiefs and provincial governors who were not doing their job. He could not have done that without outside intervention, but he should be given credit because he means business. There is also a general feeling that people are fed up not only with war, but with the warlords in different parts of the country. The eagerness of some of those warlords to join the central Administration shows that the way in which they used to operate is coming to an end. We must encourage them to become part of the mainstream political process in Afghanistan.

There are to be elections this year under the Bonn agreement. That has pressed the Afghan Administration into a tight time scale. I am not optimistic that it will be possible to hold both presidential and parliamentary elections by June this year because of the security situation and the huge task of voter registration. However, I hope that at least one of those elections takes place early, preferably the presidential election, because President Karzai needs something bolster his authority if he is to press on with the difficult task before him.

The drugs issue has been mentioned and it is not a positive or happy tale. Some 90 to 95 per cent. of the heroin that reaches the streets of Britain comes from Afghanistan. That is quite a remarkable feat because 15 years ago, before the Taliban, the country produced no opium. When the poppy fields in Pakistan were eradicated, production moved from that country into the lawlessness of Afghanistan. Production is increasing not only because of the vastness of the country, which makes locating it difficult, but because basic agricultural income in many rural areas is non-existent. Prior to most of the conflict in Afghanistan, the country's main product was, I understand, dried fruit. Unfortunately, over the years, as the irrigation systems were destroyed and the orchards burnt and cut down, that trade ceased. People in rural Afghanistan have a problem finding a source of income. There are two ways to deal with the problem: eradication of opium fields and the provision of employment and alternatives to those rural populations, although I gather that work is being done on that.

Drugs production is also creating an internal problem of addicts, mainly involving people returning from Pakistan and other places with a drugs habit. Drugs are also creating a huge problem for some of Afghanistan's neighbours. For example, it is estimated that there are 2 million heroin addicts in Iran. It is to the credit of the Foreign Office that its policy of co-operation with Iran is paying off in that customs officers are now liaising on drugs coming through Iran from Afghanistan. The other major route is up through the former Soviet republics. The problem has to be tackled on two fronts: eradication and the provision of alternatives.

The other aspect, which needs to be dealt with at a political level, is that some warlords are, if not directly involved in the trade, certainly taking a cut for allowing heroin to pass through their areas of control. That can be done once only the authority of President Karzai and

the central Administration have been strengthened. In the next few years, there will probably be an increase in poppy production, but we should not give up hope. As the security situation improves, certainly in the south, we can get to work not only on eradication but on the provision of alternatives for the rural communities.

In closing, I want to sound a note of optimism and give a warning. The situation in Afghanistan was allowed to happen by the international community. We cannot afford to allow Afghanistan to go back to where it was; that would be a tragedy. No matter how difficult it gets in the coming years, I hope that the British Government and others remain committed to ensuring that the people of that beautiful country who, like the rest of us, just want to get on with their lives, can do so in peace.

3.57 pm

Joan Ruddock (Lewisham, Deptford) (Lab): I join others in paying tribute and expressing condolences to the British soldier and his relatives. We also remember other soldiers, such as the Canadian who recently lost his life, the many aid workers who have given their lives in the service of Afghanistan, and the country's civilians. There were some tragic incidents early in January in which 15 civilians, most of them children, were killed near an army base. There has been great sacrifice. In post-war Afghanistan there is still hardship and loss of life.

I was delighted that the spokesman for the official Opposition, the hon. Member for Canterbury (Mr. Brazier), referred to Afghanaid, an organisation that I support. It has been notable in staying with Afghanistan for such a long time and doing such valuable work. There are many aid agencies but, like the hon. Gentleman, I would single out Afghanaid.

I shall speak about women and girls in Afghanistan, and the gender aspects of reconstruction and the assistance being given by the international community. Without the participation of women in the reconstruction, there is no hope of real democracy and little hope of sustainable peace. The women have not waged the wars, nor have the girl children been active in them over many decades, but they hold the possibility of peaceful reconstruction because of their influence within the family and because large numbers of households are now entirely dependent on women, the men having been killed. Women are the majority of the population in Afghanistan, and whenever the international community moves to support the country, we should look critically at where and how support is being given to them, if at all.

I shall refer a great deal to the UN Secretary-General's most recent report on the issue, which is called "The situation of women and girls in Afghanistan". It refers to several very positive developments, and I want to mention some of the main ones. Of course, I shall also refer to the challenges and difficulties, which are particularly pronounced in terms of the position of women.

As the Minister said, the participation of girls in particular in education has greatly increased, which is enormously welcome. When I first asked about the position of women in Afghanistan, however, the answers that I got from Ministers suggested that we could solve the problem of women's oppression simply by getting girls into school. I said then, and I say now, that we do not have 10 or 20 years in which to tackle the oppression of women in Afghanistan. Women of all ages have had their lives blighted, and they need the international community's assistance now. They may prioritise their daughters' needs, but they, too, require our help and support. Many of them must work; if they do not, the whole family will remain dependent on food aid. If we are to be able to discontinue food aid, as we should, so that Afghans can grow and import their own food, we must enable women, where they are the sole head of household, to be productive. If such women do not have cash to buy food, there will be no sustainable economy.

There was a 37 per cent. increase in the enrolment of girls in school in 2002–03. The "back to school" campaign has been enormously successful, and everyone involved should take great credit for that. DFID has been very supportive of the campaign. When I was in Afghanistan about 15 months ago, there had been little progress on the ground, but, as the Minister and my hon. Friend the Member for North Durham (Mr. Jones), who have both recently visited the country, said, there have been enormous improvements, which are borne out by the statistics.

We also need to focus on adolescent girls, who did not have an opportunity to receive an education during the Taliban years and who will obviously not go and sit in a primary school class. They, too, will have a major influence on the growth of the family structure in Afghanistan and on future relationships with their menfolk and children.

Mr. Kevan Jones: It is important to note that many women in their early 20s missed out on their education under the Taliban. There were 23-year-olds sitting in the classrooms of the school that my hon. Friends and I visited. That is not ideal, but it shows the thirst for knowledge among young women.

Joan Ruddock: I accept my hon. Friend's point entirely, and I have also seen evidence of that. As he says, the situation is not ideal. We must give young women a basic education, but we probably also need to consider how to develop work opportunities for them. A lot of work has been done in a short time, but we must be cognisant of the fact that only about 21 per cent. of women in Afghanistan are literate, compared with 51 per cent. of men. That gap must be closed, and the problem needs emphasising as we provide for the education of women of all ages.

As we know, many women have returned to the work force. The hon. Member for Canterbury suggested that there had been no real stability at any time in the past. However, there was a time when women were educated and when universities and secondary schools were open. In Kabul—

Mr. Brazier: The hon. Lady anticipates what I was about to say. I said earlier that there were few enduring structures, but Kabul, which houses a relatively small proportion of the population, was the one exception. Indeed, it almost verged on the cosmopolitan for a few short years before the communist era.

Joan Ruddock: Indeed; the hon. Gentleman is absolutely right. However, we should remember that at

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the time—this went on for quite a few years—women held half the local government jobs and formed half the civil service, took about 60 per cent. of teaching posts and were about 40 per cent. of the total number of doctors. Those women and their daughters provided the backbone of the secret teaching and health assistance given to women and girls during the Taliban period, when women dared not work and were prohibited from working, and even at times from going on to the streets.

A group of women is still active and articulating the rights of women. When I started asking questions in the House, people said to me, "Who are you to try to impose western values on Afghan women?" I said, "I do not seek to do that in any way. I seek only to echo what Afghan women are telling me." Those women continue to tell that story. Human rights are universal, and human rights are women's rights. Those women want their women's rights. It is a matter of choice for the individual woman whether she exercises those rights, but they must be enshrined in the legal process.

Women are being employed as teachers and health workers, and international agencies are beginning to employ women in other areas such as immunisation campaigns, the joint electoral management board and the UN mine assistance service. That is important—Afghan women who wish to work in less conventional fields must be enabled to do so; they will then be seen as role models. There used to be many women engineers in Afghanistan, or rather, there were not many engineers, but a significant number of them were women. It is important that the international community works hard to ensure that those women who are available are employed. If the Minister has the figures, I would be interested to know how many Afghan women are being employed in Afghanistan by the various guises of the British Government.

The Minister raised as a positive issue the recent progress in maternity services. He referred to the huge successes at the Malalai hospital. That is a success, but the figures that we have for the whole country—it is difficult to collect statistics, so they may be flawed—show that Afghanistan still has the second highest maternal mortality rates in the world. It is a shocking figure: there are 1,600 maternal deaths per 100,000 live births. Currently, about 15 per cent. of deliveries are attended by trained health personnel. That must be a priority, as the loss of women in childbirth is a preventable tragedy. The international community must try to ensure that support is given.

I turn to the consultations on the constitution, to which other hon. Members have referred, and the Loya Jirga, and to the participation of women in that process. It was suggested at the time of the Bonn agreement that women were unlikely to participate in the various stages of the process, but women came to that first Bonn conference and demanded their right to participate. We had it written into the Bonn agreement that the first stage of government should be set up in a gender-sensitive way. That was not much, but it was extremely important.

I pay tribute to the many women in the international community and in women's NGOs, which are particularly strong in the United States of America. Women in networks all over the world came together to support the women who went to the Bonn conference. I was present at a parallel meeting that we held for Afghan women from Afghanistan and the diaspora to hear, alongside western women, how we could continue to support them in their new situation during the two-year transition to a democratic state.

Despite all those efforts, not enough was done to support women in the run-up to the Loya Jirga, and not enough was done to provide security. There were many reports of huge intimidation in villages where women wanted to participate but were not allowed to do so. Many women were told by their husbands and fathers that they would not be permitted to travel, because it was considered un-Islamic for women to travel alone or in groups without male protection. There was much that we could have done. However, although I believe that not enough was done, these heroic women went to the constitutional Loya Jirga and the consultation processes and said their piece. They were often ridiculed and found themselves in situations that I, as a woman of my age in this country, can remember being in when speaking in some very male forums in the past—occasionally, in the House of Commons.

As several hon. Gentlemen said, those women have been tortured and imprisoned, and they risked rape constantly as they moved around the country without male—and possibly armed—protection. They have achieved so much for themselves. I pay tribute to their enormous courage in attending the Loya Jirga, participating in it and saying what they had to say. There were more than 100 women there—they were around 20 per cent. of the delegates—and one of the vice-chairs who was elected was a woman, which was an enormous achievement. It was even more significant that the draft constitution did not contain equality of rights for women and men, despite the fact that the new state ratified CEDAW—the universal convention on the elimination of all forms of discrimination against women—earlier this year. It was only through the women themselves participating in the Loya Jirga, and supported by pressure from the international community of women, that they managed to secure a final version of the constitution in which equal rights for women and men are enshrined. Again, that is an enormous achievement.

I pay tribute to our Government, who have been supportive of activities in support of women, albeit that much of that support is delivered as aid and assistance, and have begun to provide the help that makes it possible for women to become political candidates and participate in the political process, and enables them to have the courage to come forward and participate in a way that is, I have to say, alien in their culture. That is important.

The appointment of a woman ambassador to Kabul is inspired. I have met Dr. Rosalind Marsden. She will be able to take things forward in a way that the excellent Ronald Nash, our previous ambassador, was not always able to. It can be difficult for male representatives in an Islamic society to have that link with women; it is undoubtedly easier for a woman ambassador. I am particularly delighted by that appointment.

As the Minister said, 25 per cent. of places in the lower House are now reserved for women. President Karzai played a positive role in that change. He recognised the importance of women and their place in the future democracy of the country.

This week, I participated in the first of what will be three video conferences between women and men from London, together with Americans and a group of women in Kabul. We used the facilities of the World Bank and discussed leadership and methods of enhancing the roles of, and opportunities for, women. It was a most remarkable occasion. I thank the Government for the support that they gave to that particular programme.

As I said, CEDAW was ratified by Afghanistan earlier this year, and it would be important if the optional protocol had been signed by Afghanistan. It is to our shame that the United Kingdom has not signed it. I know that a review is under way, but I urge the Government to sign the optional protocol, not because I believe that there are likely to be many women in the UK who will have a case of inequality under the convention for which they would seek redress at the United Nations, but because it would set an important example that could be critical to an emerging state such as Afghanistan.

I wish to put on the record some other worthy positive points. I refer to the work of the Ministry of Women's Affairs in Afghanistan, which is led by Habiba Sorabi. I met her when I was in Afghanistan, and I also met Dr. Sima Samar, who was the first Minister for Women and now heads the Human Rights Commission. They are both extraordinary women and run organisations made up of many other extraordinary women. Out of the 32 Afghan provinces, 29 now have regional Ministry of Women's Affairs offices. They are desperate for more support and for training in leadership and management. They will need huge support if they are to enhance services in the provinces—that is critical. They also need to be able to widen and deepen the networks of women from which can come candidates for elections and which make possible the greater participation of women in the political process.

We have heard today that 500,000 Afghans have been registered for the elections that are due to take place in June. Sadly, only 19 per cent. of those 500,000 Afghans are women, which cannot be acceptable. The process began badly for women registrants. Those who registered were required to have their photographs and a thumb print taken. There has long been in Afghanistan a taboo on photography, which developed particularly under the Taliban regime, but it is a sensitive issue in respect of women. Initially, when women themselves and the male members of the families found that the women's photographs were required, women were prohibited from going to the registration office. That rule was then dropped, which was a sensitive response, but women still face real problems in becoming registered. I ask the Minister to consider all the ways in which UK personnel in Afghanistan, and the programmes that we support in the wider international community in support of the UN registration process, can improve the proportion of women who are registered for the election.

I hope that much of what I have said is positive. I usually try to be brief in debates. I assure you, Sir Nicholas, that 10 minutes is usually my limit. I am aware that we have a little more time today, so I crave your indulgence now by talking about the challenges in Afghanistan.

As I said, there is a need for equal rights to be written into the new constitution and to be ensured under it. We should also ensure that CEDAW has been accepted. However, the constitution contains a phrase that, translated, says that no law can be contrary to the beliefs and provisions of the sacred religion of Islam. As we all know, there are hundreds, perhaps thousands, of interpretations of the law of Islam. There is a spectrum of interpretation throughout Islamic states. Sharia law does not have to be oppressive to women in any sense. None the less, certain interpretations of sharia law are extremely oppressive to women. I will give an example that may seem trivial, but which indicates the difficulties faced by women in respect of the constitution and Islamic law.

Early this month, a woman singer appeared on Afghan television for the first time in decades. Women singers had been banned and had not returned, even post-Taliban. The singer was completely covered, and she was also wearing a head cover. The Supreme Court, which has jurisdiction over what is or is not contrary to the beliefs and provisions of the sacred religion of Islam, immediately ruled that a woman Afghan singer on television was un-Islamic, and she was taken off.

I have not yet been told or been given any evidence that Afghan women singers have reappeared, but I am delighted to report that I have been told that the television bosses have decided to put Afghan women singers back on the television. That may seem trivial in the scheme of things, but it is very important. Women's singing, and traditional Afghan singing, is very important to Afghan people and their culture, and it is heard everywhere now that tape recorders are no longer banned. So singing is important, but it is important also that we understand that that aspect of the Supreme Court's potential for rule over the constitution could disadvantage women. The international community must take every step that it can to try to influence the transitional authority, which has many progressive people in it, to support equal rights for women in the constitution. I believe, as do many Muslim scholars, that equal rights for women are in no way contrary to Islam.

Mr. Thomas: I understand my hon. Friend's point in the context of her overall argument about the need to continue to challenge the oppression of women in Afghan society. Does she agree that not only is it extremely positive that the original ban on Afghan women singers has been overturned, but the lead taken by President Karzai and other Ministers in his Government in getting that ban overturned is extremely encouraging?

Joan Ruddock: My hon. Friend is correct: President Karzai was extremely important in that decision, as were the other Ministers, whose names I have momentarily forgotten, who are recorded as having supported him. One role of the international community

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is to support not those who lean towards us, but those who lean towards establishing the right of law and equality within their nation state.

I spoke about the small proportion of women who are registered for the forthcoming elections. That will be one of the biggest challenges facing Afghanistan and the international community. As we are supplying so much finance and security, we have a duty to ensure that women can participate in the elections, but that will be enormously difficult. I make a plea, as I have so often done in the House, that we address the issue of security; it is not just about dealing with armed factions and warlords fighting each other, although it is important to broker peace deals where we can—that was very important in Mazar. It is also about dealing with things on a lower level. Bandits on the roads often make it impossible for aid workers and women to move about, which must be addressed. It must be made possible for women to go to polling booths, however they may be established. One can imagine that the system will be far from perfect because of the huge difficulties, but we must ensure that it is secure.

Although I am aware of the very good work being done by the British in Mazar, I rather side with the British Agencies Afghan Group, which repeatedly questions whether the provisional teams are the best security model. We must keep looking at that issue and asking, "How can we achieve the objective so critical in a democratic election of making it possible for people to vote?" We must find ways of extending the NATO security mandate so as to achieve our specific objectives for the next, most critical, stage of the Bonn process.

I now move on to the subject of Afghans developing the security sector. We have repeatedly been told that the establishment of an Afghan national army could solve security problems in the long term. I do not think that any of us would disagree with that. However, I am told, and the Minister may be able to confirm it, that 3,000 men have already deserted the new army. That is a tragedy, and we need to understand why it has happened. When I was there, soldiers were being paid nothing. I asked the Americans who were providing the support how they could recruit for the army if there were no wages. They said, "Yes, but they get their accommodation, they get their food, they get their training." I replied, "These are men who have a wife and maybe eight children. They have to have support for the families." I believe that some payments are now being made.

What intelligence does the Minister have on the reasons for those men deserting? We cannot have an international programme, costing a huge amount of money, that trains people who then go back and serve the warlords, with better training and, perhaps, weapons. That is a critical issue, and I would like to hear more from the Minister on what is happening there.

Mr. Jones: Without having the audacity to take the Minister's role, I can tell my hon. Friend that she is correct about the problem of people deserting. I have visited the Afghan national army college in Kabul, and I understand that that desertion occurred mainly in the early days of the army's formation, when the warlords were asked to deliver up quotas of individuals. There is a question mark over how willing some volunteers were.

Joan Ruddock: I agree with my hon. Friend—that was an additional reason given to me. It is important to understand the dynamics of that, and how we can correct it.

Mr. Brazier: The hon. Lady makes a powerful point. The armed forces should give a higher priority to deciding how to divide a finite pot of resources. There is an unhappy parallel with a number of other places. I remember discovering, on a Defence Committee visit to Kosovo, that the police, who were critical to restoring some law and order there, were being paid one fifth of the salary that local translators working for the UN forces were getting.

Joan Ruddock: Indeed. That problem exists everywhere in post-conflict situations in which the international community is involved. We have to live with some of that; I am not sure that all that can be changed. The hon. Gentleman certainly raises another important point.

I turn to the development of the security apparatus in Afghanistan. I have spoken about the army, but there are also important police training issues to address. When I was there, I went to the women's prison, in which all the prisoners had committed what were termed "sex crimes"—a sex crime was a woman running away from the husband who beat her. One woman had been divorced by her husband, and had lived with her parents for four years. Her uncle then told her that she had to marry, so she married a second time. Her first husband then came back and had her and her husband arrested for adultery, and she was imprisoned. In her case and that of other women, there was no option but to take the children into prison as well.

The international community is making real efforts to support the development of the judicial process, and it is trying to ensure that women are not imprisoned for their own security, as the police chief described it at the time. Having committed sex crimes, those women were at risk of being murdered by their own families. That is a very delicate and difficult situation.

Many women also told me that when crimes were committed against them, they could not go to the police because they were unsympathetic and completely unwilling to address the needs of women, especially those who had been beaten by male family members. Amnesty International recently produced a report outlining the horrific experiences still being suffered by so many Afghan women. Many are still subject to forced marriages. We all accept arranged marriages; different cultures have different means of organising marriage. An arranged marriage is the norm; forced marriage is quite different. Under sharia law, the settling of village disputes through the gift of a girl from one family to another, supposedly offended family is not uncommon. The women whom I know in Afghanistan want that issue to be addressed.

We need to do what we can to ensure that a gender-sensitive judicial process is developed and that the police have specific gender training. Of course, women should

be recruited to the police service and to the army. The Minister is familiar with UN resolution 1325, in which we pledge to involve women in post-conflict situations and in reconstruction. I have already asked about the staffing; I hope that there will be women in the provincial reconstruction teams. If we are trying to influence security and the operation of justice, we need women in those teams who can talk specifically to women.

One important feature of the development of, and support for, rights for women in Afghanistan has been the involvement of the United Nations Assistance Mission in Afghanistan, UNAMA. It has done superb work. When I was there, the gender adviser to Mr. Brahimi was the key to bringing together women's organisations in Kabul and further afield. That was developing swiftly. Unfortunately, the woman who held that post subsequently left and it remains vacant. In this critical period of the progress towards elections, the post of gender adviser to UNAMA must be filled. I hope that the Minister will make inquiries about why that key post has been left vacant for so long.

Like many people who are concerned about Afghanistan, I believe that the most serious challenges are to do with security, the rights of women and, in particular, the capacity building that is taking place but which needs to be increased. The British Council is now playing a significant role in support of that. Womankind, a British non-governmental organisation, is also supporting it. However, much more needs to be done, and I urge the Minister to examine seriously every aspect of our support for reconstruction and democracy in Afghanistan so that we can see precisely how we are delivering for women on the agenda that they have set. Only a week ago, 500 women marched through Mazar-e-Sharif to highlight the right of women to vote. I hope that the PRT noticed that. Afghan women are visible and active, and we must respond.

Do the Government agree with the UN Secretary-General that there should be a new Bonn conference so that the international community can try to move forward on many of the issues that I have mentioned and to which the Secretary-General is particularly committed—the progress towards democracy and the enhancement of security? I would be interested to know what is the Government's view on that. I do not have a view, but that has been proposed and it could be important. I believe that I am correct in thinking that the moneys pledged by the international community to the reconstruction of Afghanistan amount to less than what our country alone has spent on the war in Iraq. As donor conferences keep recurring, it may be necessary to take the process forward through something as significant as a second Bonn conference.

4.38 pm

Mr. Gareth Thomas: I say again that I am grateful to Mr. Speaker for allowing this debate to take place. The quality of the debate has been excellent, even though we have been few in number. There is broad agreement among all hon. Members who have spoken about the scale of the challenge that remains in Afghanistan. I am an optimist about its future.

Mr. Brazier: The Minister is right to say that there is consensus about that. However, I want to add my support to the request of the hon. Member for Carshalton and Wallington (Tom Brake): the next time we have an important debate of this sort, the Government should take the trouble to send notification to the various interested parties so that they would have more opportunity with regard to briefing.

Mr. Thomas: I shall reflect on that. When debates are advertised in the usual way in the House, they often attract considerable publicity. I can only think that, sadly, other events this week have detracted from this debate. However, I will reflect on the comments of the hon. Members for Canterbury (Mr. Brazier) and for Carshalton and Wallington.

We should celebrate the progress that has been made in the two years since the end of the Taliban regime. Of course I recognise that that progress has been from an extremely low base. We will have to continue to support Afghanistan over the long term if the challenges that we have discussed are to be properly addressed, and I am completely convinced that the Government will want to do so.

Many hon. Members took the opportunity in the debate to praise the leadership that President Karzai showed to the Afghan people. I join them in echoing that sentiment, and also in praising the contributions of a number of other Ministers in the Afghan Government who have shown real and remarkable leadership. I am thinking in particular of the Finance and Interior Ministers, who are doing a superb job. The one sour note, which I shall touch on briefly, was the hon. Member for Canterbury's suggestion that co-operation across Whitehall had been poor in terms of preparation and for post-conflict Afghanistan. I completely reject that suggestion; the provincial reconstruction teams are a classic example of effective, joined-up government working.

Mr. Brazier: With respect, that is not quite what I said. I said that forward planning by DFID had been poor, compared to earlier operations such as that in Kosovo. Once the combat phase was over, co-operation was very good.

Mr. Thomas: Also with the greatest respect, post-conflict preparation was not poor. The fact that so much progress has been made in such a short time is a tribute to the work of the staff in my and other Departments across Whitehall, and the way we have worked effectively with other international agencies and donor countries.

Clearly the security issue is the major challenge, and hon. Members are absolutely right to flag up just how serious that situation is in the south and the east of the country. The hon. Member for Carshalton and Wallington asked me specifically about the number of troops, and whether extra troops are needed. I entirely accept that extra troops would be extremely useful, but we also need to ask whether there is more we can do with existing troops. NATO, which is taking the lead on this issue, is looking to raise additional resources such as soldiers and an expansion of the support infrastructure for those soldiers. The decision of the Germans to

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establish another provincial reconstruction team in Konduz is one example of the success of NATO's work; over 300 new troops will be coming online.

Tom Brake: If NATO does make a specific request for additional troops, will the UK Government be minded to provide the same?

Mr. Thomas: We continue to hold discussions with our colleagues in NATO and elsewhere, and to monitor the situation. As I say, we have troops stationed in PRTs providing security in Kabul, and we have looked at how those troops are tasked. We will continue to discuss with the Ministry of Defence, the Foreign Office and other partners within ISAF what else we can usefully do regarding security.

The hon. Member for Carshalton and Wallington also took issue with the effectiveness of the PRTs. I join my hon. Friend the Member for North Durham (Mr. Jones) in expressing surprise that he should want to do so. My hon. Friend the Member for Lewisham, Deptford (Joan Ruddock) mentioned the success of the British PRT in securing a ceasefire between the militias of General Dostum and General Atta, but the British PRT has had more successes; for example, its presence has enabled the Afghan police to deploy from Kabul into the area around Mazar, helping to establish a sense of security on the streets and in the rural areas. That, in turn, is enabling other reconstruction work to take place.

Tom Brake: I simply want to clarify the fact that I was quoting information I had received from an organisation that was active on the ground in Afghanistan. If the Minister is confident that the PRTs are delivering the goods, presumably he can demonstrate that by comparing the effectiveness of the work that the NGOs used to do with that of the PRTs.

Mr. Thomas: I am grateful for the clarification. It is not a question of either the PRTs or the NGOs operating in Mazar. To take our PRT as an example, the adviser who is seconded to it is tasked with providing a measure of communication in the Mazar area between those seeking to provide security and those engaged in reconstruction. I am confident about the success and effectiveness of our PRT because of the strength of the communication—facilitated by our adviser—between it and the NGOs. The fact that more than 50 NGOs are operating in the area is testimony to the security that our troops and our PRT have helped to deliver.

Some of my officials who work in Afghanistan are being deployed to other PRTs, to help to spread the lessons that we have learned from the success of the British PRT in Mazar. That is further confirmation of its value.

Joan Ruddock: One of the concerns that I have heard from NGOs is different from that of the hon. Member for Carshalton and Wallington. The worry that has been expressed to me is that, where there is a combination of military people enforcing security and delivering assistance, all of them may form a target for those who wish to engage in warfare. Thus, aid workers from NGOs become targets because of the confusion that arises as to a possible dual mandate. Can the Minister tell us that that has had no effect? It would be helpful if he could.

Mr. Thomas: I understand my hon. Friend's concern. The communication that our development adviser attached to the British PRT has been able to generate between those who provide the security and those who seek to do the reconstruction is having a positive effect. Sadly, however, as my hon. Friend the Member for North Durham said, it is clear that, apart from any confusion that may exist with the military, aid workers are being deliberately targeted by Taliban and al-Qaeda people. They are seen as a soft target. That is the real issue for NGOs—and for those who support them, including ourselves—rather than any question of confusion with the PRT.

My final point in terms of security is that, on top of the work of PRTs, the Afghan Government are seeking to establish a programme of works to stabilise districts throughout the country, including in the south and east, and to ensure that the courthouses and police stations—out of which the Afghan police and judiciary can operate—are in place. We are working with the Afghan Government to consider the support that we can give, in terms of design and financial support, to complement such a programme. That is a further step towards providing the better security that nobody would deny is necessary.

Every hon. Member touched on the issue of drugs. The picture seems bleak when one considers the statistics, but one note of optimism is the fact that poppy growth and production have declined in areas where security has become more effective. That reinforces not only the importance of security for Afghanistan's general development, but the basic need to ensure security before we continue to tackle the illicit drugs trade. The hon. Member for Carshalton and Wallington asked whether the target of complete elimination in 10 years is realistic. It is right to have that target, because it imposes pressures and challenges on all Departments, which in turn enable us to focus our work with the Afghan Government and other donors. We know that the target is challenging from our experience with Pakistan and Thailand, where it took a long time to eliminate the drugs trade, but we can learn lessons from those experiences. If we continue to increase the sense of security around Afghanistan and to develop the alternative livelihoods to which hon. Members, including me, referred, we can be confident that the 10-year target will be achievable.

A number of hon. Members mentioned voter registration and whether elections will take place. We continue to be optimistic that elections can take place on time this year, particularly the presidential elections. Electoral registration began in eight regional centres in December and is due to move to rural areas in some months. So far just over half a million Afghans have enrolled to vote, with women comprising 100,00 of that number, which is some 22 per cent. That indicates the challenge that registering women poses, because of voter intimidation, which prevents women from registering, especially in rural areas, and some cultural issues. The United Nations remains confident that it can meet its goal of registering 10 million Afghan voters, but I

acknowledge the point that my hon. Friend the Member for Lewisham, Deptford made. We need to continue to focus on ensuring that woman are registered to vote and can play their full part in the democratic process.

Tom Brake: On voter registration, are the Government, if they take any view at all, seeking for 10 million Afghans to be registered as a target for the elections to be considered legitimate?

Mr. Thomas: We have not set a target. We are seeking to support the UN and the Afghans to get as many people registered as can be. I hope that we can go beyond 10 million. As I said earlier, we have already provided £3 million to help fund the voter registration drive. Were the UN to tell us that a lack of resources meant that voter registration would not be as complete as we would have liked, we would consider providing further financial support to make things happen. That is how seriously we take the issue.

Financial flows were a concern of the hon. Member for Canterbury and my hon. Friend the Member for Lewisham, Deptford. Over five years, we have committed £320 million, half of which has already been spent. We are considering what other financial support we can provide in this financial year and in the longer term.

I met Finance Minister Ghani almost two weeks ago to discuss Afghanistan's financial needs for the coming financial year. We also looked ahead to the conference in March, when the international community will focus on those needs and on the issues that my hon. Friend mentioned in respect of the country's general political development. I am sure that the rights of women will also feature strongly in the discussions.

The hon. Member for Carshalton and Wallington made some specific points about money being given to NGOs as opposed to the Afghan Government. The vast majority of aid continues to go directly to implementing agencies, be they UN bodies or NGOs, and not to the Afghan Government. Indeed, only 20 per cent. of aid goes through the Government. Clearly, it will make sense gradually to scale up that amount as they develop the capacity to spend the money effectively on police salaries, health, education or whatever. The crucial point is that they should spend it on their priorities. Although I acknowledge the work of NGOs, they inevitably have an impact only in the areas where they work. They can demonstrate good practice, but we want the Afghan Government to have the capacity to decide their priorities for themselves. We want their reach to extend to all areas so that they can provide services that they want to provide.

The hon. Gentleman asked about HIV/AIDS. The initial estimate by the Ministry of Health in Afghanistan is that there are 300 cases, of which 22 have been confirmed. The World Health Organisation is conducting its own assessment, but it is not yet complete. We have committed £2 million to the WHO, which will, in part, support that assessment. A national AIDS control programme for Afghanistan was launched in June last year, and several donors are coming together to determine what else needs to be done in the fight against AIDS and perhaps to ensure that some problems that exist in other parts of Asia do not develop in Afghanistan.

My hon. Friend the Member for Lewisham, Deptford spoke about the position of women, and I completely endorse her opening point. There are clearly some remarkable women in Afghanistan, who were able to defy the Taliban and who continue to campaign, in the teeth of intimidation, for women's rights. Although the lack of security and of the rule of law affects everyone in Afghanistan, it inevitably has a particular impact on women.

The social and cultural barriers to which my hon. Friend alluded, and on which the Taliban based their discrimination against women, continue to exist in many scenarios and in many communities. The international community must continue to support women's organisations that are campaigning hard against such barriers. On occasions, we must be able to raise our concerns over how things are going.

My hon. Friend is absolutely right about the figures for maternal mortality. We are funding several international organisations, which are taking the lead on health issues, and we will continue to consider what else we can do on the issue.

I agree with my hon. Friend that good progress has been made but that there is a massive unmet need in terms of women's education. It is encouraging that the primary schools that are opening are allowing older children and, in some cases, women to enrol. That is good news, but the fact that so many women are still illiterate is a source of concern and a challenge to the international community. Another point of optimism is that universities have started to reopen and are clearly admitting young women too.

My Department has given some £700,000 to UNIFEM, the United Nations Development Fund for Women, which is focusing on the development of women's leadership in Afghanistan, providing support to the Ministry of Women's Affairs. The Ministry is looking at the issues of livelihoods for women, increasing the involvement of women in local development councils and increasing income generation opportunities for women in all sorts of ways.

My hon. Friend also asked me about the optional protocol, which we have not yet signed. Although my Department does not have the lead on that area, I will bring her concerns to the attention of my colleagues in the Department of Trade and Industry, who do. She also asked whether my Department employs Afghan women. We have seven staff in our Afghan office, three of whom are women. Not only is our ambassador in Afghanistan a woman, but so is the Foreign Office lead in our PRT in Mazar-e-Sharif. I hope that that reassures my hon. Friend.

When it comes to the desertion of troops from the Afghan national army, my hon. Friend's concerns are broadly right. I cannot comment on the exact number of deserters. As my hon. Friend the Member for North Durham acknowledged in his audacious last intervention on my hon. Friend the Member for Lewisham, Deptford, we believe that that is about not finance, but the quality of those encouraged by militia leaders to join the Afghan national army in the first place. We do not believe that it will be a problem in the future.

The issue of getting salaries to those in key positions in the army and the police is clearly a major concern. One of the issues that we have grappled with is providing

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support to the Ministry of Finance to ensure that it can get the salaries of policemen and the army to those stationed a long distance from Kabul. We have had some success, but I acknowledge that there is further work to do.

Tom Brake: I would like to make a final point on the issue of girls schools. I referred to a number of attacks in various provinces, and asked the Minister whether the UK or Afghan Governments were involved in any specific initiatives to improve security at girls schools so that girls are not deterred by violence from attending school.

Mr. Thomas: I re-emphasise that we do not need to see security in specific places to deal with specific situations; we need an improvement in security per se. That is why we are seeking to extend the PRTs and are considering the district stabilisation programme that the Afghan Government want to bring forward. That is why we are training an Afghan army and an Afghan police force. We are working with our international partners to achieve that, so that not only girls who are educated in girls schools but others who want to get on with their lives, who my hon. Friend the Member for North Durham referred to, can do so safe in the knowledge that there is a secure environment in which they can live. We are not there yet; the situation is massively better than it was in November 2001, but there is an awful lot more to do, as all the speeches this afternoon have acknowledged. My Department and the Government remain committed to doing what we can alongside our international partners to achieve the progress that we know is necessary.

Question put and agreed to.

Adjourned accordingly at four minutes past Five o'clock.

Westminster Hall

Tuesday 3 February 2004

[MR. FRANK COOK *in the Chair*]

All-postal Ballots

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Kemp.]*

9.30 am

John Robertson (Glasgow, Anniesland) (Lab): It is a pleasure to have secured this debate. Some colleagues whom I expected to attend are serving on Standing Committees this morning; it is a bad morning for the debate, but I know that the hon. Members present will do their best to make it interesting.

This is the second opportunity that I have had to exchange views with the Minister. I was able briefly to make a few relevant points in the previous Session on Second Reading and in Committee on the European Parliamentary and Local Elections (Pilots) Bill. I look forward to hearing the Minister's comments on the wider issues raised in the debate.

In setting out the case for all-postal ballots, I shall begin by placing the debate in the historical context of the development of representative democracy in Britain, and the philosophical context of the rights of the citizen in such a democracy. I shall then negotiate my way through the details of whether all-postal ballots are practicable and finally examine the implications of my analysis for British elections.

It is necessary to begin from first principles. Why is voting important? The idea of democracy was discussed as far back as "The Histories" by Herodotus as an alternative to hereditary autocracy. Direct democracy was implemented in Athens and, although it may have been practical in a Greek city state where the polis was small—this has nothing to do with the Glasgow polis that I know—in a large state, some kind of representation became necessary. Whether the nature of democratic participation is direct or representative, the principle of active involvement by citizens in the political process remains.

In the British context, debates have focused on, first, who should have the right to vote, and secondly, the manner in which that right should be exercised. I believe that all-postal voting follows logically from the progressive widening of the franchise in Britain. In the past, voting was restricted on the basis of wealth, poverty and sex. Those who had the right to vote were forced to exercise it in public, without the protection of a secret ballot. The reform and representation of people Acts of the 19th and 20th centuries gradually altered the situation. We now recognise that every adult of sound mind should be permitted to vote, irrespective of background or knowledge. We are all rational and moral agents, and a person's capacity to will freely as a rational agent is not dependent on any empirical capacities that he or she may have. In practice, many are prevented from exercising the right to vote that follows on from that premise.

The 2001 general election turnout was the lowest since 1918. In the last European elections, fewer than one in four voters went to the polling station. Low turnouts are noticeably concentrated in the poorest socio-economic groups and in certain geographical areas. The people who did not vote are not lazy, and many were not making a positive abstention because of their disagreement with the policies of every political party. Many of them are simply in pressured jobs and have substantial family commitments. Many are socially excluded. The law says that those people have the right to vote, but in practice it is more difficult for them to do so.

If we are to make the legal right into a practical reality, it is necessary to find easier ways for people to vote. All-postal voting could provide one of the solutions to that problem, because it works. The Representation of the People Act 2000 introduced new provisions on postal voting and resulted in important changes to absent voting arrangements, including the introduction of postal voting on demand. In my constituency, the turnout for the Scottish Parliament elections in May was 45 per cent., which is down 5 per cent. on 2001. Postal votes, however, were returned at a rate of 72 per cent.—almost 2,500 votes.

The pilot schemes for all-postal ballots also had excellent results. Among the most notable was that described by my hon. Friend the Member for Chorley (Mr. Hoyle). Turnout in the 1998 local elections in Chorley was 31.3 per cent., but in 2002 it was 61.5 per cent. Further remarkable improvements have been seen in pilots from Tyneside to Trafford and from Bolton to Brighton.

It is not only hon. Members—well, most of them—who have expressed approval of that development. The Electoral Commission has concluded that all local elections should be run as all-postal elections unless there are compelling reasons against doing so. The commission made a series of recommendations about making such ballots easier and more secure. For example, it recommended that the current declaration of identity should be replaced by a new security statement and that staff delivery posts should be provided as part of the ballot to allow voters to have access to assistance and to deliver their completed postal vote by hand. The commission also recommended the creation of a new offence of intending fraudulently to apply for a postal or proxy vote, and tough new penalties.

We are not, therefore, considering a whim for some new-fangled development or a party political stunt. All-postal voting is a serious option backed by serious research. Nevertheless, the opposition, especially from the Conservatives, has been considerable, as was particularly evident in debates on the European Parliamentary and Local Elections (Pilots) Bill. The hon. Member for Galloway and Upper Nithsdale (Mr. Duncan) declared that he would have to give me a reality check. He mentioned fraud and compared postal voting with the pinnacle of confidentiality supposedly provided by voting at a polling station, but he conveniently forgot the enormous potential for fraud when all that one needs to do to obtain a ballot paper is state a name to an officer at a polling station. He and other hon. Members should pay close attention to the Electoral Commission recommendations to which I have referred.

[John Robertson]

Likewise, the hon. Members for Upminster (Angela Watkinson) and for Surrey Heath (Mr. Hawkins) expressed concerns that there would be a detrimental impact on voter confidence if all-postal voting were introduced. The hon. Lady and others advancing that argument would do well to remember that the most telling indication of voter confidence in the process is voter participation. The most effective rebuttal of their argument, therefore, is reference to the substantial increase in turnout that occurred in the majority of areas in which pilots took place.

It is disappointing that the hon. Member for Upminster was forced to resort to spurious arguments about ceremony and to saying that going to a polling station gives the act of voting more significance. Such comments remind me of a long-running historical theme—Tory opposition to measures that empower more people to participate in the democratic process. I fear that we are seeing the latest chapter in a long history.

Students of history will recall that at the time of the Reform Act 1832, the Duke of Wellington declared that the House of Commons would end up rotten to the core if poor people were ever allowed to vote. We are used to Tories clutching at straws when trying to ensure that only Tories get out to vote. Of course, Tory antipathy to making the franchise a reality is understandable. The most significant occasion on which a Tory Government widened the franchise was the introduction of the second Reform Act, of 1867. Within months of that legislation being passed, the newly enfranchised masses booted the Tories out by a landslide.

Whereas the Tories of the 19th century sought to defeat legislation that would give people the legal right to vote, the Tories of the 21st century oppose measures that will make it easier for people to exercise what is already their legal right. They do not even like Scottish Members of Parliament exercising their right to vote as equal Members of the House.

It might be interesting to see what participation there has been and what questions have been asked by the Opposition. The hon. Member for Brentwood and Ongar (Mr. Pickles) asked a question about postal ballots on 12 May 2003 and the right hon. Member for Haltemprice and Howden (David Davis) asked one on 30 June. The hon. Member for Stone (Mr. Cash) asked a question on 2 July, and the hon. Member for Galloway and Upper Nithsdale asked one on 12 September. They all asked roughly the same question. I shall read out the last one:

> "To ask the Deputy Prime Minister how many trial postal ballots have been conducted in local elections; where they were held; and how much each one cost."—[*Official Report*, 18 September 2003; Vol. 410, c. 966W.]

That series of questions suggests that the Opposition were looking for excuses not to conduct a postal ballot. I am sure that the hon. Member for Surrey Heath will tell us why, even though the Opposition want nothing to do with such ballots, they are so concerned about them that they had to ask those questions.

What lessons can be learned? First, we should select appropriate locations for pilot schemes in the European and local elections this year, for which I believe Scotland is ideally suited. Secondly, depending on the operation of pilot schemes in those elections, we should consider the possibility of an all-postal ballot in general elections. I am disappointed that the Electoral Commission decided not to recommend that Scotland be chosen as one of the pilot zones. In my view, it fulfilled all the necessary criteria.

Pete Wishart (North Tayside) (SNP): What are the hon. Gentleman's conclusions on why Scotland has not been selected, given that the Minister was close to declaring that it would be selected during the final stages of the European Parliamentary and Local Elections (Pilots) Bill? I understand that the change has occurred on the initiative of the returning officer. What is the hon. Gentleman's view of what happened?

John Robertson: The hon. Gentleman has asked a valid question. If he can be patient, he will find that my view will be well laid out in this speech.

The low turnout in much of the country means that there is a greater urgency and much more potential for improvement. That is proven by the track record in constituencies such as mine of campaigns to encourage postal votes. The situation would also be helped by the fact that, unlike in the English regions, no local elections would be held on the same day as European Parliament elections. A change in turnout could be affected as much by local matters as by the introduction of different voting methods. Holding a pilot scheme in an area in which two different elections are taking place on the same day would complicate matters further. Furthermore, the European and local elections will be taking place under different voting systems. My view is not new, but was echoed by many on Second Reading of the European Parliamentary and Local Elections (Pilots) Bill. Unfortunately, it appeared to fall on deaf ears.

Mr. David Heath (Somerton and Frome) (LD): That view did not entirely fall on deaf ears as far as the Electoral Commission is concerned, as Scotland was identified as the second best region that meets the criteria. So why on earth have the Government chosen two English regions rather than Scotland?

John Robertson: That question is not for me to answer, but I am sure that my hon. Friend the Minister will address it.

The multiplicity of variables in the elections in England and Wales next June will make any scientific assessment of the impact of new voting methods much more difficult. In Scotland, however, there will be one election under one voting system with one ballot paper, so it provides the perfect testing ground for the pilot schemes to which the Bill refers.

Even the Electoral Commission recognised what it called "several distinct advantages", notably including Scotland's several separate media outlets, such as the strong Scottish press and clearly defined radio and television markets, which would make any voter awareness campaign much easier. Scotland's own distinctive identity would ensure that electors were well aware that any campaign on Scottish voting arrangements would apply to them.

Why was the Electoral Commission not convinced? It gave two principal reasons. One was the potential pitfalls of organising a postal ballot in rural areas, some of which do not have access to a daily postal service. The Royal Mail, however, specifically recommended Scotland in its submission. Indeed, it stated:

"Royal Mail recommends that one of the other regions chosen as a pilot should include a mix of rural and urban voters, and Scotland would be an ideal choice from this point of view. It has the largest geographical area of all the regions with the smallest population density. Its large rural profile would allow an all-postal voting scheme to offer the greatest advantage in voter convenience and, therefore, voter turnout. In terms of the knowledge derived from the pilots, such a region would test the capability of Royal Mail to coordinate some of its most remote collections with some of its most urban ones: a challenge we welcome. Furthermore, choosing such a region should lower the cost per vote cast, increasing value for money."

That is a glowing endorsement.

The second reason given by the Electoral Commission was the submission that it received from the regional returning officer, Mr. Tom Aitchison. Its report states:

"The Regional Returning Officer has informed the Commission that he believes there is insufficient time available to put in place the necessary mechanisms to deliver an all-postal pilot with any reasonable guarantee of success."

It has been reported that Mr. Aitchison also raised the problem of resources, but the Minister has indicated that resources could be made available for areas selected for pilots. I have also been told that Mr. Aitchison told Ministers that his colleagues supported him, but my information is that that is not true. Does the Minister know who is right? Did he contact other returning officers, as requested on Second Reading of the European Parliamentary and Local Elections (Pilots) Bill?

Perhaps Mr. Aitchison's reluctance can partly be explained by his experiences in the 1999 Scottish parliamentary elections, when 2,000 ballot papers from the Edinburgh, West constituency, which he oversaw, went missing. If Mr. Aitchison has no faith in his own ability or that of his colleagues, he should stand down and make way for someone with the ability and confidence that he obviously lacks. I would like to know what the Minister's assessment is of the advice received from the regional returning officer for Scotland, and I would appreciate his comments on the situation. Perhaps he can tell me how one gets rid of an electoral returning officer.

It is especially important that that question is cleared up, because the Electoral Commission stated in evidence to the Select Committee on Scottish Affairs that Scotland would meet criteria for an all-postal ballot if the Government provided the necessary resources and Royal Mail the necessary commitment. As has been heard, the Minister and the Royal Mail have both given that commitment, so why is Scotland not being considered for a pilot? It would be very unfortunate if the returning officer's decision to oppose an all-postal ballot unnecessarily wrecked our opportunity to enfranchise thousands of people who are often prevented by time or other factors from going out to vote.

Finally, if the pilots in June this year are successful, the Department for Constitutional Affairs should give serious consideration to the use of all-postal ballots across the country at general elections. There would have to be areas where people could still deliver their ballot paper by hand, but one such location per constituency would probably be enough, except in more rural areas, where there might be two or three.

I am aware that when the chairman of the Electoral Commission, Mr. Sam Younger, was asked about all-postal voting at general elections, he said:

"Let's not run before we can walk."

However, if the Opposition get their way, we probably will not even start crawling. I agree with Mr. Younger that we must take our time, put effective safeguards in place and ensure that we are well prepared for pilot schemes, but let us still be ambitious and rise to the challenge of increasing voter participation, given that all the identified problems are addressed. In Britain we have a proud tradition of a representative democracy, but we must seek continually to reinvigorate the process. Having listed the problems that we face, I have demonstrated why all-postal voting is required.

In conclusion, I have to ask the following questions for all who are connected with the elections. Why did the Electoral Commission not support Scotland for an all-postal ballot even when the concerns were addressed? Why did the returning officer refuse to allow Scotland to be a pilot for all-postal ballots? His own colleagues wanted the pilot provided that all the concerns were met, as they were. Why would opposition parties want to prevent people from voting? What are their real motives? What is the Minister doing for Scotland given the obvious unfairness that has been shown? I look forward to hearing what other hon. Members, in particular my hon. Friend the Minister, have to say.

9.51 am

Mr. Patrick Hall (Bedford) (Lab): I am pleased to contribute to this debate on an issue that has considerable importance, not just for us as party activists and politicians, but for the general public.

The case for all-postal ballots has been made overwhelmingly, not just by the Electoral Commission, political parties and the Government, but, more importantly, by the voters when they have had the opportunity to participate in elections in which the vote has been cast entirely by postal ballots. Recent pilots have demonstrated that the average turnout in local council elections increases by about 50 per cent.—from about 35 per cent. to 49 per cent.—when there are all-postal ballots. Some may argue that that increase is not good enough, but it is far better than the normal situation. Although the average turnout at local council elections is 35 per cent., turnout in some areas is even lower—20 per cent. or less in some cases.

The Electoral Commission has evaluated the pilots since 2000 and has reported that not only has turnout been boosted, but opportunities for abuse and misuse of the system—many have raised that point; no doubt we will hear more on it this morning—are no greater than under the present system of partial postal voting. Nowadays, the hurdles in the way of achieving a postal vote have been removed. People can vote by post if they choose to do so, although they have to apply. A few years ago, there were all sorts of reasons why people applied. For example, they might have been going on

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holiday or have been ill. In those circumstances, they had, for example, to get a signature from a doctor or a family member. Those difficulties have been removed.

Abuse can exist under the present system. Candidates and parties have been accused of building up postal votes in unethical ways. While canvassing, one comes across people who would like to vote, but who will be away or who work long hours and cannot predict when they will come home.

John Robertson: Does my hon. Friend agree that, come election time, those out walking the streets and meeting people find that the electorate always ask how they can cast a vote? They want to know if they can get a postal vote or a proxy vote. In general, there is an increase in activity at that time. Our problem is trying to secure that increase in activity all the time.

Mr. Hall: My hon. Friend is right and demonstrates that he is speaking from experience. He has walked the streets and knocked on doors for years, as we all have. Making personal contact with people, even if they are not initially interested in party politics, means that there is a much higher chance that they will express an interest in issues that affect them and their community—they want to have a say. If they cannot vote at the polling station on a particular day for various reasons, they are often delighted to know that they can do so by post. As I said, that has been made much easier. The process is one of opting in. People can vote by post if they want to in elections in which people can also vote in person at the polling station in the traditional way. Assisting people to participate in elections, by explaining that they can get a postal vote or a proxy vote, is welcomed by the public.

In 25 years of election campaigning activity I have come across only one example of unethical practice with regard to absent votes, which took place in a local council by-election in Bedford. Liberal Democrat activists targeted elderly Labour voters, who had been carefully canvassed, and offered to assist them to cast their vote by proxy, which no doubt the individuals concerned saw as extremely helpful. They may not have felt like going out and getting wet, or may have had difficulty walking. I am sure, because I went and saw some of the voters myself, that it was not made plain that the helpful members of the community who suggested that they might vote on the elderly people's behalf by proxy would cast those votes for the Liberal Democrat candidate. About 20 elderly Labour voters assisted the Liberal Democrat candidate to achieve a narrow victory. I was not happy with that and neither were other people.

There are no doubt examples from elsewhere in the country of an unfair pushing of the ethical line in previous years. However, none of us has campaigned nationally that the principle of absent voting, by post or proxy, is therefore wrong. It is not; it is absolutely right. People welcome it and it should be extended.

John Robertson: Does my hon. Friend agree that it is perhaps time that the Government wrote to every elector explaining what they can and cannot get in relation to a ballot? People can already get a postal ballot on demand. Is it not time to tell people that? Plenty of people do not realise that they can have a postal vote on demand.

Mr. Hall: I have not read any national assessments of whether the electorate in all council areas are told that they can have a postal ballot on demand. I think that that happens in my constituency. In many places, people at least receive something in writing that says that they can opt in, but that should take place in a more rigorous and coherent way. However, I do not think that that message will sink in unless people like us knock on the door and tell voters that they can have a postal ballot. When we do that and they say, "Oh really?", we can then say, "Here's the form" and so on. It is still a little difficult to get people to opt for something that many of them would want if they knew about it. The best way to deal with that issue is to have an all-postal ballot.

I welcome the Government's decision to double the number of all-postal ballots in England next June. They are doing so not only in the north-east and the east midlands, but in the north-west, Yorkshire and Humberside. I regret the exclusion of the rest of the country, including the eastern region, where my constituency lies. I am not convinced of the reasons for that. I understand that in the eastern region there was no enthusiasm among returning officers for such a ballot. Indeed, some political party organisers were not too keen either and did not want to risk change. However, the pilots that have taken place, and the further pilots to which we are committed this June, pave the way for the inevitable. That is the way forward.

We will have a three-month evaluation after 10 June this year, the results of which will be published in September. That is the intention. That will provide the opportunity to iron out procedural difficulties before national implementation. I do not want to pre-judge the evaluation. It may be that it raises issues of which I am not aware, requiring us to stop or turn back, but I do not think it will. Experience so far indicates the road along which we are travelling. I urge my hon. Friend the Minister not to pre-judge that evaluation any more than I would by closing the door on national implementation in 2005. If the lessons so far are anything to go by, higher turnout is there for the taking. Surely that is essential if we wish to restore the credibility of our political system, the quality of our democracy and the legitimacy of the outcomes of our elections.

People often mention the low turnout in the last general election. Although it was low, I am aware that it did not represent a wholesale rejection of the system. The main feeling I got on the doorsteps in the 2001 general election campaign was one of a foregone conclusion. People said that they did not need to bother to vote because they knew what the result was going to be. That does not sound terribly sophisticated, but the public were right. It is not a healthy situation. It gives grounds to those who are cynical about our system to say that there is less and less interest in the system and we are more and more separated from the people we represent. That might be so, but I do not believe that the majority of people want no further say in the system. Declining turnout is worrying, even if people at the last general election could say that they knew what they were doing because the result was a foregone conclusion. All-postal ballots would almost certainly reverse that

decline and I want those to take place at the next general election. There will have to be some very good reasons for not introducing them at the next general election.

People nowadays have complex lives, with a lot of demands on their time. They are busy. Perhaps getting to and queueing at a polling station in the rain and cold is not terribly attractive. Having a say, however, remains attractive and most people still believe in it. The method of having a say must be tuned to the more complex and busy lives that most of us lead.

A fully electronic system is not yet available. The technology is not sufficiently secure, people do not have total confidence in the system, which is not user-friendly, and many voters would be averse to an electoral system based entirely on electronic voting. We can, however, be 100 per cent. confident of postal voting. It is 150 years old, and is tried and tested.

From the point of view of political parties, an all-postal ballot election would still require campaigning, people would still expect to meet candidates, and parties would want to remind people to vote, all of which is healthy. It may well be that, under such a system, polling day as such—it would, in fact, not be polling day, but the day on which the process ended—would be an anti-climax for the parties, but so what? The system should not be devised for the entertainment of political hacks and political parties; it must serve the people, and they are not impressed by the build-up to polling day and all the leaflets that go out because, certainly in local elections, the majority take absolutely no notice and do not vote. We may be entertained by it, but that is not the issue.

The test is what the people feel. They have shown that they want all-postal ballots and that they respond to them more than they do to the current system. The facts show that clearly. I ask my hon. Friend the Minister, when considering national implementation in 2005, to keep an open mind about the outcome of the evaluation in September.

Mr. Frank Cook (in the Chair): It might be opportune to remind the three hon. Members who will respond to the debate that it is accepted practice in the Chamber to divide the remaining time into three equal parts and that any exercise that may infringe on that would be considered infra dig.

10.6 am

Mr. David Heath (Somerton and Frome) (LD): I hope that you will not mind, Mr. Cook, if I do not take up my entire allocation, as I may be able to express myself adequately in less time than I have available. I congratulate the hon. Member for Glasgow, Anniesland (John Robertson) on securing the debate and on his contribution to it. I also congratulate the hon. Member for Bedford (Mr. Hall) on his speech—once he had been coaxed to his feet.

I do not want to rehearse all the arguments that were laid out in the context of the European Parliamentary and Local Elections (Pilots) Bill. The Minister knows that whatever the merit of novel forms of electoral practice—and there are some that we want to encourage—we have two principled problems with the current proposals. First, they will create the circumstance in which a single election is held on two different bases according to where one is in the country. Secondly, there are still serious issues to address about electoral fraud in all-postal ballots.

I accept the points made by the hon. Member for Glasgow, Anniesland. There is scope for fraud in conventional systems and we have had postal ballots for a long time. However, if more widespread postal voting is introduced, it will be incumbent on us to do whatever we can to mitigate the opportunity for fraud. The Electoral Commission has come up with some proposals that I hope to see implemented, but there are still problems with the system for houses in multiple occupation, of which we should be aware.

I agree with those who raise the principle of the secret ballot as a valid objection to postal voting. The head of the household or some other dominant person has more scope for inappropriate influence on the individual elector. We should guard against that as far as possible, but there is no wholly acceptable answer to it.

Mr. Hall: Surely the points that the hon. Gentleman has made about the opportunities for postal ballots to be seen by other members of the family or other residents of houses in multiple occupation apply 100 per cent. to the current system—never mind the proposal for all-postal ballots. How would he address the disadvantage of the current system?

Mr. Heath: I thought that I had made my position absolutely plain. Of course opportunities for fraud occur under the current system, but the effect on the outcome of an election is greater in a 100 per cent. postal ballot. It is therefore proper that we address those issues in so far as we are able. No system is absolutely foolproof, but things can be done to improve the situation. Rather than rehearsing those points yet again, I will address what the Government have done since the Bill left the House for the other place.

We have already discussed the Electoral Commission's proposals for the regions that it identified as appropriate for pilot schemes. It came up with only two regions: the north-east and the east midlands. I will not argue about those proposals further; they were the proposals of an independent body. If the Government wish to go ahead, clearly those are the regions that should be taken.

I did, and do, have problems with the fact that the Government said that, although the Electoral Commission identified only two regions as appropriate, there would be more than two and that we would have a repechage event to identify further regions. I thought that that was code for, "We are going to give in to our colleagues in Scotland who feel strongly about this." The Electoral Commission clearly stated:

"The next region that best meets the criteria is Scotland."

I can understand the hon. Member for Glasgow, Anniesland being a little upset. Although he chose to express his upset as criticism of the Electoral Commission, which is not entirely fair, his Minister has chosen to ignore what the commission said—which supported the hon. Gentleman's case that, if there were to be more than two regions, Scotland should be next in the frame. The Minister ignored the claims of Scotland and instead went for two further English regions. The Minister must explain to the hon. Member for Glasgow,

[Mr. Heath]

Anniesland and other Scottish Members why he does not feel able to support what the Electoral Commission clearly said about Scotland.

John Robertson: The hon. Gentleman feels that I was overly critical of the commission, but that is not what I intended. The point that I was trying to make was that its concerns had been identified. In its evidence to the Scottish Affairs Committee, it stated that, provided resources were put in place, it could see no reason why Scotland should not be used for a pilot scheme. Those concerns were taken care of by the Minister.

Mr. Heath: I am grateful to the hon. Gentleman because that means that the situation is worse than I thought. There were no barriers to Scotland being chosen as a region except the Minister's will, which is to entertain the English regions rather than Scotland. He must explain why that is.

The two regions that were chosen do not meet the basic criteria. One is the north-west, which clearly had strong advocates. However, a principal problem stems from one of the criteria that the Government originally set for inclusion, which concerned the number of local authorities in the region and the number holding local elections in June 2004. The Electoral Commission felt unable to recommend the north-west principally because it had so many elections on the day that there was considerable scope for problems. The Government have ignored that. They have not reduced the number of local elections, but have decided to override the criteria and go for the north-west for no apparent reason.

The other region is Yorkshire and Humberside. Again, there is a fundamental problem, as expressed by the Electoral Commission. The complaint in the case of Yorkshire and Humberside is that:

"the Commission notes the distinct preference among Returning Officers and their staff to run the elections on conventional lines."

In this case, the Minister has decided to ignore not just the Electoral Commission but local returning officers.

The result is a pilot scheme that is hardly a pilot at all. The whole of the north of England will have one voting system and the whole of the south of England, Wales and Scotland will have a different one. It is just as well that there has been a good deal of ethnic mixing over the years in this old country of ours, because it looks like the Danelaw has one system but us Saxons and Celts are not able to use that same system.

The Government must explain why that is. They must explain why they do not use the advice of their independent arbiter. They must explain why we are not able to move to a national election. We are to have a quasi-national election that involves a land mass that is bigger than many European countries. Belgium is normally the unit of currency in these matters. I am sure that the land mass and the population involved are bigger than Belgium's. The north of England will have one system and the rest of us poor peasants in the south are to have a different one. Why has the Minister decided that that is a sensible way to run a pilot scheme? My argument is that it is not, and I hope that he will be able to come up with some explanations. His proposal gives rise to much concern and suspicion about the Government's motives and a belief that they are applying jiggery-pokery to the independent advice that they were given.

We had a lot of debate about the marked register when discussing the European Parliamentary and Local Elections (Pilots) Bill. We have also had a letter from the Electoral Commission expressing some concerns and suggesting some provisos. Can the Minister help us by explaining his intentions?

This has been a useful debate, if only because it has exposed the fact that the Government ask for independent advice, but ignore it completely when it suits their purposes and do exactly what they want to do, irrespective of whom it upsets, including the Minister's hon. Friend the Member for Glasgow, Anniesland.

10.16 am

Mr. Nick Hawkins (Surrey Heath) (Con): I want to follow up what the hon. Member for Somerton and Frome (Mr. Heath) said, especially in his last point. Like him, we are very suspicious about the Government's motivation. I want to say a little more about what the Government have done, which is contrary to what the Minister told us on Report and Third Reading of the European Parliamentary and Local Elections (Pilots) Bill, and as recently as 16 December 2003. The Bill is still passing through another place, so the process is far from finished.

The hon. Member for Glasgow, Anniesland (John Robertson), who initiated this interesting debate, started his speech by talking about historical and philosophical context, but it turned out that, as I had anticipated, all he really wanted to do was have a serious go at his own Government and the Minister for not accepting Scotland as a pilot region. He has made the same point on many occasions during the passage of the European Parliament and Local Elections (Pilots) Bill.

I was disappointed that the hon. Gentleman decided to make what I can only describe as an ad hominem attack on the regional returning officer for Scotland. In the light of recent events, I would have thought that Labour Members might have learned that it is unwise to make ad hominem attacks on dedicated public servants. I do not know Mr. Aitchison, but I have no doubt that he carried out his duties in reporting his views to the Electoral Commission in a straightforward and sensible way. The hon. Gentleman is effectively saying that he does not like the conclusions that Mr. Aitchison came to.

I want to draw specific attention to what the Electoral Commission said about Scotland. It is important to bear in mind what the commission said about its reasons for not recommending that Scotland be part of the original proposals for pilot regions:

"Scotland has the fifth highest electorate of those regions we can consider. It is the largest geographically of the European parliamentary regions and is the most sparsely populated, with approximately 49 electors per square kilometre. The degree of population scarcity varies enormously from the very densely populated central belt urban areas to very remote rural areas.

Scotland has 32 unitary authorities; There are no local elections scheduled for 2004 as Scotland combines full council elections with the Scottish Parliament elections (last held in May 2003). This combination of local elections with parliamentary elections has left Scottish authorities with little opportunity to run pilot schemes".

That is what the Electoral Commission reported and it believes that it is important. It went on to say that that was

"reflected in the minimal level of pilot experience in Scotland—it ranks tenth in terms of percentage of past pilot authorities at 9.3 per cent. and all of these have been at by-elections."

The regional returning officer, Mr. Aitchison, who has been so savagely attacked by the hon. Member for Glasgow, Anniesland, held that post in 1999, and the Electoral Commission's report quite clearly says—this is the crucial point—that his views were supported by "a large urban authority." Listening to the hon. Gentleman's speech, one might have thought that the returning officer was speaking purely for himself.

The Electoral Commission goes on to say that the

"regional returning officer has informed the Commission that he believes there is insufficient time available to put in place the necessary mechanisms to deliver an all-postal pilot with any reasonable guarantee of success."

Those are very strong words. The report continues:

"The geographic diversity of Scotland poses particular challenges to an all-postal election. Some remote rural parts of Scotland do not have a daily mail service, and any all-postal elections in these areas would need to examine carefully the provision and position of delivery points; special postal arrangements may be required. More conclusively, the dispersed nature of the Scottish electorate coupled with low rates of home access to the internet would hinder the delivery of an electronic voting pilot."

To our great pleasure, the Government dropped any plans to conduct an electronic voting pilot. They were absolutely right not to do so in Scotland, given that the strong and compelling words of the regional returning officer, whose views were supported by a large urban authority, were among the reasons why the Electoral Commission made its recommendation. The report says that a very large number of Members of Parliament and other people involved in government made individual submissions. They included 45 Members of Parliament, nine Members of the European Parliament, two peers, two Members of the Scottish Parliament and the Scottish First Minister, but not the hon. Member for Glasgow, Anniesland, who did not make a submission to the Electoral Commission, did not like what it said and has been complaining ever since. In the Opposition's view, the Government were absolutely right to recommend against Scotland, as we said in Committee and on Report and Third Reading of the European Parliament and Local Elections (Pilots) Bill.

However, we have severe concerns about what the Government have done. On 16 December, the Minister said:

"We remain keen, however, to proceed with all-postal voting in three regions. In scaling up towards a multi-channel general election"—

I made fun of the phrase then, as I do now—

"after 2006, we believe that pressing ahead with a wider range and variation of piloting provides the best opportunity to learn lessons and to develop capabilities in new electoral techniques . . . The Government will consider in more detail each of the potential candidates with a view to announcing the location of the third all-postal pilot in the coming weeks."

He went on to say:

"we can conclude which third all-postal voting pilot will proceed."

Apparently, he hoped to come to a conclusion soon on "which region or nation should be the third choice".

He also said:

"I intend to make a decision relatively quickly on which third region or nation we wish to select."

Later, he said that the Electoral Commission had

"recommended that there should be three all-postal pilots regions."—[*Official Report*, 16 December 2003; Vol. 415, c. 1511–1515.]

The Electoral Commission did not make such a recommendation; the Minister was making a mistake. The commission was asked to recommend three regions, including one for an electronic pilot, and it only recommended two, for very good reasons. As recently as 16 December, the Minister said not only once, but about six times over five columns in *Hansard*, that there were going to be three regions—the two that the Electoral Commission had recommended and a third one.

Suddenly, in a written statement made on 21 January 2004, however, the Minister slipped out this announcement:

"I can today announce . . . that two further regions will also hold all-postal pilots. These regions will be Yorkshire and the Humber and the north-west."—[*Official Report*, 21 January 2004; Vol. 416, c. 64WS.]

Instead of a third region, there was now to be a fourth as well. As the hon. Member for Somerton and Frome said, the Opposition are bound to be suspicious as to why that division suddenly emerged between Danelaw and the rest of the country, as he wittily put it. Suddenly it was announced that a swathe of the country—the whole of the north of England—would be involved.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Will my hon. Friend also press the Minister to tell us who was involved in taking those decisions? Was it the totally unelected head of his Department, the Lord Chancellor—or whatever it is we have to call him these days? Was it the Minister himself, whose constituency falls within the added area, who took the decision, or was it taken on a wider basis? The way in which the recommendations came about is important for accountability, bearing in mind that the Electoral Commission was set up and then ignored, and that other areas were added.

Mr. Hawkins: I agree with my hon. Friend, and I hope the Minister will deal with those points in some detail. I join my hon. Friend in pressing the Minister to say exactly who was involved.

I return to the two extra regions that the Government have now surprisingly added to what the Electoral Commission recommended. As I pointed out on Report and Third Reading on the European Parliamentary and Local Elections (Pilots) Bill, the Electoral Commission is a creature of this Government. It seems to us extraordinary that, after this bureaucratic system has been set up and its independence has been trumpeted by the Minister and others in the Government, its recommendations should be ignored.

Why did the Government ignore what the Electoral Commission said about Yorkshire and the Humber? The report states that Yorkshire and the Humber

"is a mid-ranking region, in terms of opportunities for discrete media campaigns. Its strong daily and weekly press is coupled with a clear regional identity."

[Mr. Hawkins]

That is one side of the argument, but the report goes on to state:

"Some parts of the region have reported that fraud and the perception of fraud has risen since the introduction of postal voting on demand; the Commission appreciates that such concerns could serve to undermine the acceptance of the election."

In this case, the regional returning officer was in favour of an all-postal pilot for the region. As the hon. Member for Somerton and Frome pointed out, however, the commission goes on to say:

"it is clear that returning officers would strongly prefer not to be involved in any all-postal pilot at the combined elections"

in 2004. That is a good reason why Yorkshire and the Humber should not have been added to the all-postal pilot.

For similar reasons, in paragraph 284 of the report, the Electoral Commission says this about the north-west:

"There have been several allegations of electoral fraud in the north west in recent years. These have centred around interference with postal votes or intimidatory procurement of proxy votes in conventional elections. Some of these investigations could proceed to court in early 2004; this would be likely to produce unfavourable publicity about the security of postal voting."

Again, those are good and compelling reasons why there should not be an all-postal pilot in either the north-west or Yorkshire and the Humber, and yet the Government have proceeded to ignore their own Electoral Commission.

As we have consistently said, our view is strongly influenced by the Electoral Reform Society, which is totally independent and is not a creation of this Government. We prefer its approach to these matters to that of the Government. We point out to people such as the hon. Members for Glasgow, Anniesland and for Bedford (Mr. Hall) that it is not a universal truth that all-postal voting leads to an increase in turnout. It has done so in some areas, and it certainly did so in part of my constituency, when we succeeded in defeating the Liberal Democrats and getting control of Guildford borough council in May last year on the basis of an all-postal pilot. We therefore do not have a principled objection to all-postal voting everywhere. However, the Electoral Reform Society says this about turnout:

"we note that all-postal ballots are not a guarantee of much higher turnout. In a by-election in Lewisham"—

we discussed this issue in Committee and on Report and Third Reading—

"ending on 23 October 2003, there was a rise of just 2 per cent. to only 24 per cent. turnout despite the ward being hotly contested and changing hands"

in an all-postal ballot.

The Electoral Reform Society also says that, in respect of all-postal ballots, some of the safeguards introduced by the 1872 ballot secrecy legislation with regard to undue influence and bribery have been removed. It states:

"Whilst these risks have always existed with postal votes, until now they could only affect a small minority of votes. Corrupt practices on a grand scale have become feasible again for the first time in 130 years. Of course this is not a guarantee that any such events will occur, but the risk is increased."

The hon. Members mentioned by the hon. Member for Glasgow Anniesland—my hon. Friends the Members for Galloway and Upper Nithsdale (Mr. Duncan) and for Upminster (Angela Watkinson)—as well as my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) and I, have all made clear our belief that there is something significant about voters taking a decision to go to a polling station and vote in person. We are delighted that the Government have made it absolutely clear that the next general election will take place in the traditional way.

Mr. McLoughlin: On increased turnout, my hon. Friend might like to reflect on the situation a few years ago, when the Liberal party, along with the Government, very much supported the new system of electing Members of the European Parliament on a regional basis. They argued that a system of proportional representation would lead to increased turnout. Indeed, that is exactly what the Foreign Secretary, then the Home Secretary, used as his principal argument for introducing the system, which has actually led to a fall in turnout because people do not feel associated with those whom they have elected.

Mr. Hawkins: I can only agree with my hon. Friend. I recall that Conservative Members tabled amendments in Committee to try to bring back first-past-the-post voting. I have no doubt that turnout for European elections would increase again if we were to reintroduce a constituency-based system, because voters would strongly identify with the people whom they elected. They do not feel that they have that link under the list system and PR. I entirely agree with my hon. Friend.

We are suspicious about what the Government have done, particularly because the Minister completely contradicted in his 23 January announcement what he had said on numerous occasions in the past, and as recently as 16 December. Furthermore, we do not agree with the views of the hon. Member for Glasgow, Anniesland.

John Robertson: I thank the hon. Gentleman for giving way; it is a pity that he did not let me in earlier. If I may return to his original point, I would hate to have him think that all my attacks were on the returning officer for Scotland, as there are plenty on the Tory party. As he has plenty of time, I hope that he will try to answer one question: what is his objection to asking people to vote? Why does the Tory party have a problem with people casting their vote? It is an historical activity—it goes back centuries. Once again, he has indicated that he does not want anyone to cast a vote other than by the traditional method. Are we not to encourage people, including those who have difficulties, to vote?

Mr. Hawkins: The modest changes that have been made to enable people to apply for a postal vote if they want one have been successful, but there is no need to go down the slippery slope towards treating elections as if they were some popularity contest like "Big Brother" or "Pop Idol". That is the danger that we have identified.

Of course, the hon. Gentleman has a problem, in that his own Government have said that they still want general elections to take place in the traditional way, as

we do. It is important that electors take voting seriously. The best way of taking it seriously is for people to vote in person at a polling station. As I said, we are delighted that that will continue in the next general election.

Mr. Patrick Hall: On electors taking elections seriously, is the hon. Gentleman making a serious point himself about the clear evidence of much higher participation in all-postal ballots for local council elections? The turnout was significantly higher in those elections. He said that the process is not a guarantee. He is absolutely right, but the evidence is that there was significantly higher participation. Is he actually suggesting that those people were not serious?

Mr. Hawkins: No, I am not suggesting that. I am saying that the evidence is contradictory, as the Electoral Reform Society pointed out. The postal voting system did not increase turnout everywhere. It did so in some places, but not others.

The Electoral Reform Society is also quite right to stress the dangers of electoral fraud. I shall not repeat all that was said in Committee and on Report and Third Reading, but Conservative Members stressed concerns about the need for extra security wherever there is all-postal voting, particularly for houses in multiple occupation. We think that the Government have much more work to do on that issue.

There are balancing factors, but there is no doubt that the best system, as my hon. Friend the Member for West Derbyshire (Mr. McLoughlin) pointed out, is a system of first-past-the-post elections with a constituency link, and not an arrangement involving list systems and PR. We should also ensure that people are voting at polling stations if they can do so, with the opportunity to apply for a postal vote if they do not want to vote in that way or find it difficult to get to the polling station. However, it would be detrimental to move down the slippery slope towards treating elections as though they were as trivial as "Big Brother" or "Pop Idol" in a desperate attempt to try to make them trendy.

Although the issue that has been raised has been of some use in allowing us to ventilate the issues further, I deprecate some of the views expressed by the hon. Member for Glasgow, Anniesland, and I am pleased that his Government do not agree with him.

10.35 am

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): I take the opportunity to congratulate my hon. Friend the Member for Glasgow, Anniesland (John Robertson) on securing the debate on this important issue. I hope to respond to some of the points made and to set out the Government's wider approach.

It is always my dubious pleasure to follow the Opposition Front Bench spokesman, who says how dreadful and appalling is the Government's desperate attempt to make voting easier and more convenient for people. I am afraid we are guilty of that; it is important for any Government to try to make the democratic process as accessible and convenient as possible. I am disappointed that the Opposition do not share in that fairly worthy aspiration, which I hoped would have been shared on both sides of the House.

Obviously, the House is aware of the history—how we come to be where we are today. The Representation of the People Act 2000 was the main legislative vehicle to provide initially for the piloting of all-postal and other innovative voting methods in local elections in England and Wales. That was partly in response to calls from election administrators who wanted to try new methods, changing the system of voting that had not had any significant alterations since the ballot legislation in the 19th century. They were keen to innovate and to improve their systems. There were calls, too, from many others who wanted voting made easier and more accessible so that it fits around modern ways of living. That is one reason why the Government set up a working party in 1997 under the chairmanship of my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth). The hope then was to make voting more convenient, to find a way to persuade more electors to become inclined to participate and to halt, or try to deal with, some of the decline in turnover in a variety of elections.

In 2000, local pilots were undertaken, some of which were on the voting times of the day, others on electronic voting, methods of counting, mobile ballot boxes, weekend voting and so forth. Postal voting proved by far the most popular; the initial pilots were mostly on a small scale and took place in seven local authorities, but they all showed a significant—in some cases substantial—rise in turnout. For example, in Gateshead, turnout more than doubled. Because of that initial success, we wanted to consider the issues further and to increase the number of pilots. That was not done in 2001 because the local elections were combined with the general election. However, despite that gap, in 2002, 13 authorities ran pilots, some of them across the whole of the authority, and large rises in turnout were the result. In 2003 more local authorities—39 in total—were keen and eager to run all-postal pilots in their area and an increase in turnout, sometimes a substantial increase, was the rule.

Given that experience, which was built up over a wide range of different local authorities, we did not want to ignore the message being sent, not only from the electoral administrators, who were keen on the proposition, but from the public: the electors were telling us that they preferred this manner of voting. As my hon. Friend the Member for Bedford (Mr. Hall) said, they wanted to participate more actively, and local councils were becoming more representative of their electors. The elected representatives thus had a more solid mandate and they, in turn, felt more confident to take forward the policies on which they were elected. That is the enrichment of the democratic process that I am sure that we would all want to see.

Mr. McLoughlin: The Minister says that he genuinely wants to test whether there has been an increase in turnout. One of the ways in which that could be done would be to compare the results with what happened at the last European elections, when we had results for individual constituencies. I understand that the Government have changed the rules in such a way that we will not be able to make those comparisons, because

[Mr. McLoughlin]

we will not get the results for individual constituencies. How will we be able to make a true comparison of whether turnout is better or worse than last time?

Mr. Leslie: We will have results from the European constituencies because the regions are the constituencies. The hon. Gentleman mentioned parliamentary constituencies. The electoral administrators expressed a preference to count on the basis of district council election areas, but whether votes are counted on that basis or at parliamentary constituency level makes no difference to the outcome of the election in a particular European constituency. His point is rather obscure, but I shall let him pursue it.

Mr. McLoughlin: I am sorry that the Minister thinks that the point is obscure. One of the things that people say to us in arguments about turnout is that the turnout in certain areas cannot be seen. If, from now on, we receive only the results for the whole of Liverpool or Manchester, rather than for the constituencies of which those two cities are composed, there will not be the same degree of accuracy as in the last elections, when we were able to see how individual parliamentary constituencies voted. I am sure that there will be many studies on the increase in turnout, but we will not be able to see where that turnout has occurred as well as we could have done if the counting basis had remained the same as in the last European elections.

Mr. Leslie: I disagree with the hon. Gentleman. These are not parliamentary elections, but European elections. It is therefore right that they should be counted on the basis of European constituencies. The electoral administrators can then decide how best to break down the different counting areas. I believe that we will be able to carry out a proper analysis of the different effects that occur in relation to all-postal voting versus the conventional arrangements, given that the pilot schemes will be carried out on quite a large scale.

We have had many pilot schemes in local elections, and we now want to move on to a wider regional scale. That takes us into new territory; if we are to extend all-postal voting to a wider range of people, we must take difficult decisions about the scale on which that should be done. We feel that now is the right time to use those constituencies as a comparator for conventional and all-postal voting, not least because of the occurrence of the European elections.

We cannot rely, however, solely on volunteer local authorities—in some areas there may need to be a greater level of compulsion, so that there is uniformity across a particular constituency. That is why we introduced the European Parliamentary and Local Elections (Pilots) Bill that was mentioned by the hon. Member for Surrey Heath (Mr. Hawkins). The Bill continues its passage through Parliament in the other place, and will enable the Government to proceed with the planned pilot schemes.

Many hon. Members asked why we recommended and selected particular regions, so it would perhaps be helpful if I were to give the rationale behind that. The regions, and the local authorities within them, that will run all-postal ballots this year were selected on the basis of advice from the Electoral Commission, and after discussions with the returning officers—the people who administer the elections. The Electoral Commission's advice indicated that the north-east and the east midlands should be chosen, but also listed a number of second-rank authorities and regions that might run the pilot schemes. It deemed them potentially suitable, but they were less favoured and not positively recommended.

I am aware that Scotland was at the top of that second list and I should like to explain how the discussions about additional regions progressed. We considered the regions in the order of the Electoral Commission's ranking. Initially, there was discussion with Scottish returning officers about the issues that they raised in response to the commission's consultation. Their concerns were largely focused on the same practical issues that affected all the other regions. We made efforts to allay their concerns, but the returning officers remained unconvinced that effective elections could be held in Scotland in June on an all-postal basis. As a consequence of those concerns, which were in essence about operational capability, the Government were advised, particularly by the Secretary of State for Scotland, that we should not proceed with an all-postal pilot in Scotland.

Government officials then spoke to the returning officers for Yorkshire and Humber and the north-west, which were the next in the Electoral Commission's ranking. In Yorkshire, there was little enthusiasm from the returning officers for piloting the election, although the electoral administrators were confident that they could deliver successful pilots. That point was conceded by the hon. Member for Surrey Heath; there is a difference between the returning officers' approach in Scotland and in Yorkshire. Although they expressed little enthusiasm in Yorkshire, they recognised that the region could work together to deliver a successful pilot scheme. The returning officers' level of confidence is very important. Similarly, in the north-west, they were also very confident that they could deliver, despite the Electoral Commission's concerns about the complexity of a successful all-postal election. The electoral administrators' views have become an important part of the ultimate decisions that we hope to take about which regions will be selected.

Although enthusiasm and willingness are important in the consultation exercise, and while the Electoral Commission's recommendations are clear, they are, ultimately, recommendations. It falls to Ministers to make decisions to put before Parliament on which region should be chosen. We have decided that operational capability and capacity to deliver successful elections must be the paramount concerns. That was the rationale behind our decisions.

Mr. Hawkins: The Minister says that it must be for Ministers to decide and to put the matter before Parliament, but does he not think that it is completely inappropriate to put the matter before Parliament in a two-paragraph written statement? Should not matters as important as this—when the Government disagree with their own independent Electoral Commission—be debated? Should not everything that the Minister

announced on 23 January be properly debated in the main Chamber so that we can see whether they were right to reject the Electoral Commission's advice?

Mr. Leslie: First, I do not think that it is inappropriate to make announcements to Parliament in written statements; I think that that is the appropriate manner to make announcements. Secondly, Parliament will have every opportunity to debate the recommendations that Ministers make in the Bill, including any amendments that have been tabled in another place, when the Bill returns to this House. That is a fair approach. We do not want to stifle debate. Heaven knows, we have had every opportunity this morning to investigate many of the issues.

I, together with the Secretary of State for Constitutional Affairs and the Lord Chancellor, met returning officers from Yorkshire, Humber and the north-west to investigate how they feel about operational capability and whether they can deliver. I do not want problems to develop in elections. That would clearly not be in our interests. We have been careful to take into account their views on the capacity to deliver. Consequently, we have made decisions about the four regions that we want to recommend. The hon. Member for Surrey Heath made fun of the fact that we initially asked the Electoral Commission to recommend three regions. It made two firm recommendations and then suggested a list of others, ranked in order, as potentially suitable. So it is open to us to make a choice from that second-rank list. That is not in conflict with our decision.

My hon. Friend the Member for Glasgow, Anniesland highlighted a number of significant benefits that arise from all-postal voting. First, he referred to the convenience that it offers the voter. He is absolutely right. Experience shows that a large proportion of the electorate would prefer to vote by post rather than go to a polling station, so postal voting also helps with participation. Secondly, all-postal voting gives voters a greater sense of control when choosing whom to vote for and casting their vote. It is not just about convenience for the elector; it also gives the elector more time, after receiving the ballot paper, to consider the candidates and the news in the media, and to look at the literature from candidates from different parties. Electors do not need to make up their mind on the spot: they can consider the matter in greater detail and become more aware of who is standing for election before casting their vote and returning it in good time. Some critics may have overlooked that benefit.

All-postal voting is extremely popular and higher turnouts also produce other benefits, such as more interest in local politics and a greater sense of mandate for those elected on a higher turnout. The MORI opinion poll commissioned by the European parliamentary office predicted yesterday that only 18 per cent. of the population were certain to vote at the June European elections. We should all be exceptionally concerned about that. One way, though not the only way, in which we can make it easier for people to express their views is to make it more convenient for them to vote by testing all-postal voting on a scaled-up basis. That is precisely the policy that we are pursuing.

The hon. Member for Somerton and Frome (Mr. Heath) raised specific concerns about all-postal voting, which he has mentioned before, and the unease felt in some quarters. I appreciate that that is the view of the Electoral Reform Society, a body quite different and distinct from the independent Electoral Commission, which comes under the auspices of the House and from which we prefer to take our advice and recommendations. The Electoral Reform Society suggests that there is a possibility of greater fraud with all-postal voting. That criticism does not necessarily stand up to scrutiny, although there have been concerns about ballot papers going astray or falling into the wrong hands.

There is no fail-safe electoral mechanism. We should not look at all-postal voting in isolation and pretend that every other electoral system is watertight. Much can be done to ensure that people are aware of their rights and responsibilities in all-postal voting. Amendments have been tabled to the Bill to extend the ability to prosecute personation, to extend the offence of personation outside the polling station and to ensure that we put other security improvements in the pilot order. The Electoral Commission also recommended a code of practice for political parties and their workers and set out acceptable practices for dealing with postal votes. I fully support the development of such a code of practice and urge all those involved to abide by it. Everybody should know where they stand on the rules.

Mr. McLoughlin: Should the Government's proposals be accepted, and there is every likelihood that they will be, will the Minister assure us that all the rules relating to the last day of recommendation, the last day for ballot papers to be returned and so on are given to the political parties and the regions concerned well in advance of local elections? At the last general election, changes to postal voting were made late in the day for all political parties to be able to understand them. If he introduces such a system, I hope that he has a better timetable than the one used at that election.

Mr. Leslie: The hon. Gentleman makes a fair point about providing information not just for the public, on their rights and responsibilities with regard to postal voting, but for political parties. I appreciate what my hon. Friend the Member for Bedford said about not running elections simply for the convenience of political parties and that, although polling day might feel more like an anti-climax under all-postal voting arrangements, we should not consider simply what suits a particular political party. Nevertheless, it is important to allow parties to adjust their campaigning capabilities to the new circumstances. We want personal contact with the electors and for electors to receive information from different candidates. So it is important to share information as widely as possible and I take the point made.

There have been a number of criticisms. The criticism of funding has been addressed by ensuring that pilots will be fully funded from the centre. Those criticisms are not onerous and can be overcome by the work that we have put into the Bill. I hope that the House understands the rationale behind our decision.

John Robertson: Does my hon. Friend have any intention to distribute literature to explain postal ballots

[John Robertson]

and proxy votes, not just in pilot areas but across the country? Everyone should be able to understand their voting rights.

Mr. Leslie: There is certainly a fine balance to strike between the state producing too much literature at expense and us giving people information on how to vote. In the previous European elections, in which the new electoral system was used, a leaflet was distributed to every household to explain that new system. We have no specific plans to repeat that exercise, but I will certainly consider my hon. Friend's concerns.

It is important to commit to improving electoral turnout and to make voting more convenient and attractive for the whole population. Therefore, we intend not only to improve piloting, but carefully to monitor and evaluate that process in conjunction with the Electoral Commission. I hope that the House will continue to scrutinise the issue and will welcome our initiatives.

Mr. Hall: In the few seconds that remain, will my hon. Friend briefly outline the programme that the Government may follow with regard to examining the September report of the evaluation of the elections in June?

Mr. Leslie: There is specific provision in the Bill to make the evaluation and for the Electoral Commission to undertake that independently. We will carefully consider that. We want to extend new forms of voting, but it is important to evaluate each pilot step by step to learn lessons, and I commend that approach to the House.

Feudal Land Law

11 am

Paul Flynn (Newport, West) (Lab): On new year's day, 40 families in the beautiful village of Peterstone Wentloog, formally known as Llanbedr Gwynllwg, in the rural part of the city of Newport, received a bombshell in the post in the form of a letter demanding 9 per cent. of the value of their homes in return for permission to have vehicular access to those homes—access that they have enjoyed all their lives. The letter also demanded that they pay the legal fees of the person—Mr. Mark Roberts of Friar's Point, Barry island—who claims ownership of the land, in particular the common land, that is near their homes. It threatened litigation if they did not speedily accede to that extortion.

Many of the residents are elderly. Some inherited their homes. They are almost all of modest means and it would be impossible for the great majority of them to pay the sum demanded of between £19,000 and £45,000. Understandably, the letter caused great distress, anger, fear and resentment. The residents sought legal advice immediately, but the news was, for some of them, very depressing. As this area of law is little understood, much of the legal advice was that they would be wise to settle with Mr. Roberts and pay those amounts. The alternative was to go to law. That could cost between £40,000 and £50,000, and they would still have to pay the money demanded.

In addition to the threats in the letter, a caution was placed, through the Land Registry, on land near the residents' homes. That made their homes unsellable because if people sought to buy them, they would discover the caution and, understandably, would not want to face the possibility of bills of between £20,000 and £100,000 on the purchase of properties that are, in some cases, worth less than that.

That extraordinary situation is not unique and has been raised in the House of Commons before. It relates to a part of the law that has been exploited by two people, Mr. Michael Farrow and Mr. Mark Roberts, in other parts of the country. I am grateful for the help that I have received from other hon. Members who have experienced similar problems in their constituencies as far back as 1999. Mr. Roberts and Mr. Farrow have deployed the scam in places such as Newtown, near Newbury, where a campaign has been going on for five years, in Alstonefield in the Peak district, in Chalfont St. Giles and in Holmbury St. Mary near Guildford.

The claim to ownership of the land known as Broadstreet common in Peterstone Wentloog is based on the manor of Romney title, which Mr. Mark Roberts purchased at an auction. As a result, he claims ownership of common land. Many of us probably believe that no one owns common land but, sadly, at least half the commons in the country have owners and it is possible that they could make claims.

The legal position is a morass. It goes back to changes in the Law of Property Act 1925. Rules were changed that were beneficial to home owners, allowing them to gain access to their homes, particularly if they had been using that access for 20 years. To simplify a highly complex situation, let me explain that, sadly, a decision taken in a notorious court case in 1993—Hanning *v.*

Top Deck Travel Group—allows the loophole to be exploited. That is now the settled law. The decision that has been exploited was taken on the basis that no one should be granted a right of access for vehicles under the 20-year rule, because crossing the land in a vehicle was a criminal offence.

That has a perverse effect as far as my constituents and those of several other hon. Members are concerned. I am grateful to the hon. Members for Guildford (Sue Doughty) and for Beaconsfield (Mr. Grieve), the right hon. Member for North-West Hampshire (Sir George Young) and my hon. Friend the Member for Staffordshire, Moorlands (Charlotte Atkins) for their help with the debate. They have all been affected by similar scams.

One of the groups—the Newtown Common action group—has conducted a vigorous campaign during the past four years. I pay tribute to it because it is made up of people of modest means who have had to spend more than £100,000, which they raised in whist drives and other fundraising events, to take their appeal against the judgment in the case of Hanning v. Top Deck Travel Group through the courts. The case has reached the House of Lords, where the Law Lords will make their decision on 25 and 26 February. The group's fight is about the right to use access ways across common land that have been established for 20 years or longer. If the decision goes the right way, there is hope that there will be some relief for my constituents.

The Peterstone Wentloog village group has formed a resourceful and energetic action team. I attended a meeting a fortnight ago, at which there was great gloom and despair because it had just received the threat. The mood was low. Another depressing factor was that at least two families who live nearby had already acceded to the demands of Mr. Mark Roberts. Deciding to cut their losses, they paid the amount involved. I cannot give details because the court placed a gagging order to prevent them from discussing it. However, the villagers are aware of those payments, which have added to the pressure on them.

There was more optimism at a meeting on Sunday because several beneficial things had happened. One problem was the difference in the laws in England and Wales, but that was solved thanks to the swift work of my colleague Mrs. Rosemary Butler, the Assembly Member for Newport West. She has persuaded Carwyn Jones, the relevant Minister in the Welsh Assembly, to introduce secondary legislation this week. It will be retrospective and mean that an outrageous claim for 9 per cent. can no longer be made. The maximum will be 2 per cent., which is still an unfair amount when people are effectively paying for nothing, but at least the sums that are demanded are being reduced. There has also been further action from Newport city council, which has sent a letter to Mr. Mark Roberts to demand that he provides more evidence of his claim to ownership of the land.

We are going over ground that was covered some years ago by the village group in Alstonefield. One of the leading campaigners, Sue Fowler, is contemptuous of Mark Roberts' claims. She reports that he did not produce any convincing evidence when he was challenged in court to prove ownership of the land. It was all very nebulous: he reproduced ancient statutes, but nothing to convince people that he was entitled to the ownership of the land involved. Sue Fowler also reports that the whole legal area is greatly uncertain. It consists of what remains of a feudal system that is little understood by many lawyers, civil servants, land registry officials or government bodies. Consequently, people are left wide open to abuses by unscrupulous people, such as the two I mentioned.

Sue Fowler also said that historians and other scholars had advised her that the titles, which are often up for auction and bought for vanity, are empty and have no powers attached to them. It is likely that the claims made by Mr. Mark Roberts are baseless, but even if it is discovered that there is no substance to his claims, my constituents and people in other villages will have been subjected to enormous distress and expense in defending their case.

The laws relating to manorial laws were laid down by common law rather than statute, which is reminiscent of many cases we hear about. There was a famous story of a student at Oxford turning up at an examination and producing an ancient statute that said he had the right to have a pot of ale during his examination. The university authorities provided him with a pot of ale but fined him a large sum for not wearing a sword.

There are things with which the lord of the manor in this case has not complied. I am informed that for a manor court to exist it must have a lord and suitors and established customs. To claim a manorial lordship the lord must hold a court of recognition at which his free and unfree tenants "do suit". In other words, they must acknowledge his or her lordship. The lordship must hold a court in the manor at least once a year to which all suitors over whom he claims jurisdiction have been summoned. Without that annual event the lordship ceases to be. That is further convincing evidence that the claims of Mr. Mark Roberts about his lordships are empty.

The victims of this scam have run their campaigns at their own expense. They have borne an enormous burden financially as well emotionally. They do not fight just for themselves. Contrary to popular belief, many commons and common land in Britain are in private ownership. The scam could multiply throughout the land and affect many millions of people. If land ownership is established by someone buying a title, they could make similar demands for wayleaves, public utilities, electricity lines, power cables and sewers that run through the land. There will be enormous repercussions if those two men get away with it.

I am grateful for the attention that the Minister has given the matter. Does he know of any national funding that could be made available to help those groups, which are fighting a national cause? I have been in correspondence with Baroness Scotland who has kindly kept me up to date on the effect of other proposals to reform land law. I understand that no final decisions have been taken. In the light of what has happened in Peterstone Wentloog and other villages, a review of manorial land law should be a priority above all others in that reform. I understand that the consideration of what the review should include has been going on for some years now. Will the Minister energetically back manorial reform in the package?

I should also like an overdue change in the law that would exempt homeowners and tenants from easements. There might be a case in some circumstances

[Paul Flynn]

for charging for easements in areas where the landowners are conscientiously caring for it and keeping it in good order. That is not the case with the case that concerns me. The two individuals involved have no interest in maintaining the common land and live many miles from it. What about ending the sales of titles? Many of those sales are entirely fraudulent and the one highlighted on the internet site showed that half the manorial rights that were being sold were entirely fictitious and had no basis in history.

I informed the solicitors who produced this atrocious letter that I would name them today if they still had Mr. Mark Roberts as a client. Yesterday they told me that they had had a meeting with the solicitor and his partners and decided that they would continue to serve Mr. Roberts in his campaign of extortion. Their clients, and potential clients, should note their names if they are considering doing business with them and decide for themselves how scrupulous they might be in serving their clients. Their names are: Donald Gray, Bethan Darwin, Jason Smith and Rhodri Lewis. What they are doing may be legal, but such extortion is unethical, unprincipled, cruel and immoral. Mark Roberts and Michael Farrow are parasites feeding off others; the solicitors who feed off them are the parasites' parasites.

11.16 am

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. David Lammy): I congratulate my hon. Friend the Member for Newport, West (Paul Flynn) on securing the debate and bringing to the attention of the House the need for reform of the remnants of feudal and manorial law, which in some parts of the country are causing serious problems in people's everyday lives. He made his case thoroughly and powerfully.

The Government have introduced specific reforms that should address the worst of the problems highlighted by my hon. Friend, but fundamental reform of this difficult and complex area of law may be needed. That would be a significant undertaking requiring considerable expertise.

My hon. Friend made his case by highlighting the sufferings of his constituents in Peterstone Wentloog, where properties adjoin the Broadstreet common. They have endured a campaign by the said Mark Roberts, the so-called Lord Marcher of Trellech, who, effectively, has forced them to buy the rights of their vehicle access to their own homes, asking prices that are more than 400 per cent. greater than will prevail when section 68 of the Countryside and Rights of Way Act 2000 introduces a statutory right to a vehicular right of way. That is already in force in England, and it will come into effect in Wales later this year.

We have heard about the campaign that is affecting these good people, many of whom are elderly, and about the hardship, stress and pain that they have suffered. This matter involves more than just the vanity of the Lord Marcher of Trellech; to some extent, it is a means of exploiting the lacunae in the law. In Wales, the law relating to common land is devolved to the National Assembly for Wales, which is therefore responsible for the implementation in Wales of section 68 of the 2000 Act. Like my hon. Friend, I was delighted to learn yesterday that Carwyn Jones, the Assembly Minister for Environment, Planning and Countryside, has decided to use the executive procedure to implement section 68 later this month, rather than waiting until the present consultation exercise is complete. I hope that that will do a great deal to bring immediate relief to the home owners of Peterstone Wentloog.

However, rights of vehicular access over common land are not the only remnant of feudal and manorial land law that might cause problems to ordinary people. My hon. Friend referred to the recommendations of the Law Commission and the Land Registry in their report "Land Registration for the 21st century: A Conveyancing Revolution", published in 2001. They recommended that there should be a clear and comprehensive legal framework to govern both the holding of the land by the Crown and the royal duchies, and the circumstances in which ownerless land passes to them. They also commented that they could not immediately see any good reason for the retention of the remnants of feudalism in land law in England and Wales.

At much the same time, problems similar to those at Peterstone Wentloog, involving the same Mark Roberts, were occurring at Alstonefield in Staffordshire, in the constituency of my hon. Friend the Member for Staffordshire, Moorlands (Charlotte Atkins). Concern about those problems highlighted the need for consideration to be given to the reform of the remnants of the manorial system. Since then, as I have mentioned, section 68 of the 2000 Act has come into force in England and we can look forward to it doing so in Wales.

In addition, we have brought the Land Registration Act 2002 into force, which has made significant changes to the law relating to manors. Most importantly, manorial land will now have to be registered in the same way as any other land when it changes hands and, after a 10-year transitional period, manorial rights will have to be registered to bind purchasers of the land that they affect. That should do much to dispel the uncertainty and confusion created by purchasers buying strips of land in such a way and felt by those needing access to that land. However, neither Act modernises the underlying remnants of feudal and manorial law. To test the need for reform, my Department carried out a limited consultation with other interested Government and Crown bodies. It established that there was general support for fundamental reform.

My hon. Friend the Member for Newport, West has said much about the antiquated nature of the laws in this area, and the legal theory underpinning the ownership of even the smallest piece of land in England and Wales can be traced with relatively few evolutionary steps back to the Norman conquest. If you, Mr. Cook, or I own freehold property, we are tenants in chief of the Crown or one of the royal duchies of Cornwall or Lancaster. We do not own the land; we own an estate in land known to all land law students as a fee simple absolute in possession. I suspect that that legal theory does not bear much relation to everyday life, and it causes few problems in practice.

The same cannot be said of the rules that apply if, following insolvency or intestacy, a freehold estate reverts to the Crown. Therefore, there are benefits from

that side. That happens about 300 times a year. I will not go into too much detail, but Charles Harpum, the former law commissioner, in something of an understatement, commented:

"The present state of the law can be described rather charitably as nonsensical."

Following discussions with my Department, the Law Commission is considering whether the proposed reviews should form part of its ninth programme of law reform. I have no doubt that it will pay much heed to what Charles Harpum said. The draft programme will be sent to my noble Friend the Secretary of State for Constitutional Affairs for approval later this year. Whether the reviews of the feudal and manorial systems will be included in the programme depends on their relative priority compared with other proposed reforms. The proposals have no special priority in the assessment process; there are always several worthy contenders for each place on the programme. Any further reform that results from the process will, of course, have to comply with the European convention on human rights.

My hon. Friend asked whether funds would be available, and I have to say that no special funds would be. Clearly, in all areas there is a question of priority and my Department would have to balance scarce resources. However, I hope that section 68 and capping the amount involved at 2 per cent. will alleviate many problems. I am also aware of the pending appeal to the Law Lords, which may provide additional comfort to my hon. Friend's constituents, although equally it may not. We must wait for the Law Lords' decision on that case.

In conclusion, I hope that the measures that the Government and the National Assembly have taken will alleviate the problems of the people of Peterstone Wentloog and ensure that such exploitation cannot be repeated. I also hope that a way will be found to replace the remnants of feudal and manorial law with a clear modern code that fits with the current environment. We in the Department for Constitutional Affairs have done much to update arrangements and I am sure that this is also a worthy case.

11.29 am

Sitting suspended till Two o'clock.

Sickness and Disability Benefits

2 pm

Sir Archy Kirkwood (Roxburgh and Berwickshire) (LD): I am pleased to spend some time this afternoon discussing some of the implications of the important report produced by Citizens Advice Scotland at the end of last year, entitled "Riding the Benefits Roller-coaster". The report reminds us that, although we are always looking to the future and seeking to improve policy—which is right and proper—there are significant lessons to be learned from examining how the existing system works. I hope that we shall be able to get the Minister to listen to some of the real experiences of people that are mentioned in the report. We can learn from the existing system, and we must, if we are to do justice to the needs of our constituents who suffer from sickness and various sorts of mental illness and other disability.

I am sure that I echo the view of all colleagues in saying that we recognise the service that citizens advice bureaux provide nationally, as well as in Scotland. As professional politicians we can never be experts in all things, but the valuable service, volunteers and expertise that are enshrined in the citizens advice network make up an invaluable resource, assisting our deliberations and helping our constituents to get the entitlements that they deserve. I hope that this debate will be taken in that spirit.

Reading the report, I was struck by the extent to which we do not consider disability in a long-term way. I know the particular circumstances of the Government's drive to abolish child poverty by 2020. That is an ambitious plan and it has made the research community and the pressure groups involved think a little bit more about the long term. Perhaps that is a lesson that we can learn from by applying the same long-term thinking to sickness and disability. I hope that the Government will start thinking about that in future.

I have come to the conclusion that the piecemeal review and reform process that we have had until now has left us with a conflicting system that is contributory and means-tested, has an element of medical testing and is increasingly work-related. In relation to sickness benefit, it becomes ineffably complicated—even those of us who study such matters struggle. Perhaps there is a case for asking, if we want to change things in the long term by 2010 or 2020, where we want to be at that stage. That would give us a focus with which the rest of the policy could be configured. Such things take time to change, and if one adopts a piecemeal approach the temptation will be to fix a short-term problem, which means one ends up adding to the complexity. The question is not an easy one, but a longer-term view—a five or 10-year strategy—on sickness and disability is greatly needed.

In the short term, there are things that we can do to fix the existing system, and I want to concentrate on the contribution that the Citizens Advice Scotland report makes in that regard. I acknowledge at the beginning that the Government have done an enormous amount in the field of benefit policy and reform. Work-focused active benefit policies have been successful, but it is fair to say that it is now time to turn to the other half of the promise. Arguably, not nearly so much has been done

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for those who have no realistic prospect of work. We must turn our attention to giving security to those who cannot be expected to work.

Perhaps the Minister can put me right, but I do not believe that the Government have stated recently which cohort of the population they consider to be excluded from work. Which people in today's circumstances does society believe can legitimately be excused from work? There must be some, and we need to be clear about how we serve them, as well as those who compete in an increasingly competitive labour market.

From my constituency experience and from watching carefully the work of the Select Committee on Work and Pensions, it is increasingly obvious that the transition phases are often the worst for sickness and disability claimants. The transition from school to work—going from the education system to the benefit system—is not always easy, nor is the transition when a person falls out of work and goes back to benefits. People always find it difficult to deal with transition phases. Finally, the transition into retirement is another vulnerable period in a person's life history, particularly if they are on incapacity benefit. It would be constructive if we were to start concentrating a bit more on how changes take place in transitional phases.

Jobcentre Plus must be monitored very carefully, because whatever successes it may have in its more active focus on work, there are real and exceptional needs for the specialist expertise that is available in its regime, as well as for the package of continuing support that must be offered to disabled and sick claimants. I have always believed that the success or otherwise of the work-focused policy depends on realistic case loads. I sometimes worry and fret when I hear stories about case loads that I consider unrealistic in terms of meaningful delivery of support and back-up, even for able-bodied claimants trying to get back into the labour market. If that is true for such claimants, it is certainly true of people with sickness and disability. New structures by themselves are not the whole answer, particularly when there is still, alas, a highly discriminatory aspect of the labour market that is often a hurdle on which people who are seeking work, and especially those with disabilities, flounder.

If that is all true for people who are sick and disabled, it is certainly true in spades for people with mental illness. I have noticed a dramatic change in my constituency during the past 20 years. I do not know whether diagnoses are cleverer or whether the medical services are better at picking up on mental illness, but it is now a huge issue. If that is true in a constituency such as mine, it must be more so in urban constituencies and centres.

That is some background to issues that Parliament must consider. The report, "Riding the Benefits Roller-coaster", was very stimulating. Nothing that I read took me by surprise, but I came to the conclusion that we really need a period of considered reflection on some of the evidence that it presents. It was compiled on the basis of real evidence and was submitted by Citizens Advice Scotland, including the excellent CAB in Hawick.

The report examines the complex statutory regime governing entitlement to social security benefits for sickness and disability. It reports experiences of CAB clients throughout the whole process, not just when claiming benefits but from decision making and medical examination all the way through to the appeals system. It is true and fair to say that the report finds that obstacles are being put in the way of legitimate claimants at every stage in that process.

While the report recognises, as I do, that the Department for Work and Pensions is pursuing several initiatives and that it hopes to improve the way in which medical benefits are assessed and administered in future, it concludes that the present system is not delivering what the Government have promised, and if that is true we must consider the matter further. I hope that the Minister will get a chance to answer some of the points raised in this afternoon's debate.

The report covers a lot of ground, and it would be impossible to do it justice in the course of a 15 or 20-minute opening statement. I shall consider just two aspects for illustration: incapacity benefit and disability benefit. I have some constituency experiences in this regard, and I think they would be valuable to share with colleagues.

On incapacity benefit, the report rightly highlights the question of permitted work. The changes to the new permitted work rules came up in evidence to the Select Committee when the Secretary of State was in front of us, and it was my hon. Friend—I call her that in the context of our Select Committee work—the hon. Member for Aberdeen, South (Miss Begg) who acutely raised the important question of the different phases of the 26-week rule for permitted work. The new rules disregard income for those in permitted work, working fewer than 16 hours a week on average, with earnings of no more than £67.50—but that lasts for only 26 weeks. That period can be extended for a further 26 weeks if a person is working with a personal adviser or a job broker, and if that adviser agrees that another 26 weeks will help them move towards work of 16 hours or more, but after that time the disregard falls to £20. As the hon. Lady acutely pointed out to the Secretary of State, there is a real danger of ping-pong as people float between the two rates.

In April this year, I understand that the system will have been in operation for two years. It would be interesting to have figures on the permitted work regime—what proportion of people are on the higher rate and what proportion are on the lower; how many have had that 26-week period extended, and indeed how many go on to raise their hours beyond 16. The Secretary of State said in response to the hon. Lady that he was trying to increase the then therapeutic earnings from a 1 or 2 per cent. base to a 2 to 4 per cent. base, and it would be interesting to know whether that has been achieved. I would not expect the Minister necessarily to have that information off the top of her head, but it would be helpful if she could write me a note on the matter if the figures are available.

The CAS report raised the fact that, while incapacity benefit may not be affected by the permitted work income, that is not the case with housing benefit and council tax benefit. They do not disregard these earnings, which means that a lot of people do not really

gain financially from their permitted work. This is a shame, as the permitted work mechanism has a lot of potential and could be expanded. It may just be that the Government plan to run the current rules for a couple of years, see how it goes and then look at the possibility of expansion, and I hope that they will be encouraged to do that, but it would assist the rest of us in making sense of how effective the scheme is if the figures were available.

It will come as no surprise to any of us that passported benefits are raised in the report—I am sure that the issue comes up regularly in all our surgery casework. The report clearly shows a number of continuing problems relating to incapacity benefit. The most obvious one is that because the benefit is contributory, those in receipt of it do not automatically qualify for passported benefits—although they can if they are getting another means-tested benefit such as income support. Assistance in the form of free prescriptions is also sometimes available to incapacity benefit claimants through the lower income scheme.

One case that sticks in my mind is that of the incapacity benefit claimant whose payment was uprated by £2.50, but the amount relating to income support was uprated by only £1.20. The differential method of uprating income-related benefits and contributory benefits meant that he was no longer able to get passported benefits. That can involve a dramatic increase in weekly costs.

Another case clearly demonstrates the point in another way. A person who spends £20 a week on prescriptions had his application refused on the grounds that his income exceeded his requirements by just 15p a week. His income was £74.60 and his assessed requirement was £74.45. That is a high tightrope to fall off when £20 a week is being spent on essential medicines.

The report suggests creating some sort of buffer zone. I know that it is not easy. It would complicate the system, and I have already said that it is about time we simplified the system. I understand that such situations are complex and difficult, but the cases that are highlighted starkly and clearly in the report are unfair and should be considered.

The review process for incapacity benefit needs to be reconsidered. There are exceptions to the rule that incapacity benefit awards must be reviewed every three or five years. People entitled to the high-rate care component are an example. The report also found examples of people entitled to the high-rate care component within disability living allowance who continued to receive review questionnaires. The Government should consider that.

In passing, the report also makes the point that claimants waiting for an appeal relating to incapacity benefit face claiming jobseeker's allowance, which they do not like to do, or moving to income support, but suffering a 20 per cent. deduction. I remind hon. Members that the Government claim that the applicable amount for a single person over the age of 25 is £54.65 a week. If 20 per cent. is taken off, we are asking single people over the age of 25 to live on £43.72 a week. That is not fair.

It struck me in reading the report that the standards of decision making for disability living allowance are getting worse—if I read the figures correctly. I went back and checked, and according to last year's report on the standards of decision making in 2001–02, 55 per cent. of all decisions taken were correct. In 2000–01, the accuracy level was 61 per cent., so it seems to be slipping, which is a matter for concern. I would expect Ministers to be asking some pretty pertinent questions about the systems if they have been presented with those figures. I hope that the Minister will look carefully at that.

About 20,000 appeals are lodged each quarter. The figures for the second quarter of 2003 for disability living allowance and attendance allowance appeals show that in 62 per cent. of oral hearings the applicant was successful. That almost makes appeals relating to DLA and AA the most successful of all benefits appeals. The compensation recovery unit comes out top, with a success rate of 84 per cent., but far fewer cases are involved. That raises some real questions.

It was the conclusion of Judge Michael Harris, in his latest president's report on decision making within the Department's agencies, that the decision-making process, and in particular the process of information and evidence gathering that takes place at the first stage and subsequently, when the decision is reviewed following the appeal, ought to be more rigorous. That is true. The evidence in "Riding the Benefits Roller-coaster" underscored that for me very graphically indeed.

The example that leaps from the page and demonstrates the truth of the points that have been made is the case of the son suffering from a rare genetic metabolic disease that is new to me, called medium chain acyl-coa dehydrogenase deficiency, or MCAD. The diagnosis was confirmed by the child's GP and a consultant. His care needs were extensive. His claim was turned down, but his brother, who suffers from the same condition, got the award. It seems to me impossible to understand how the system can come up with two such blindingly different decisions. Poor decision making causes financial and emotional distress. I do not see enough evidence that it is being tackled by the Government, though it is a problem that they recognise.

I have raised the periodic inquiry process for DLA in the House before, because I am still concerned that the evidence shows that one in five who have DLA awards are underpaid. Every time I consider the results of the periodic inquiries, I find that that does not change. It is true to say that a small number of cases are overpaid, but it is always the case that significant numbers receive less than they are entitled to. The last time I did the calculation was in 2002. When I added up how much it might amount to if everybody's DLA was reviewed, the net cost of changes in the sample was more than £160,000 a week. That was something like a 3 per cent. sample, and grossing it all up would suggest that one in five DLA recipients are being short-changed throughout the United Kingdom, to the tune of about £5 million a week. That is a concern to myself and to colleagues.

To give a closing example from the report, there is evidence—I have had a recent example of this in my constituency—of people being afraid to challenge a DLA award. If claimants have both elements of a DLA award, both are considered, so someone who wants to challenge a higher-rate mobility and a lower-rate care award risks having both elements reviewed. People are frightened to take the risk, despite the fact that they

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think they have had a bad decision. I know that the situation is not an easy one to deal with, but I think that the Minister should consider it.

Moving away from the report, I was struck by the idea that John Wheatley floated in an article in *The Guardian* last week or the week before, that citizens advice bureaux might be able to act as electronic intermediaries for clients. The Department is spending a lot of money on getting the ICT system sorted out and it is troublesome because large technology projects are not always easy to implement, but if we could get to a situation where clients, working with dedicated CAB computers, such as in the Hawick office, have a direct link into the official system, and there is a direct delegated authority available to the Department from the client, the John Wheatley case is that, in those restricted, carefully controlled circumstances, CAB advisers could deal with complicated sickness and disability cases. There is a case for considering that as a way of short-circuiting the process and making it more transparent, providing a better service for the clients. All sorts of complications might make that difficult to do, but it is something that the Department should consider.

I am pleased to have the opportunity to spend a little time recognising the work done on the report and that CABs do generally. We should consider some of the benefits strategically and in the longer term. If it were left to me, I would take five or 10 years and ruthlessly simplify the whole thing. I would work with the research community and pressure groups and say to them that over that period we must make the system more understandable. It is too complicated even for me, and I am supposed to be a specialist. If it is too complicated for me, it is too complicated to be relied on to serve our constituents well.

2.24 pm

Miss Anne Begg (Aberdeen, South) (Lab): I thank the hon. Member for Roxburgh and Berwickshire (Sir Archy Kirkwood) for securing the debate. I commend much of what he said—I hope that this does not sound too much like a Select Committee love-in, with cross-party agreement on the various things done—but, rather than repeating it, I start by paying tribute to the work of the Minister, who has always listened to the points that we have repeatedly made with regard to sickness and disability benefits.

The Minister understands the subject extremely well, and I think she is more aware than anyone of the difficulty of bringing about changes to those benefits. That is partly due to their complicated nature, as the hon. Gentleman mentioned: if we start changing one aspect of one benefit, that can have repercussions that not everyone appreciates, so it is very difficult to model or plan the exact impact on the other benefits.

Although I had not intended to say this when I came to the debate, I am tempted by what the hon. Gentleman has said. Perhaps we should be looking to the future, and some strategic plan for how we can involve the disabled community and society in general in a debate on where we want to be by perhaps 2015 or 2020 with regard to disability benefits, simply because the system is extremely complicated. We would hope that there is a means of simplifying it.

That must be a long-term aim, and we must engage with those who will be affected, because whenever any reform is suggested with regard to disability benefits there is a fear, first, that the Government are bent on saving money and, secondly, that in any reform there are often winners as well as losers. We must guard against that.

The discussion must be held more widely than within the confines of this place so as to look ahead and get some strategic views on how we can deal with this issue. Now is probably the time to start that, thanks to a lot of the work that the Government have already done, particularly in changing the attitude that once someone is on an incapacity or disability benefit, that is it—they are essentially written off by society, and we no longer need to engage with them because they are getting their benefit, they do not need to bother anyone any more and they certainly should not be looking for work.

It has been interesting watching how the change has come about in my own constituency and elsewhere in Aberdeen. When it was proposed that the Government would perhaps like to get more people with disabilities into work, there was a lot of suspicion and anxiety as well as the fear that people would be forced into finding work. Now, a few years down the line, I have organisations coming to me seeking advice on how they can engage in the process and how they can get their client group into work and make them more work-ready. Voluntary sector organisations, which know that groups of people are sitting on incapacity benefit, are seeking advice on how they can get that group of people engaged.

I must also pay tribute to the work done locally by Jobcentre Plus, which has been very good at engaging with voluntary sector organisations and others in Aberdeen and has, in some cases, used them as subcontractors, which leaves the specialists to help people with disabilities into work. There is an enthusiasm that was not there five years ago, when there was fear and anxiety. Perhaps that is a lesson. We must ensure that if any changes are proposed to disability and incapacity benefits, they happen with the participation and consent of those who will be most affected.

I want to throw out for discussion a subject that I have pontificated on quite often—although I have not done the statistical and modelling work—and which is certainly something we have discussed in the Select Committee, and that is why incapacity benefit should exist at all. Why should there not be just one out-of-work benefit for everyone? Why should we let the benefits that deal with people's incapacity or disability involve differentiation between someone who is out of work because of disability and someone who is out of work because of unemployment?

I think that, sometimes, that is a false distinction, and the creation of one benefit would do away with the stigma of being on incapacity benefit or having to make the case that a person is unfit for work. The problem with incapacity benefit is that those who qualify have to make the case that they are unfit for work, when we want people to be judged on what they can do, rather than on what they cannot do. In spite of the introduction of the

personal capability test, the thinking is still that someone has to prove how bad they are, so that they can get their incapacity benefit, rather than worrying about getting the right level of benefit or the appropriate work for them. It is worth looking into that.

Most of the other points that I would like to make I have already mentioned to the Minister. One is about disability living allowance and its associated problems. I have no argument with disability living allowance being a difficult benefit to get—it should be, because we want to ensure that the people who get it are genuine cases and that it goes to the right people. It is also a passport benefit that leads to many other benefits, so, if someone is judged to require the higher rate for care or mobility with regard to disability living allowance, the door is open for a lot of other benefits.

The criteria are very strict, which is absolutely right, but we should ensure not only that they are strict, but that they do not act as a barrier to the genuine claimant. This is a difficult assessment for the doctors to make, and very difficult for those making the judgement according to a filled-in form. The fraudster with an invisible disability can lie through their teeth—that their back is so sore that they cannot get out of bed in the morning—and what they say might be difficult to disprove, whereas, very often, the genuine claimant goes out of their way to show how much they can do.

I give as an example the lady who, when the doctor from medical services arrives, puts on a spread like your granny would put on, with all the scones and the tea, and the doilies and everything. The fact that she has done all that makes the medical examiner think that this woman can certainly look after herself, but he might not realise that it may have taken her three days to put the spread together and it will take her another four to recover.

I appreciate that there are difficulties, but one of the problems, which has been identified from a particular individual's case, is that sometimes the assessment is too mechanistic—there is too much box ticking to deal with whether something can or cannot be done. The example I am thinking of came out of a periodic review; I will come back to problems with those.

My constituent is partly blind and partly deaf, and has a bad back, but, because in the periodic review he did not hit the percentages needed to qualify automatically for his former level of DLA—regarding blindness or deafness or because of his bad back—his DLA was reduced. Anyone who knows this particular individual, and I know him very well, knows that, all those things considered, he is very disabled.

On my reckoning, my constituent should qualify for the higher rates of DLA, both in mobility and in care. He recovered some DLA on appeal, but there was a problem in the mechanistic way that the medical examiner considered his disability. Sometimes, a combination of different disabilities in the same person might make them extremely disabled because of the interplay of those disabilities and illnesses—it is not a case of 30 per cent. blindness and 30 per cent. deafness making someone 60 per cent. disabled.

I said I would come back to the issue of the periodic review. The same constituent and a number of others have found the same problem: if they go through a periodic review where the mobility element of DLA is reduced, they lose access to their Motability car. The problem is that if they get their mobility element reinstated on appeal, it is too late because in the intervening two or three months they have lost their Motability car and have been unable to get around.

Moreover, my constituent was considerably out of pocket, because he could not access a new Motability car that he had already ordered and paid a deposit for. Perhaps it would be worth awaiting the outcome of the appeal before removing the mobility element, particularly when a Motability car is involved and the loss of the benefit cannot be backdated. The use of a car that someone has not had for the previous three months cannot be backdated, so, where possible, the final decision should not be taken until the appeal has been heard.

If my constituent had been aware, in the periodic review, that he needed to get supporting evidence at the time of the initial contact with the medical examiner, as he did for his appeal, he might have been able to hand it over then. He did that subsequently—after he had lost his benefit—which is probably why his appeal was successful. Therefore, there should be a warning mechanism to let people know that, when they face a periodic review, it is better if they have all the evidence available for the medical examiner.

I also want to back up what my hon. Friend the Member for Roxburgh and Berwickshire said about it being time to look again at the permitted work rules. I have used the words "hon. Friend" too—is there a Select Committee love-in going on? Those rules have certainly encouraged a number of people to go back to work, but I know of someone who is ping-ponging backwards and forwards. That person has had a year on permitted work but is now going back to the lower rate of £20 a week—the old therapeutic earnings—and in a year's time may be able to do permitted work again.

There is a group of people—I have spoken to the Minister about this before—for whom the 16 hours will never be possible, and seven or eight are all they can manage. The permitted work rules allow them to do that. Would it be possible for them to stay on permitted work a little longer or could they move on to something else that reflects the permanent nature of the disability? I appreciate, as the Minister pointed out, that people cannot stay on benefit for ever and keep earning money on top of that for ever, but there may be some leeway in the permitted work rules to take account of that example.

I thank the hon. Gentleman for allowing me to put this case, which I have spoken and written to the Minister about, on the record. I hope that, in years to come, we will be back here discussing the new strategic design for incapacity and invalidity benefits.

Mr. Frank Cook (in the Chair): I should perhaps remind the Chamber that it is customary to start the first of the three winding-up speeches 30 minutes before the termination of proceedings—in other words, in 22 minutes.

2.39 pm

Annabelle Ewing (Perth) (SNP): I assure you, Mr. Cook, that I shall not take up the remaining 22 minutes.

I, too, congratulate the hon. Member for Roxburgh and Berwickshire (Sir Archy Kirkwood) on securing this important debate. Having heard the two contributions

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that have been made so far, I hope that I do not unduly upset the Select Committee love-in, but I have a few strident things to say. I see that the Minister is not the slightest bit surprised to hear that.

The issue of sickness and disability benefits is of importance throughout the United Kingdom. Indeed, I believe that in Scotland, some 13 per cent. of the population receive a sickness or disability benefit. The key question today is whether unnecessary and/or disproportionate difficulties are encountered in claiming the benefits. To put it another way, the question is about how effective the social security system is in supporting those who are sick or disabled.

In my experience to date as an MP, which is not quite as long as that of the other hon. Members who have spoken, and in seeing constituents who have had problems vis-à-vis the social security system, I have found that the system is not particularly effective in providing the necessary support. Constituents to whom I have spoken perceive the process as unduly complex and full of unnecessary uncertainty.

Many share that perception, which echoes concerns raised by the Citizens Advice Scotland report to which the hon. Gentleman referred. I should like to associate myself with his comments on the report, which is excellent. Indeed, I appreciate the invaluable work done in Scotland and elsewhere by citizens advice bureaux. I imagine that an invaluable service has been provided to the Department for Work and Pensions, as many people are being referred to the helpful staff working at the bureaux.

The report noted the uncertainty facing claimants and potential claimants as a result of the ongoing assessment of entitlement. No one is suggesting that there should never be a review, but many people consider the frequency of reviews intrusive in some cases. The fear is that they are simply designed to take away benefits. I recall cases in which a review has resulted in benefits being reduced or taken away despite the fact that the claimant's circumstances have apparently not changed one iota. That must be looked at very carefully. It is a pity that discretion has not been reintroduced to the benefits system, as it would benefit from such an approach.

The decision-making system was another key area to which the hon. Gentleman referred. He mentioned statistics for the last quarter of 2003, and I received another set of statistics for the year 2002–03 on 27 January in response to a written question. It appears that, in the year to November 2003, about 53 per cent. of disability living allowance appeals were successful and 48 per cent. of appeals about personal capability assessment under incapacity benefit were successful.

From my previous life as a lawyer, I find those figures alarming, because they suggest that there are serious flaws in the accuracy of the initial decision making. I wonder why that is the case. The matter must be considered because, as the hon. Gentleman mentioned, those appeal rates, excepting a few other specifics, far outweigh the success rates for any other benefit. There must be something that can be done to improve the initial decisions.

Reference has already been made to the quality of medical reports. The Citizens Advice Scotland report says that underestimation of disability is the problem, and that is a serious matter. The hon. Member for Aberdeen, South (Miss Begg) rightly said that there might have been a failure to consider the situation of individuals in the round rather than with regard to the ticking of boxes. It has certainly been my constituents' experience with the DLA that the approach is to tick a box, and that if they fall outside the categories or do not have enough ticks, that is it. That is a peculiar way of assessing whether someone is capable of doing various tasks.

I hope that we shall find out more from the Minister about why so many appeals are successful in comparison with appeals on other benefits. I also hope that she will comment on the quality of initial decision making and on the medical assessments, which frequently differ from those of the GP. I have always found it curious when someone has been a patient with the same GP for many years, but that GP's knowledge of the patient seems to be completely at odds with the view of the official medical investigator.

The quality of decision making is central. If people are knocked back when applying for the DLA, they may be deterred from pursuing their claim further. If the appeals success rate is 53 per cent., however, such people will be well advised to continue the process, as I always tell my constituents. However, many people are put off, and that should worry the Department. I wonder what estimate the Government have made of the current level of disability benefits that remain unclaimed. I fear that the number is unduly high.

I want to end on a slightly optimistic note, which may surprise the Minister, by welcoming the good news that the over-complex and long forms are to be simplified. I believe that there is currently a pilot project. Such a project could have been introduced sooner, but I welcome it now and I hope that it will be assessed and implemented throughout the UK as quickly as possible. I hope that simplification will mean simplification and that we will not see yet another example of the Government's increasingly flexible use of the English language in the benefits system. I welcome the attempts to simplify the form, but I caution the Minister that the other problems that have been identified must be addressed, as simplification of the form will not by itself solve the problem of the difficulties that people perceive when trying to claim sickness or disability benefits.

Mr. Frank Cook (in the Chair): For the benefit of the House, it might be advisable to remember that it is customary for those making winding-up speeches to take no more than one third of the time remaining in the debate, although they may take less if they want to do so.

2.48 pm

Paul Holmes (Chesterfield) (LD): I congratulate my hon. Friend the Member for Roxburgh and Berwickshire (Sir Archy Kirkwood) on securing this debate. He speaks with great knowledge as the Chairman of the Select Committee on Work and Pensions and with his long experience in Parliament, working on behalf of his constituents.

I associate myself with many of my hon. Friend's comments, including those in support of some of the Government's improvements to benefits provision, which is certainly much better than it was before 1997. I also associate myself with his praise for the excellent report from Citizens Advice Scotland. The report and its contents apply not just to Scotland, but are widely echoed in England and in the report from the excellent citizens advice bureau in Chesterfield. I know from my work as a local councillor for more than 12 years and now as a Member of Parliament, as well as from my dealings with, for example, the unemployed workers' centre in Chesterfield, that the sort of issues, difficulties and problem that the CAS report picked up on are certainly reflected throughout Chesterfield.

The report highlights several different issues, which hon. Members have mentioned. I will not repeat what they said, but I will highlight one or two of the things it covers, including the sheer complexity of the system, the multitude of benefits and the different ways of gaining access to them. As Chairman of the Select Committee, my hon. Friend is a specialist and probably one of the most knowledgeable people in the country on how the labour system works, but even he has trouble understanding it. People have brought me forms in my role as party spokesman on the subject or as a constituency MP, but I have had trouble understanding them because of the complexity of the system. I am a graduate—I also have a post-graduate certificate—and I find the forms very complex.

The system is so complicated that there is an industry to help people to unravel it. I mentioned the citizens advice bureaux and in many areas there are excellent unemployed workers' centres, which pick up much of the work. In Chesterfield, Derbyshire, there are county and borough council advisers who try to plug the gaps in the system and help to guide people through it. In addition, many people go to their councillors and their MPs' surgeries for help. An industry is devoted desperately to trying to clarify the complex system for individuals who are caught up in it.

Some Government policies make the system more complicated. The means-testing of different types of benefit is increasingly complex, which makes the entire system more difficult to use. The time available for people who work in the system is reduced by the introduction of blanket work-focused interviewing for various things, in particular for IB recipients, which adds to the strains on the system.

The hon. Member for Aberdeen, South (Miss Begg) referred to the fear engendered in many people when they receive a summons to attend a compulsory work-focused interview. Many disabled people worry that it will lead to the removal of their benefit, often after many months or years spent establishing their right to it. Many cases in Chesterfield reflect the experience of those in Aberdeen.

The hon. Lady gave examples of how many disability organisations are trying to overcome that fear by working more positively with the system. That has been my experience when I have talked to organisations throughout the country. However, individuals who receive a summons to attend an interview are still fearful; they often feel that the interview is too brief and that they are dealt with rather brusquely.

I echo the hon. Lady's comment that in assessing disabled people, we need to shift the system from focusing on asking disabled people to prove what they are incapable of doing to emphasising what they are capable of doing. For a long time, my party's policy has been to have a partial incapacity benefit rather than an all-or-nothing system. People would be able to do some work rather than having to prove either that they are totally unfit for work or that they are capable of doing full-time work. Progress is needed on that.

The role of the staff of the Department for Work and Pensions is crucial. For most people they are the front line—their first contact with the benefits system. The report from Citizens Advice Scotland gives some examples. It tells of a local DWP office in Scotland which stated that it was not the responsibility of front-desk staff to advise people on their entitlement. Even though that is the first port of call for almost everyone, they are being told by the local office, "That's not our job. Find out for yourself."

The report also mentions 22 per cent. of DLA and attendance allowance cases that were overturned on appeal. The president of the appeal system said that the the initial decision maker was unwilling to accept evidence that was available at the start of the process. The tribunal, however, did accept that evidence and overturned the decision.

Clearly, there are problems in the service as delivered through DWP staff, but that is not to blame those workers. The Public and Commercial Services union released a survey in May 2003 which reported that 72 per cent. of its staff working in DWP offices had thought of resigning because they were overworked and lacked staff. Low pay is a big issue among those Government staff. People who work in Jobcentre Plus offices have told me that, as the system is rolled out across the country, their work loads are increasing dramatically compared with work under the initial Jobcentre Plus pilots. The sheer quantity of casework that individuals are supposed to deal with has been mentioned. Talking to Jobcentre Plus staff in Sheffield, I was told that the training available has been cut as the work load has increased. However, as the regulations change regularly, the need for constant up-to-date training becomes more, not less, important.

The report also discussed the shift in the regulations from therapeutic work to permitted work, as hon. Members mentioned. I have two examples of that. The first is a public example, because it appeared in the local press in the west country. Carole Lilly, who lives in the Truro constituency, is 47 years old and is disabled. In 1999, her doctor told her to finish work completely because of her disabilities. After a while, she felt that she could not cope with staying at home watching television 24 hours a day and doing nothing with her life. She returned to work for a reduced work load of 10 hours per week. Under the new rules on permitted work, as opposed to therapeutic work, she will have to give up work. She calculates not only that that will have a negative effect on her self-esteem and her life, but that it will cost the Government an extra £3,000 in benefits because she will give up the low amount of work that she can do.

Another example is anonymous. It was passed to me only this morning, so I have not had time to check whether to make the name public. It concerns someone

[Paul Holmes]

who wrote to the Prime Minister on 8 January. She is a 28- year-old fully trained nurse who has had to give up work because of arthritis, osteoporosis and reflex sympathetic dystrophy. She did not want to waste her training as a nurse and did not want to spend her life

"sitting in front of daytime television",

as she put it in her letter. Having retrained as a medical secretary, she has gone back to work for six hours a week of voluntary work in her local hospital. She will be forced to give that up under the new rules that relate to permitted work rather than therapeutic work. She says in her letter to the Prime Minister that that will have an intense effect on her depression. Her doctor encouraged her to do some work because of that depression, which she fears will only return.

Miss Begg: It is worth pointing out that no one will be forced to give up work. If someone on the new permitted work rules is not working for 16 hours a week after a year, there is still provision for them to move to the £20 therapeutic earnings. Plenty of people—my cousin is one—work three days a week and still earn only £20 because they are on therapeutic earnings and have not shifted to permitted work. I accept, however, that the situation is not ideal and I want the Minister to consider the system. I hope that people are not saying, "I have to give up work." They are not allowed to earn as much as they did the previous year, but they still have their benefits and the extra £20.

Paul Holmes: I thank the hon. Lady for that explanation. In the first case I mentioned, the person works for 10 hours, but fears that she will have to give up that work. She gives the example of a colleague in the same situation who has already given up work. Whether, after going into the details of the system, she will have to give up work is another matter. The second instance—as I said, I received it only this morning and have not had time to reply to it—may fall into the category that the hon. Lady describes.

The system is complex. Many people's initial response to the complex regulations that they get through the post, and the instructions on how they reply to them, is often one of fear. The system must be simpler and better explained, and there should be more up-front support and advice from the Department for Work and Pensions. What we have is a network of other people, such as the CAB, unemployed workers' centres and MPs' surgeries, having to piece everything together.

On the issue of appeals, the hon. Member for Perth (Annabelle Ewing) picked up on the alarmingly high rate of successful appeals in some categories. I asked parliamentary questions on 9 June 2003, which I updated on 13 January 2004, on the number of successful appeals by the PCS. The rate of successful appeals is climbing markedly. In 1998, the successful rate of appeals was 41 per cent., which rose to 45 per cent. in 2002. In response to my January question, the most up-to-date figures, up to November 2003, showed that the rate had risen to 48 per cent. A Public Accounts Committee report on the subject found that there is clearly something wrong with any system that has a successful appeal rate of more than 40 per cent. Given that successful PCS appeals have risen from 41 per cent. to 48 per cent. in five years, there must be something wrong with the system.

So what is wrong with the system? It is clear from my dealings with constituents and Schlumberger Sema—it has shortened its title to Schlumberger—that there are alarming issues, which at least one hon. Member highlighted. The Scottish report points out that the time allowed for assessments is sometimes too short. People feel that the compulsory assessment by a doctor from Schlumberger is far too short to judge properly their medical capabilities. The report includes the comment from one doctor that the living room was neat and tidy, as if that had any relevance to the case.

Last November, a constituent of mine told me that the Schlumberger doctor commented that the garden was well maintained and that the recipient must be fit and capable because they opened a heavy garage door to park their car. If the doctor had asked about that, the recipient would have told them that the car—an automatic—is always parked on the road and the garage is never used. He would also have been told that the family tend the garden. In response to my intervention in that case, I received a letter apologising for the doctor's behaviour. It is interesting that the Scottish report outlines similar examples.

3.2 pm

Mr. Paul Goodman (Wycombe) (Con): At the cost of being accused of prolonging a Select Committee love-in, I begin by congratulating, as I always say, my Chairman on the Select Committee, under whom I am happy to serve, the hon. Member for Roxburgh and Berwickshire (Sir Archy Kirkwood), on instigating this intimate but important debate and on tabling early-day motion 496 on "Riding the Benefits Roller-coaster".

The hon. Member for Perth (Annabelle Ewing) was right to draw attention to her experiences at her citizens advice bureau, and I attended a quarterly meeting of my local CAB on Friday. All hon. Members present will know that top of the list of items raised by people going to CABs is the complexity of the benefits system. That was the case in High Wycombe on Friday, and I expect it to be so when I return.

The charity Carers UK claims that between 40 and 60 per cent. of disability-related benefits go unclaimed. That is only one example of the intrinsic difficulties to which the hon. Member for Roxburgh and Berwickshire referred. He perhaps did not have an opportunity to put on record the words of Kaliani Lyle from Citizens Advice Scotland on the report that is the centrepiece of the debate, who said:

"Even civil servants and medical professionals don't always understand the regulations".

As the hon. Gentleman said, we often do not understand the regulations ourselves. Ms Lyle continued:

"The welfare system should work smoothly to give people with sickness and ill-health an opportunity to live their lives with some dignity and security, not condemn them to a roller-coaster experience of labyrinthine regulations, endless reviews and poverty incomes".

She also said that the system

"too often fails those with a disability or illness".

Those are strong words, but I want to step back from them, be fair to the Government and point to the intrinsic difficulty faced by all Governments, to which the hon. Members for Aberdeen, South (Miss Begg) and for Roxburgh and Berwickshire both referred.

At the risk of saying something that I might regret later, it occurs to me that there is a peculiar aspect of disability-related benefits that might not apply to all others. If one is a member of an ethnic minority, for example, one is always a member of that minority, whatever choices one may make in life. It is not the same for people with disabilities, as one can move in and out of disability, as I have done myself. The hon. Member for Aberdeen, South referred to the interplay of disabilities, which is another complexity. Governments of any party will always have to deal with assessments and appeals and the difficulty with time lags—the hon. Lady referred to that in relation to Motability.

Having bent over backwards to be fair to the Government, I should also say that the system is far too complex and rigid, and it does not seem to be in the process of being made much simpler. The hon. Lady made an interesting suggestion, which she has made in the Select Committee in relation to the Employers Forum report, about having a single work-related benefit and reconsidering incapacity benefit. That is the type of long-term reform to which the hon. Member for Roxburgh and Berwickshire referred in introducing the debate. As the hon. Members for Perth and for Chesterfield (Paul Holmes) said, if the number of successful appeals is rising, there must be a flaw in the system somewhere.

In the remaining time, I shall rattle through a series of quick questions to the Minister. I realise that she will not be able to answer them all today, but she may be able to deal with them in writing. Will she make a formal response to the CAS report? Does she have an estimate of the sum of benefit entitlement unclaimed by potential claimants with disabilities?

Representations might have been made to the Minister about extending the winter fuel allowance to those who receive the middle or higher rate of the disability living allowance mobility component. She may, like me, also have had representations about extending the allowance to those who care for children with severe disabilities. Has she made any costing on that, and what is her view of the proposal?

The Minister will also have had representations on incapacity benefit and prescription charges. The hon. Member for Roxburgh and Berwickshire also referred to that, so will she comment on whether any estimate has been made of the cost, and her view of the proposal? She will also have had representations about extending disability and attendance allowances to 52 weeks for those who are hospitalised. Has she estimated the cost of that proposal, and what is her view of it?

Representations will also have been made on people who are over 65 with mobility needs, who are inevitably a growing group, and attendance allowance, which does not include a mobility component, and we would all be interested to hear the Minister's views. It was announced that the disability and carers service is to gain formal Executive agency status. Does the Minister have any news on when that is likely to happen and when a chief executive may be appointed?

I want also to probe the Minister on the Downing street strategy review on disability that I understand is taking place. It has been suggested that the review is largely concerned with incapacity benefit. Any comment that she has on that would be welcome, as would any comment on the extent to which she will examine the issues that we have debated this afternoon, which were encapsulated in the CAS report that has been the centrepiece of our discussion.

3.10 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Eagle): I add to the general congratulations that are being aimed at the hon. Member for Roxburgh and Berwickshire (Sir Archy Kirkwood). I feel rather alone, although I know that I am not completely alone, in not being on his Committee. He is to be congratulated on securing the debate and on setting out with such clarity his reactions, some of which were quite strategic, to the report and to the questions that he believes arise from it. I intend to do my best to deal with the points that have been made, but there will inevitably not be enough time to deal with all of them. However, I undertake to do what I can to plug any gaps that remain at the end of the debate by writing to hon. Members.

Let me also add my congratulations to citizens advice bureaux in Scotland. I am sure that they are similar to those in England and Wales. I believe that all hon. Members find them a tremendously valuable asset. We all have two or three in our constituency and tend to swap case loads: they send stuff to us and we send stuff to them, and that is of mutual benefit in all kinds of ways. They do a valuable job in my constituency, and I am sure that that is the case elsewhere. I can tell that that is the case in Scotland on the basis of the quality of the report that we have been discussing.

The report raises some serious issues of administration and policy, although some issues that appear to be about administration are actually about policy, but let us not quibble. Let me just say a little about the modernisation programme. The Department for Work and Pensions has undertaken a rather enormous programme of modernisation. When one deals with it on a day-to-basis as I do, it is tempting sometimes to assume that everyone out there knows about it. Alas, people do not follow such things with quite the assiduity with which they follow the activities of their local football club, so it is wrong of me to assume that everyone knows about the programme. The Department is making improvements to its programme for people who claim incapacity and disability benefits. I am grateful for the general acknowledgments in this Chamber that some improvements have been made, although they are always offered with a caveat.

The Department follows some key principles: first, to provide a better service for all its customers, including those who are on sickness and incapacity benefit, whether or not they are trying to get back to work. We talk a great deal about the work focus, but as the hon. Gentleman said, the other half of the equation is about making things better and improving security for those who cannot work. We all accept that work is not a sensible option for many people, so we want a better service for all our customers.

[Maria Eagle]

Better assessment of disability or incapacity for work in order to improve the quality of decision making about benefits, and better work-focused help for those who in the past have been written off but who these days want to get back to work and feel that they have something to offer are also important. In conjunction with the improvements that we are making in civil rights and in tackling discrimination, those people have a right to expect us to be ambitious about their future, just as much as anyone else's.

On the process of claiming incapacity or disability benefit, the hon. Gentleman quoted from the report and referred to obstacles put in the way of legitimate claimants. That is not something that we seek to do. The hon. Member for Wycombe (Mr. Goodman) made the point rather kindly—my hon. Friend the Member for Aberdeen, South (Miss Begg) also mentioned this—that there is a legitimate requirement to ensure that those people who are entitled to benefits should receive them, because we spend a great deal of money on them in the average year.

There is no doubt that we have to have proper and rigorous assessment, but it is very difficult to get it right if a benefit involves a medical element. Both disability living allowance and incapacity benefit have an element of medical assessment, although its importance varies from one to the other. There is no perfect way of getting that right, but we know that we have to improve the way in which we deal with it.

I recognise that the need for care and help with mobility can be a very personal matter. The effects of a disability, and how one copes with those effects, can vary tremendously from one person to another, as can the ability to express those needs, particularly in respect of disability living allowance. The benefit is designed to take that into account. Disabled people sometimes find it difficult to express their needs: they make the best of it, when perhaps they should be a bit more honest with the doctors and make it clear how bad things are. It can also sometimes sound—and be—impertinent to ask such personal questions. People get offended by the forms and by feeling that they have to jump through hoops to make their entitlement clear. We are sorry about that, and do our best to minimise it, but inevitably that can be a problem.

The very diversity that the benefits have to cater for has meant that the system has become more complex to administer, and in an attempt to enable people to express the full range of their needs, the claiming process has become unwieldy. Until recently, changes to the claim forms meant that they increased rather than decreased in size. However, we have now acknowledged that it is not possible to devise one claim form that fits everyone, nor is it desirable or sensible as a means of dealing with those issues, because that is not sufficiently sensitive to the individual needs of our customers. Our IT improvements are helping us to address that issue.

Hence, as the hon. Member for Perth (Annabelle Ewing) acknowledged—I am grateful to her for doing so—there has been some improvement in the forms. We have introduced a new single-part attendance allowance claim form, which is 16 pages shorter. It is a single pack instead of a double pack. A new disability living allowance claim form, based on a similar model, is currently being tested at the Wembley disability benefits centre, with a view to introducing it at the earliest opportunity, if it proves as effective as the attendance allowance form. The reaction from our customers and their advisers has been generally positive in respect of the attendance allowance claim form, which is encouraging. If the exercise is successful, we will have halved the size of both those forms. That is harder to achieve than one might think, and is certainly a move in the right direction.

The changes focus on devising a more interactive form, designed to discern the needs of the individual by speaking to them. That might not be a revolutionary concept outside Government, but is sometimes hard to do when one is administering a massive system that deals with millions of claims. The idea of talking personally to people is not always as obvious as it might seem to the rest of humanity—but we have made progress. The changes encourage greater interaction and a more personal relationship, which should lead to better understanding between us and our customers and to better decision making.

We are helped in that progress by improvements in our IT, which will assist us in providing a more modern and customer-focused service. I am sure that most of the hon. Members who served on the Select Committee have visited a disability benefits centre. When I, as a Minister, first went to visit one, I was shocked by how old-fashioned the administration was. Our decision makers were still using paper and pen—I nearly said quill and ink—to set out their decisions. We were therefore starting from a difficult base, but we are now seeing some important improvements, because of the kit that we have been able to put on people's desks. There is more to do, but we are moving in the right direction.

The Government set stringent medical targets covering the speed, accuracy and quality of the medical advice that informs decision making on benefit entitlement. We review those targets monthly, and the vast majority are met, although there are always blips. Last October, the National Audit Office acknowledged that good progress had been made and there had been significant improvements in the contracted service. That is not to say that it is perfect, but there have been improvements.

All our medical services doctors receive specific and ongoing training in the specialist field of disability assessment medicine. We are developing a computer-supported system in medical services to try to improve medical assessments, to ensure that they are performed in a fair and consistent manner, and supported with up-to-date, evidence-based medical information.

We should also acknowledge that only a very small proportion of assessments result in a complaint about the doctor. I know that there are people who do not complain when they feel that they would like to. I urge hon. Members to get their constituents to complain if there is a valid reason to do so. We do not defend the actions of doctors who fall short of the high standards expected of them. We heard one or two anecdotal instances from the hon. Member for Chesterfield (Paul Holmes) about the kind of thing that can happen. We will not tolerate such poor practice. We have peer review, and we have retraining, and if at the end of the day doctors do not come up to our required standard,

we throw them off our lists and we stop using them. Over the past year we threw 58 doctors off our lists for not achieving high standards. That shows our determination to ensure that we get this right.

Miss Begg: Has the Minister thought about her Department giving any advice to GPs, not those who are working through the medical services? I often find that constituents have been told by their GP that they cannot work any more. What the GP means is that they cannot be forced to work and should qualify for incapacity benefit, but if they are feeling better they should be encouraged to work. There is quite a job to be done at that level with GPs. Attitudes have changed, and someone who is ill today need not be out of work for the rest of their life.

Maria Eagle: That is an important point. GPs may not often want this, but they have a role to play in the original certification for an IB or statutory sick pay claim. They are the clinical adviser of our customers. Of course, our customers take what they have to say very seriously, so we recognise the important role that GPs play in providing advice on fitness for work. We do our best to ensure that GPs understand this. Many of them do not come at this from the point of view of work: they rightly come at it from the point of view of clinical advice to their patients.

The Department's chief medical adviser issues advice to all GPs, which tries to deal with many of these issues. We have a website link that GPs can use. Some interesting work is going on in the pathways pilot areas. We are trying to work much more closely with GPs on what people coming into incapacity benefit might gain from seeking to return to work. My Department and the Department of Health are working closely together on this. It will be interesting to see what impact that has both on the relationships that we manage to have with GPs in the local area and on our customers who often feel that their GP has definitely told them not to touch work with a bargepole. We are doing some work in that area.

I shall try to deal with some of the specific points raised in the debate. I will deal first with permitted work, because almost everyone who spoke had something to say about it. I am particularly interested in this. I get many letters, including some from hon. Members, about permitted work and the change from the therapeutic earnings rules to the permitted work rules and the impact that has had. The hon. Member for Wycombe raised it as one of his specific issues.

The aim of the change was to try to remove the need for our customers to get a doctor to say that it would be therapeutic for them to take advantage of this. That is entirely right. Another aim was to ensure that the rules act as a stepping stone from not working and being on incapacity benefit into work: hence the rules about 26 weeks and another 26 weeks. We have to bear in mind the fact that incapacity benefit is an out-of-work benefit. It is not generally available for those who are in work. We do not want there to be a huge cohort of people claiming incapacity benefit for ever, while working. We need an arrangement to ensure that it does not go on for ever: hence the limit.

As the hon. Member for Roxburgh and Berwickshire said, it is almost two years now since the changes came in, and we are evaluating them. I cannot tell the Chamber when I shall have the information that emerges from that evaluation, but we are considering carefully how the rules work.

The hon. Gentleman also suggested that I might not have to hand the figures for the number of those on higher-level, lower-level and supported permitted work. By some great feat of organisation on the part of my officials, I do have them here. About 1 to 2 per cent. of the IB case load—about the same level as those taking advantage of therapeutic earnings—are on some form of permitted work. The numbers at 15 January were 12,705 on permitted work lower limit, 14,635 on permitted work higher limit and 9,010 on supported permitted work. That is as accurate as I can be. I hope that that helps the hon. Gentleman. We shall keep the figures updated. Because permitted work is seen as a stepping stone back into work, we want to see what happens to those with a deteriorating, chronic condition who are never likely to aspire to go back to 16 hours. We need to find a way to provide support for those people, but I have not found the answer yet, so answers on a postcard, please, if hon. Members have any great ideas.

The other broad theme in the contributions to the debate related to the accuracy of decision making. I acknowledge that there is a high level of successful appeals. I think that the reasons in DLA are slightly different from those in IB personal capability assessments, although, the personal capability assessment being a medical assessment, there is always scope for disagreement. With PCAs it is much more about the evidence that is available at a certain time, and often the appeals are successful because more evidence comes forward.

With DLA, it is not about finding a diagnosis, so that one can then have the benefit, but about the impact that the disability or the illness has on one's ability to look after oneself or get around—care or mobility—and that can vary. The same diagnosis can require radically different levels of support. A person who loses a leg may sit in their chair in the front room for ever, being depressed about it, and never stand up again. The reaction of another person is to get a prosthesis and run a marathon. The second person would not retain their DLA once they started walking well again.

That is a radical example, but similar examples occur in DLA all the time. The benefit is not designed to recognise a medical diagnosis—the disability lobby would lobby us if we said that it was—but is about the impact that a disability has on a person's ability to look after themselves or get around. That must be borne in mind when considering the number of successful appeals for DLA, but I am not trying to hide the fact that there are many successful appeals, and always have been.

The increase in the number of successful DLA claims is still high and is still increasing at about 5 per cent. of spend a year. Indeed, I believe that there has been a 44 per cent. increase in successful claims for DLA in the hon Gentleman's constituency. He is clearly working hard, but there is no evidence that complaints about the obstacles are stopping people making successful claims and getting the benefit, because the levels of benefit are significantly increasing recipients' spend.

[Maria Eagle]

I realise that I am running out of time and I have not dealt with half the questions that were raised. However, I undertake to write to hon. Members to try to answer some of the points that I have been unable to deal with.

Magistrates Courts (Mid-Wales)

3.30 pm

Mr. Roger Williams (Brecon and Radnorshire) (LD): I am pleased to have a chance to raise with the Minister this afternoon an issue that is causing a great deal of concern in my constituency and in the whole of mid-Wales. It concerns the proposals that have been made by the magistrates courts committee to reduce the access to the criminal justice system of people living in the area. Such has been the concern that people living in the area around Llandrindod Wells—the court in that town is one of those identified for closure—have raised a petition of 3,500 names. That gives some indication of the level of concern. This is not a topic that often raises a tremendous amount of emotion and enthusiasm, but people see what is happening as a real attack on services in rural areas.

Before I go on to the meat of the issue, I must place on record the fact that my wife is a magistrate sitting in the Brecon court, and she sometimes also sits in the Llandrindod Wells and Ystradgynlais courts. It is about the latter two courts that I feel deep concern. People are worried about the proposals and about the process that led to their being made. In particular, they are worried about the magistrates courts committee, how responsive it is and what accountability it has to the people whom it serves. People are also worried about Powys county council, their paying authority, which had the opportunity to object to the proposals, but chose not to do so. In taking that decision, the authority received representations only from the magistrates courts committee, which made the proposals, and it did not have the opportunity to receive representations from other court users, such as members of the legal profession and representatives of Victim Support. In a way, it saw only one side of the argument.

I am also worried about the role of the then Lord Chancellor's Department, which is now the Department for Constitutional Affairs. While the Department claimed that the decision was a local one, it seemed to have a certain central control over the matter—a centralised iron fist within the velvet glove of localism. However, we will come back to those issues later.

I should like to set the matter in the context of the geographic and demographic nature of the area served by the courts. When I brought a delegation to Westminster to meet the Under-Secretary of State, Office of the Deputy Prime Minister, the hon. Member for Pontefract and Castleford (Yvette Cooper), who was then a Minister in the Lord Chancellor's Department, she looked at the case sympathetically. She pointed out that she needed an objection from the paying authority—in this case, Powys county council—before she could take any action in the matter.

The hon. Lady was also well apprised of how sparsely populated the area in question is. Some people who live in England may be more familiar with Cumbria as a sparsely populated area, for example, but the county of Powys is three times more sparsely populated. That gives some idea of the rural nature of the area. Without using visual aids, it is very difficult to give an indication of the nature of the area, so I hope that hon. Members will bear with me as I try to explain it. If one put a hinge at the bottom of Powys and tipped it towards London,

it would reach almost to the Greater London area, but the magistrates courts committee's proposal is to serve the area with two magistrates courts. If one were to carry out the same hinging operation on my own constituency, Brecon and Radnorshire, it would reach to Swindon, and the proposal is that there will be only one magistrates court in that area.

The area also has very little public transport. For instance, if the magistrates court in Llandrindod Wells were closed, people would have to travel 25 miles to the court at Newtown, but the only bus service leaves at 7.40 am and does not return until 5 o'clock. That might not be so bad in some ways, but many of the people concerned live six, 10 or 12 miles from Llandrindod Wells, and have to get into Llandrindod in time to catch the bus to Newtown. Those who live in Knighton and Presteigne have no access to either Llandrindod Wells or Newtown, and we already have anecdotal stories of people hitch-hiking to court and of witnesses having to be ferried to court by solicitors. That is not very satisfactory.

Lembit Öpik (Montgomeryshire) (LD): Lawyers feel that when they are ferrying defendants around in their cars while having to conduct other business, it compromises their ability to do their job. On occasions when it is not possible for them to do so, individuals such as Robert Hanratty, a local lawyer, have sometimes found that justice has not been served because people have had such trouble getting to court that they have not been able to turn up at all.

Mr. Williams: I accept the point that my hon. Friend makes. We are both aware of a case in which a young mother was unable to attend a court a long distance away when the issue at stake was whether the council should take her children into care. The situation raises human rights issues.

Circumstances are the same in Ystradgynlais, where travelling to Brecon over the mountain in winter conditions is sometimes impossible. Ammanford is the next magistrates court in the Dyfed-Powys area. If someone wanted to go to Swansea, they would be looking outside that area. Since the decisions have been taken, new legislation has been enacted, including the Courts Act 2003, one of whose implications is that more emphasis has been placed on the accessibility of courts. Magistrates courts committees are to be abolished under the Act, and a new system is to be put into place.

In making its case, the magistrates courts committee placed great emphasis on the problem of substandard buildings. That is understandable, but my constituents are more concerned about people than buildings. Justice delivered locally is better than justice that is delivered in an accessible building 30 or 40 miles away. Over the weekend, one of my constituents said to me that justice is a right, not a luxury. However, it is becoming something that is available to the rich with access to transport but not to the poor and less well-off in society. Poor people are as often the victims of crime as rich people, although crime against celebrities and the rich is reported in the papers.

Powys is a low-crime area because we have an efficient police service that detects a high number of crimes. Criminals are taken to court, and if they are found guilty, they are given an appropriate sentence. The certainty of apprehension, conviction and sentence makes ours a low-crime area, because criminals know that they cannot operate there with impunity. I am sure that the Minister would like to see Powys remain a low-crime area; the people who live there would certainly like it to remain as such, because they value it very much.

The running costs of the courts in Ystradgynlais and Llandrindod Wells are very low. The extra expenditure that would be generated by the extra costs of ferrying witnesses on longer journeys and the extra remuneration from Legal Aid to solicitors because of their longer journeys and the longer time spent on a case would soon do away with any savings on running costs in respect of discontinued buildings.

Ystradgynlais is a deprived community that was based around its mine. When that industry closed, very little employment was available. The area is now pulling itself together, and there is a better environment and sense of community. The Welsh Assembly has identified it as one of the Communities First areas into which it puts regeneration money. Communities First included the 100 most deprived wards in Wales. Doing away with the court in Ystradgynlais will do nothing to enhance the sense of civic pride there. Llandrindod Wells is one of the areas in my constituency that has the highest unemployment, and many of the same arguments apply there.

I return to the process that led to what we believe is rather flawed decision making. The people felt that the magistrates courts committee did not consult them enough. They did not understand what was happening or what the outcome of the consultation process would be. Indeed, a number of threats were made by the magistrates courts committee. Yesterday, I received an e-mail from the clerk to the magistrates court:

> "The procurement of the two Court Houses for Powys has reached a critical stage. If it is undermined now, then the investment which is planned for Powys will be lost. The support of the Local Authorities has been critical"

for

> "the achievement of this investment and any wavering of this support could be fatal to both schemes.
>
> There is a real risk, that not only will the investment in new Courts for Powys be lost, but the current Court Houses will be closed sooner rather than later because they do not meet the standards required of them. Powys could be left with no effective Court . . . provision at all."

The employment of that sort of bullying tactic by the clerk to the magistrates court has done nothing to prevent a huge wave of opposition building up in the Llandrindod Wells area. None of us wants to see a lack of investment in either Brecon or Newtown. We understand the necessity in that respect, but what we are saying is that justice will not be available to a great many of the people living in Powys unless we have better coverage of magistrates courts in Ystradgynlais and Llandrindod Wells.

I turn now to Powys county council. There was concern when the position was put to it. It heard some threatening talk involving the suggestion that if it objected to the proposals, it could lose all the magistrates courts in Powys. Naturally, some representatives—particularly those representing the Newtown and Brecon areas—felt that they could not object because of the risk of losing their courts as well.

[Mr. Williams]

They were put in an intolerably difficult position. Also, as I said earlier, while representations were made to them by representatives of the magistrates court, they were not able to hear representations by Victim Support, which is such a wonderful organisation in ensuring that victims can get to court and are supported in giving their evidence.

The Government have put accessibility to justice at the centre of their criminal justice system. I do not believe that the closure of the courts in Ystradgynlais and Llandrindod Wells will do anything to further the Government's objectives, which I support. The Minister has already agreed to meet me and I thank him for that; I have no doubt that we will discuss the issues again. The point that the people of Radnorshire and Ystradgynlais are making, however, is that this was a flawed process and it should be rerun. I am sure that he will not be able to respond to that point today, but that is the position that we are coming from, and over the weeks and months to come, we shall return to the subject again.

3.44 pm

The Parliamentary Under-Secretary of State for Constitutional Affairs (Mr. Christopher Leslie): For the second time under your chairmanship today, Mr. Cook, it gives me great pleasure to respond to the debate. I congratulate the hon. Member for Brecon and Radnorshire (Mr. Williams) on securing this important opportunity to express his views on access to magistrates courts in mid-Wales, even though the annunciator screen refers to widows' benefits, which are not quite the subject of this debate.

As the hon. Gentleman said, magistrates courts are managed by local magistrates courts committees, as is set out in the Justices of the Peace Act 1997. Many people are unfamiliar with that arrangement, and they sometimes feel that Ministers have a system of dictating what goes on at the local level. At present, there are 42 different magistrates courts committees. The arrangement is likely to change eventually with unified administration, but for the time being, we operate under that system.

Each of the magistrates courts committees is solely responsible for the efficient and effective administration of the magistrates courts in its area. It is for the MCCs to determine how many courthouses, whether they are urban or rural, and what other accommodation might be needed locally. In discharging their statutory responsibility, we expect MCCs to undertake regular reviews of their accommodation requirements. The strategic aims of the MCCs, the facilities needed and the results of user surveys are just some of the factors that MCCs take into consideration when undertaking their reviews.

Decisions to close or retain magistrates courts are also the responsibility of MCCs after consultation with the local paying authority—the local council. It is common for MCCs to consult more widely than the local paying authority, as we and the hon. Member for Brecon and Radnorshire would expect. Consultees usually include the magistrates, court staff, the police, the probation service, the Crown Prosecution Service, Members of Parliament and other professional users.

The Central Council of Magistrates Courts Committees has published a good practice guide on courthouse closure. The guide is very comprehensive and includes guidance on the impact of new legislation such as the Human Rights Act 1998. It is an invaluable reference document when considering courthouse closure and the hon. Gentleman would find it well worth referring to.

The Dyfed-Powys MCC published the reasons behind the closure of courthouses in its estate strategy document, dated April 2000. It stated that, of the 14 courthouses in Dyfed Powys, 15 per cent. required major refurbishment and the remaining 85 per cent. could not be brought up to standard and had only a short-term life. To address that position, the MCC embarked on a major estate strategy to provide for sustainable and modern courthouse provision with the facilities to meet both current and foreseeable needs.

On 18 February 2003, the Dyfed-Powys MCC made a determination to close four courts in Powys—Ystradgynlais, Llandrindod Wells, Machynlleth and Welshpool. The local paying authority, Dyfed-Powys county council, did not lodge an appeal with my Department against those closures. That is a very important point. The work from Ystradgynlais and Llandrindod Wells will be transferred to a refurbished courthouse in Brecon and the new courthouse in Newtown and the work from Machynlleth and Welshpool will also be transferred to the new courthouse in Newtown.

The decision to close the courts was reached after a period of consultation with both the paying authority and a wide variety of stakeholders, and it went beyond the guidance note issued by the Central Council of Magistrates Courts Committees. The overall consultation period lasted from February to April 2001 and a total of 73 responses were received, which the MCC fully considered. The Dyfed-Powys police, the witness service, which is a voice for Victim Support, and the CPS supported the MCC's proposals, but there is a difference in understanding and I want to get to the bottom of it. I am told that the witness service at least supports the proposals.

The MCC's consultation document was submitted to Powys county council and meetings were held with the individual shire committees in the county council area. Powys county council in particular discussed both the proposed closures and the provision of new courthouses at a full county council meeting in public on 16 January 2003 and, in a vote of the full council, it voted to support both. I have not had a chance to speak to Councillor Jones, the chairman of the council, but it will be interesting to know the rationale for that decision.

If a formal determination is made by an MCC and an appeal is lodged by the local paying authority with the Lord Chancellor within one month of receipt of the notification, I can have a specific role in the matter. My role in magistrates court closures is as an appellant authority in the event of an appeal being lodged. I will consider any appeal with my Department on the merits of the case presented by each party when dialogue has ended between the relevant paying authority and officials. In this case, an appeal has not been lodged, so I have not had an opportunity to decide one way or the other because the court closure is not subject to appeal.

As the county council did not see fit to appeal, I have no role to play. That is not my choice; it is set out section 56(3) of the Justices of the Peace Act 1997.

I understand the points made by the hon. Gentleman about the need always to try to improve access to justice and about having a strong sense of local justice. In this country we not only have justice that is administered by our peers but we expect magistrates to have a strong local connection and to live or work in the area in which they serve.

We must be realistic about what we mean by local justice. Clearly, local justice does not mean having a court on every street corner, which would be absurd. We must always balance the different factors affecting access to justice. Geographical access, important as it is, is not the only factor. Other factors such as disabled access to buildings and facilities for victims and witnesses are also important. For example, victims and witnesses may feel intimidated if they do not have separate facilities, wherever they may be. Magistrates courts committees have a difficult job to ensure that they deliver the best combination of services for an entire area, provide value for money and look to some of the other aspects of their schemes.

The term "rural proofing" is used by Government quite a lot these days. It may not mean much to most people outside, but it comes into our decision making at a local level. It means that when a decision comes forward, there is a process by which the effect on a rural area is properly analysed and considered. We have been working with the Central Council of Magistrates Courts Committees to promote rural issues within the considerations of magistrates courts committees so that that they can focus on some of the issues that the hon. Gentleman rightly raised. I feel a little powerless today only in so far as we have not had an appeal, although it allows me to talk a little more about the particular situation.

There is some good news for the people who will need to use court services in the hon. Gentleman's constituency and elsewhere. The Dyfed-Powys and Gwent magistrates courts committees have worked with the Court Service and local authorities during the past few years and have managed to put together a fairly bold and improving private finance initiative scheme to improve and upgrade much of the court estate in mid-Wales. The proposals are for new courthouses to be provided at Newport, Ebbw Vale, Newtown and Carmarthen, as well as refurbished court facilities at Abergavenny. The magistrates courts committees have had to make a case to the Department and to the paying authorities for the resources for replacement courthouses. They were able to consider many different issues, including work load, travel distances, costs and so on, and consulted widely over a two-year period until 2002, producing a strategy for the provision of more modern courthouses which will go a lot further towards meeting the requirements of legislation and key services.

Lembit Öpik: I am delighted that Newtown will eventually get its court and I am pleased that the Minister is sympathetic to that plan, but he will be aware that many of the lawyers in my constituency are concerned about the timetable because it is taking a long time. I do not expect him to provide specific information on that issue now, but I would be grateful if he could find out through whatever channels are available to him whether the process can be speeded up.

Mr. Leslie: I shall certainly talk to my officials about the time scale. I know that there is a lot of anxiety locally, and that people want the process to be speeded up so that improved facilities are delivered as quickly as possible. We are all anxious to see those facilities, and all the local authorities involved have been supportive of the scheme. They want the new and refurbished courthouses to be completed as quickly as possible. Powys county council, which has discussed the proposed closures and the new courts at its public meeting, was supportive of the private finance initiative package.

My Department is considering closely the work that takes place between the Court Service and the magistrates courts committees, and the needs of court users—victims, witnesses and so on—so that we can find a way of improving services. We are even looking at combining the locations of county courts and crown courts so that we can overcome some of the problems that existed in the estate to date.

Mr. Roger Williams: I thank the Minister for covering that point in such a complete way. One of the reasons given for the closure of the Ystradgynlais and Llandrindod Wells courts was the Disability Discrimination Act 1995, but that Act was introduced not to close facilities for the disabled, but to improve the standard of access. We thought that that was a poor argument.

Mr. Leslie: It is certainly not the case that the only rationale for those closures related to disability. In fact, some of the primary reasons were more to do with court security. Poor security related not only to the fact that defendants were sometimes sharing an entrance with the public and magistrates, but to dock facilities and poor holding areas for imprisoned defendants. There was a need to take radical action.

The procurement process for the public-private partnership arrangement is due to commence early this year, which will mean some of the new court facilities will be provided in 2007. That is our broad timetable. We know that such matters can be subject to change, but I hope that we can stick to that timetable. The capital funding arrangements have been quite generous, particularly for Welsh facilities. In 2002-03, approximately £2.7 million was provided for courthouses in Wales. In the last financial year, £2.8 million was provided, and we anticipate a further £4 million in the current financial year. That will not only allow the completion of the new courthouse at Haverford West, but help to upgrade some of the other facilities outside the public-private finance package of schemes.

I reiterate that, given that there was no appeal from the paying authority, I have had a limited ability to intervene. The decision was very much a local one that was made with the support of the county council, which is where I suggest with respect that many of the hon. Gentleman's questions should be focused. Nevertheless, the Government and my Department remain keen to ensure that we provide investment so that good

[Mr. Leslie]

decisions can be made about new courthouse facilities. That is exceptionally important not only in serving the wider public, but in ensuring that we raise confidence in the justice system as far as we can. I know that we shall have a continuing dialogue on this matter.

Widows' Benefits

4 pm

Mr. Colin Challen (Morley and Rothwell) (Lab): I apologise in advance if my voice gets croaky because I am halfway through a heavy cold. If I get into a fit of coughing, I shall crave your indulgence, Mr. Cook.

I thank Mr. Speaker for giving me the opportunity to have this debate, which deals with a tragic and infuriating case. My constituent, Mrs. Diane Johnson, approached me last year to help her win a pension, which she believes is her due. Mrs. Johnson's husband, Mark, worked for a company called Carlton Cards for 10 years, but in 2001 was diagnosed with cancer. On 2 August 2002, Mr. Johnson died. For eight years prior to his death, Mr. Johnson had been paying into the AG pension plan and reasonably expected that, should he die in service, his widow would receive a lump sum calculated on his salary in addition to a widow's pension.

However, earlier in 2002 the trustees of the pension plan changed its terms, effectively removing any rights for a widow to claim a pension. The new rule became effective on 1 August 2002, one day before Mr. Johnson's death. The decision to change the rule was not communicated to Mrs. Johnson. She only received, three weeks after her husband's death, a copy of an internal letter sent to employees.

Mrs. Johnson has since spent a lot of time on the problem and has spent much money on legal fees trying to get justice. While no one could claim that the company did not have a right to change the plan, the way in which it did so without consulting the plan's members, and its attitude to Mrs. Johnson's case, show that it is bereft of any moral or ethical standing. I make a point of saying that because the parent company of Carlton Cards is American Greetings—the "AG" of the pension plan, I assume—and its mission statement says that it will

"adhere to the highest standards of moral and ethical conduct in dealing with our customers, suppliers, shareholders, associates and the community at large".

In this context "associates" means employees. In that vein of false sincerity, its mission statement also says:

"American Greetings helps people everywhere express their innermost thoughts and feelings, enhance meaningful relationships and celebrate life's milestones and special occasions".

That did not extend to sending Mrs. Johnson a bereavement card.

Mrs. Johnson wrote to the president of that $2 billion a year business, Mr. Morry Weiss, to seek his support for her claim. In a reply from their director of human resources, she was told:

"management did contact the insurance carrier and attempted to have the policy reinstated to cover you with a pension. Unfortunately the carrier was unwilling to make such an accommodation".

That hardly comes as a surprise. If the company had taken such benefits off risk they would presumably have to restart paying premiums of some description to get Mrs. Johnson back on risk. The apparent act of seeking to help Mrs. Johnson was as empty and meaningless as their mission statement—a complete red herring.

I have tried to contact American Greetings to advance Mrs. Johnson's case. I wrote to it on 24 November last year and received no reply. I faxed my letter to it on 6 January this year and again have had no reply. I rang the company on 21 January and was told that I would be called back. Again, I heard nothing. I take it that American Greetings sets the rules of the game for its subsidiary companies, since it was American Greetings that decided to change the plan on costs grounds. Will my hon. Friend the Minister consider intervening in this case with the American authorities to see if they can urge American Greetings to see the light and honour its much-publicised commitment to behaving morally and ethically? I know that is a long shot, but surely our American friends might listen to the pleas of their closest ally.

That set of tragic circumstances is unlikely to set a precedent—it is clearly a one-off that cannot be repeated—but if the situation is not rectified American Greetings, a company that claims to "say it best", should be exposed for the parsimonious callousness that it has displayed in Mrs. Johnson's case. She has been forced to give up her legal battle for justice because of mounting costs. She is still pursuing the matter through the Office of the Pensions Advisory Service, but the company is likely to drag that process out as long as it can.

Apart from the above request, I will not press my hon. Friend to comment on the merits of Mrs. Johnson's particular case. However, given the part of the law involved and the number of companies that are reducing their pension schemes because of various belt-tightening pressures, others may behave in the same way as American Greetings. Section 67 of the Pensions Act 1995 stipulates a duty on pension trustees to consult their members if they intend to alter their scheme. According to subsection (2) of section 67, the power to modify the scheme

"cannot be exercised on any occasion in a manner which would or might affect any entitlement, or accrued right, of any member of the scheme acquired before the power is exercised unless the requirements under subsection (3) are satisfied."

The requirements in subsection (3) relate to the consent of the members to proposed changes.

Mrs. Johnson was not a member, but her husband was. In a complex set of interpretations of the words "entitlement", "accrued" and "contingent", the company has escaped its clear moral and ethical commitments to Mrs. Johnson. It appears that this wriggle room was created by the timing of Mr. Johnson's death. Had he died 25 hours earlier, Mrs. Johnson would have had her pension. It would have been her "contingent" entitlement. The company said, through its solicitors, that the decision to change the scheme was made early in 2002 and that it was announced by an internal memo, which by definition Mr. Johnson was never going to see, on 30 July 2002. There was plenty of time to consult and to ensure that scheme members, if they wished, could make alternative arrangements. In Mr. Johnson's case, it may, for example, have been better had he taken early retirement, but the couple had no way of knowing that they needed to consider other options.

As there is no case law to help clear up the interpretation of this particular aspect of the law, particularly as it may impact on beneficiaries who are not members, the Government should consider making it plain how the law affects such things as widows' occupational pensions. It should not be for Mrs. Johnson, who has already suffered enough, to enter a lengthy and expensive legal battle to achieve that. So these are my two requests: to ask the Government to use their influence to seek an amicable settlement of this particular case, and to look at the 1995 Act to see if it can be made less ambiguous in regard to widows' pensions.

If anybody from American Greetings or Carlton Cards happens to be listening, I urge them to pre-empt my first request. In addition, they might also look again at what they owe Mr. Johnson's estate in other regards. The company he worked for relocated its premises and paid employees a relocation grant. It appears that because of his long-term illness, the company only paid a third of that money. They also appear to have reduced the lump sum that his pension plan was to pay out. Before he fell ill, Mr. Johnson was earning £28,000 a year. After his long-term absence, his pay was reduced to £16,000 a year. It was on the latter amount that his lump sum was calculated. The lesson here is that whatever one does, do not fall ill: it can make you considerably poorer.

To be fair, eight years' worth of Mr. Johnson's pension contributions were refunded, a sum of around £9,000, plus some interest. Solicitors claim that that was hardly going to pay for much of a pension—a few hundred pounds perhaps—so why should Mrs. Johnson be so bothered about it? In their eagerness to dismiss Mrs. Johnson's claim, however, they forgot that the whole point of the exercise was to save the company money. Thus they failed to say what had happened to the employer contributions over that time. How much has the company saved? What has happened to the contributions made in respect of Mr. Johnson? Is the sum so vast that it would bankrupt the company to use it for its intended purpose? This company, in its initial actions and in all its dealings with Mrs. Johnson since her husband's death, has displayed a disgraceful disregard for its associates. I hope that it will see sense and do something positive to start honouring its solemn mission statement.

4.9 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. Chris Pond): I congratulate my hon. Friend on securing this debate on such an important subject and at such an opportune time. He deserves tribute for keeping the interests of his constituents in the spotlight. May I also take this opportunity to add my condolences to Mrs. Diane Johnston, especially given the tragic circumstances in which she lost her husband? I know that the whole House will understand her concerns at this time.

Mrs. Johnson is going through the internal disputes procedure with Carlton Cards and the Office of the Pensions Advisory Service, as my hon. Friend explained. Hon. Members will understand that it would therefore be inappropriate for me to discuss the case before knowing the outcome of that procedure. My hon. Friend asked whether I might make representations to AG on the issue, but he will understand that such political intervention would be inappropriate, as Mrs. Johnson is going through the proper procedures at

[Mr. Chris Pond]

present. However, I am sure that AG and Carlton Cards will read our proceedings this afternoon and realise the seriousness with which this House treats such matters.

The issues raised in this debate highlight the importance of the partnership between the Government, employers, trade unions and individuals, which we believe is essential to deliver safe and secure pensions in the future. My hon. Friend referred to section 67 of the Pensions Act 1995, which requires that trustees consult scheme members before closing a scheme. I can confirm that section 67 prevents changes from being made to the rules of a scheme that would reduce a member's accrued pension rights without his or her consent. It preserves not just the value of the member's rights but the rights themselves. Clearly, in this situation, that will have to be determined through the internal disputes procedure and, subsequently, perhaps the ombudsman. Ultimately, it will be for the courts to decide whether the changes made by Carlton Cards breach section 67, although I note my hon. Friend's point that Mrs. Johnson is unable to take the matter through the full legal procedures.

In general, for section 67 purposes, the fundamental question is whether the changes that are being introduced will have a detrimental effect on members' accrued pension rights. That may not be simple to determine and may depend on the precise wording of the rules of the scheme, on which I cannot comment for the reasons that I have given. I should make it clear that, in general, trustees may approve changes within section 67 if they will benefit members as a whole, even if individual members are disadvantaged.

Our proposals, announced in "Action on Occupational Pensions—Simplicity, security and choice: working and saving for retirement" in June will amend the legislation so that schemes will be able to make changes to members' accrued pension rights without obtaining the consent of affected members, but only if the total actuarial value of each member's accrued rights at the point of change is maintained, and if the change does not involve converting any defined benefit pension rights into defined contribution rights.

This debate raises wider issues about the future of pensions. Mrs. Johnson's situation is reflected in different ways around the country by people who feel that their contributions over time have not been honoured in the pension and security with which they are provided in retirement. That is why we take seriously our role in partnership and why we are taking such positive action to protect current and future pensioners and to promote savings and adequate pension provision. As I am sure my hon. Friend will agree, this is a crucial time for pensions. It seems that not a day passes without some aspect of pensions coming under the spotlight. I again congratulate him on ensuring that this afternoon the spotlight is focused clearly on the situation in which Mrs. Johnson finds herself.

The Government believe that pensions are too important to be used as a political football. They affect the quality of people's lives in retirement, and that is why we take them seriously. However, we also seek to build consensus for the future. The case before us highlights the reality of the need to take action now that will strengthen, secure and simplify pensions provision in the UK. The pensions Bill, which will be introduced in the near future, will take forward the Government's proposals to bolster confidence in the pensions industry. It will provide a balanced package of measures to ease the financial and administrative burden on employers and will also bring forward measures to ensure that the pensions promise made to individuals is a promise kept without exception.

The new legislation will introduce a pension protection fund that will, for the first time in the UK, step in to protect members of defined benefit schemes if their sponsoring employer becomes insolvent and the scheme is underfunded. There will be a new proactive pensions regulator who will concentrate on the areas of greatest risk to members' benefits. The Government are committed to long-term reform to enable individuals to plan for their retirement and make informed choices about saving and how long they work. We are taking forward some important reforms in the occupational pensions area, including the pensions protection fund and the proposals on full buy-out—several small schemes have been recently wound up by solvent employers where the schemes were not fully funded. Hon. Members will know that we are seeking to change the priority order when schemes have been wound up. That is to ensure fairness between the treatment of different members of the scheme.

Through all of these measures, we are trying to strike a better balance of interests that will be fairer to all scheme members. We believe that the sustainable future of pension provision in this country is dependent on a continuing mix of provision between the state, occupational and private schemes. Our policies are aimed at promoting that continuing partnership, and on demonstrating that it remains worth while for people to save for a pension in the knowledge that their pension savings will be secure and there when they—or in this case, their survivors—need them.

We sympathise with Mrs. Johnson's situation and with other pension scheme members who may have lost out due to changes in their occupational pension scheme. We hope that the matter will be resolved to the satisfaction of all parties.

Question put and agreed to.

Adjourned accordingly at seventeen minutes past Four o'clock.

Westminster Hall

Wednesday 4 February 2004

[MR. FRANK COOK *in the Chair*]

Standard Life (FSA Regulation)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Heppell.]*

9.30 am

Mr. Alex Salmond (Banff and Buchan) (SNP): I want to raise a number of issues this morning, but I shall be wary of the time because other hon. Members want to speak.

I have no interest to declare in Standard Life. I have no Standard Life policies, and I have no brief for Standard Life in the sense that, when I was preparing for the debate, the company—perhaps understandably—did not want to talk to me but merely sent its press releases. My concern and interest were initially raised by an article in *The Guardian* on 8 January 2004, which I shall deal with later, and it was maintained by subsequent press comment about the Financial Services Authority and Standard Life. I was concerned about some of the things that had been written, and I wanted the opportunity to explore them in greater depth, because they touch on several very important issues and the matter is very much in the public interest.

First, I want to talk about some of the publicity surrounding discussions between Standard Life and the FSA. I want to look at some of the comments suggesting that that publicity emerged almost as part of the negotiations, to examine whether that is true. I am making absolutely no allegations; I am simply raising questions that seem to be of legitimate concern.

Secondly, I want to look at the essence of mutuality as a concept of ownership in the financial sector, and I want to explore with the Financial Secretary the Government's attitude to it. Nominally, the Government and the Financial Services Authority—as the FSA said recently in a letter to the hon. Member for Twickenham (Dr. Cable)—are fully committed to diversity of ownership in the financial sector; they think that it is a good thing. However, in the conduct of financial regulation, the proof of the pudding is in what the regulations actually are, and I want to examine whether things are being done, in terms of assumptions and ratios in the financial sector, that make it very difficult perhaps for a very large company to be in mutual ownership.

Thirdly, I want to look at the Scottish dimension to these matters and the importance of Standard Life not just as Europe's largest mutual assurance society but as a major bulwark of the Scottish financial sector, which is hugely important in terms of employment, funds under management and the diversity and range of its activities.

I shall look at the publicity that has surrounded the dramatic events and issues of the last month or so. I first learned of this issue from an article in *The Guardian* on 8 January. In the first four paragraphs alone, the reporter managed to get in the words "urgent," "Equitable Life", "run on the institution", "panicked" and "devastating", but leaving to one side the hyperbole and colourful language, the report seems to be a fairly blow by blow account of discussions between the Financial Services Authority and Standard Life. As I think about the origins of that report, it could hardly have been in the interests of Standard Life to provide any of that information, and suggestions arose in the press that it had effectively been leaked or briefings given or matters talked about as part of the negotiations, as a sort of macho attempt to bring Standard Life to heel. I do not know whether that is true, and I should say in all fairness that the FSA explicitly and robustly denied any such suggestion; indeed, the chief executive, John Tiner, sent me a letter yesterday, referring to what I thought was a fairly innocuous question that I asked the Financial Secretary last week in the Chamber. I will read it in full. It is headed, "Standard Life and the FSA".

"During questions to the Treasury last week in the House of Commons, you asked the Financial Secretary to the Treasury if there was 'any credence at all to be given to suggestions that information about those discussions [between the FSA and Standard Life] was briefed to the press by sources within the FSA'.

"On 14 January the Daily Telegraph implied that we had leaked information to the press on these discussions. The following day the paper made it clear that: 'the FSA points out that there is no evidence that the leak came from its side, contrary to the implication here yesterday'. No credence should therefore be given to such claims."

That seems pretty comprehensive, but I had not actually seen the report in *The Daily Telegraph*. In fact, the first I heard of it was when I received that letter yesterday, and I went back to have a look at what had been said. I was actually referring to a range of other reports that had made the same point.

I shall read one of those reports because it encapsulates the unease of many financial commentators and others. It is part of an article in the *Sunday Herald* of 18 January:

"But these explosive events do raise issues that need to be carefully considered. On first reading, it appears that Standard Life had been squeezed into a corner by a regulator keen to flex its muscles ahead of the results of the Penrose inquiry into the debacle at Equitable Life. If that were shown to be the case, it would be a grim day indeed. Have we really seen such damage to one of our biggest companies and the savings and investments of so many—including a vast number of Scots—because the Financial Services Authority wants to get its defence in first?

The manner in which it has taken place also raises questions about the FSA's approach. If the news of the questions over solvency was deliberately leaked, that would make the opprobrium that the regulator deserves all the greater."

Several articles made the same point.

My unease stems from this: it is a very serious matter if a feeling is abroad, as it were, in the press in general—not just *The Daily Telegraph*, which incidentally is not my paper of choice—that there has been an attempt to create a macho atmosphere or to brief in the run-up to the publication of the Penrose inquiry report, which could be very embarrassing for the Government and the FSA. The Financial Secretary screws up her face a bit at that, but while we wait for the report to be published—perhaps she will tell us when it will be published—a feeling of unease has certainly developed from that type of coverage. I make no accusations—I am not in a position to do so—but there is concern, which I share, that such things should be suggested and thought possible. Clearly, briefing and spinning to the press can

[Mr. Alex Salmond]

be no part of financial regulation. The financial regulator has a difficult, challenging job but absolute trust between the regulator and those who are regulated is part and parcel of successful financial regulation.

I even read in one report the suggestion, which I initially thought ludicrous, that the FSA was imposing a rash of fines in the run up to the publication of the Penrose report. I discounted that as daft and silly until I examined the FSA's record over the last year and saw that, lo and behold, after 10 months in which seven financial companies were fined, there were six such fines in the last two months. Maybe it is simply the case that financial companies are fined in the run-up to Christmas these days, but there does seem to have been a sudden rash of fines on some of the leading companies in the sector. I agree that when companies deserve to be fined, they deserve to be fined, but it is interesting that there seems to be such a rash of fines in the run-up to the publication of the Penrose report.

I want to give the Financial Secretary the opportunity to deal with those points, and to make it clear that briefing the press can be no part of financial regulation. We do not know whether that happened—it is explicitly denied by the FSA—but the original report in *The Guardian* obviously came from somewhere, given the detail that it contained, and it would help if we could calm the atmosphere of speculation that has surrounded reporting and the issue of financial regulations.

The second question that I want to raise is the underlying question of the negotiations and discussions that have been going on between the FSA and Standard Life. It is interesting that, in this fevered atmosphere, it is possible for even the most sensible newspapers and the most sensible people to be dragged in in a rather alarmist way. An article in *The Sunday Times* of 18 January discussed the recent hearings of the Select Committee on Treasury, which were designed to boost consumer confidence in pensions. It says:

"The notoriously aggressive panel, chaired by the Dumbarton MP John McFall, is thought to be concerned about the viability of the 178-year-old Scottish insurer . . . McFall is expected to be well briefed, because Ned Cazalet, the insurance analyst who is Standard's arch-critic, is an adviser to the select committee."

I believe that the hon. Member for Dumbarton (Mr. McFall) is far too wise a person to be concerned about the "viability" of Standard Life. He and the Treasury Committee, the Financial Secretary and the FSA may well be concerned about aspects of guarantees and commitments made across the financial sector by life companies, and they may be seriously looking at the ratios of Standard Life, but they would not, I think, argue that there was a question about the "viability" of Standard Life. That report gives an idea of the feeding frenzy that can develop when issues like this emerge—and are debated—in the way that they have over the last month. Discussion is legitimate and proper; given some of the circumstances in the financial sector and given the range of issues in the pensions market at present, people are understandably concerned, but there is great potential for damage to institutions, and to people's jobs and pensions, if a snowball effect affects confidence in the financial sector or particular institutions.

At the heart of discussions between Standard Life and the FSA was, first, the question of the new "realistic balance sheet" that the FSA is applying across the financial sector and how that affects ratios. Standard Life was first up for those discussions because of the timing of its accounting year, which was several months ahead of other companies', and no doubt other companies may soon go through the same bruising process. I hope that it is not a bruising process, but Standard Life led the way in that sense.

Secondly, there was the question of the FSA wanting the company fully to commit and reserve for what Standard Life has been presenting as a mutuality bonus—that is to say, the addition that policyholders could expect from with profits policies as a result of the company's being in mutual ownership and therefore not paying back a percentage on shareholders' capital.

Now the FSA says that such things should be fully capitally accounted for, or fully reserved in terms of access to capital, and I do not think that anyone would dispute the idea that if people are offering what is presented as a guarantee, such a guarantee would have to be reserved. On the other hand, if people are presenting an argument that being in mutual ownership means by definition that policyholders effectively have equity in the company and are therefore entitled to the return on capital that would go to shareholders in a plc, that argument seems to be at the very heart of mutual ownership. If a mutual company cannot argue that, it is very difficult to see what the marketing advantage of being a mutual company actually is. A plc has advantages in the financial market over a mutual company. For example, it finds it easier to raise capital; a plc has many ways and areas of raising capital that are not open in the same way to a mutual company. So a mutual company, in its marketing, has to make the most of its advantage over plcs.

I am not sure that everyone fully understands the full extent of the new ratios and realistic balances, because a series of very complicated mathematical models is now being applied to work out the new realistic balance sheet, but I think we can have a sensible discussion about whether requiring a fully capital-backed application to the claim of mutual ownership in itself militates against mutual ownership in the financial sector.

Mr. Michael Weir (Angus) (SNP): Does my hon. Friend agree that although plcs have many more routes, it is a fact that Standard Life is stronger than many of the former mutuals that have gone down the plc road, both in its own finances and in pay-outs to policyholders under their policies? Many of those who have gone down the plc route have ended up being swallowed up and have cut their bonuses significantly.

Mr. Salmond: Yes indeed. I shall come to that. As I said, I have no interest in Standard Life; but I do have an interest in a demutualised life assurance company. I have several endowment policies, and I can say openly to hon. Members that I wish they had been with Standard Life, because they would have been worth a great deal more over the last 20 years than they are with the demutualised company that they are with. For the sake of that company, it will remain nameless.

Returns from Standard Life speak for themselves when compared with those of other life assurance companies, with figures for with profits policies, and

with figures for the range of mutual companies. I saw a performance list in a newspaper, which showed that 17 of the top 20 performers for TESSAs were mutual building societies; that struck me as a very interesting statistic indeed. So there is a great deal of evidence, as my hon. Friend the Member for Angus (Mr. Weir) said, that performance in terms of investors' returns is very healthy in the mutual sector. Indeed, there is a great deal of evidence not only that Standard Life is a solid company in terms of its overall ratios and any common-sense application of them, but that it has, by comparison with other companies in the sector, achieved good returns from its policies.

My hon. Friend spoke about the fate of other Scottish mutual companies that have demutualised. That is the final aspect that I want to discuss. The situation was summed up very well by one of Scotland's most experienced financial commentators, Bill Jamieson. In *The Scotsman* on 16 January, he wrote:

"I have lost count of those who have told me in the past week that Standard Life would be better off by demutualising. I wish I could be so sure. For I have not lost count of all those other great Scottish life offices that have survived as independent"

countries—that was a Freudian slip, but we shall keep it on the record, I think. I meant

"companies after demutualisation. That number is easy to count. It is even easier to remember. For it is a nice round number. It is wholly and precisely zero.

"Economists have a term for this: the law of unintended consequence. And it could be about to destroy Scotland's last big player in life assurance. A groundless worry of no import? Consider what has happened to all the others, those names we once proudly recited as enduring treasures in the pantheon of Scottish finance. Scottish Amicable, swallowed by the Prudential . . . Scottish Mutual, bought by the Abbey group . . . Abbey National Fund Management is itself transferring £28 billion of funds under management out of Glasgow to London . . . Demutualisation is no magic wand. The danger for Standard Life is that of predatory attack, and from companies not at all interested in preserving the business in Edinburgh, or even the brand name. Are we really sure this is a dose of financial Viagra for our financial sector? Let's be sure before we bite that it's not a cyanide pill."

That commentary neatly explains some of my own concerns. Standard Life is very much a pillar of the Scottish financial sector. It has been in mutual ownership since the 1920s. It has been a hugely successful company. The track record of other demutualised life offices does not give us any confidence that huge benefits will result from conversion to a plc, certainly in terms of the Scottish financial sector. It lays companies, even those as large and substantial as Standard Life, open to predatory attack.

Standard Life is hugely important for its policyholders—the people who have put faith and trust in it—and that faith and trust has been well rewarded and well established over very many years. It employs 12,000 peopie. It is part and parcel of the Scottish financial sector, and serves a worldwide customer base of policyholders.

It could be argued that being a plc confers advantages, even after a commitment to mutual ownership for many years—indeed, only a few years ago, carpetbagger attempts to demutualise the company were fought off. However, if the company were chased into conversion from mutuality by the unintended consequences, as Bill Jamieson put it, of certain aspects of financial regulation, I am sure that that outcome would not be wanted by the Government or, indeed, the financial regulator.

I am aware of the time available, and know that a number of Members want to contribute to our debate. Let me summarise my concerns. First, I should be grateful if the Financial Secretary made it crystal clear that any briefing, even pub gossip, in the financial sector cannot possibly be used as a means of negotiating when companies are in discussion with the FSA. The FSA, of course, denies that that has happened, but the Financial Secretary must accept that a range of reports, not just in *The Daily Telegraph*, have raised it as the motive in a number of discussions. The fact that such a feeling is abroad and shared by many journalists is a matter of concern, because the financial regulator depends on complete confidence in the financial sector. To maintain that, people must have full confidence in the financial regulator.

Secondly, there is a substantial point to be made about mutual ownership. Is the Financial Secretary concerned that some of the new ratios and applications of guarantees may create an inadvertent prejudice against mutual ownership and make it more difficult for large companies to remain in such ownership? That would be an unintended consequence—I certainly hope that it would be unintended—of the new system of regulation and capital adequacy.

Thirdly, does the Financial Secretary acknowledge Standard Life not just as a mutual company but as an important pillar of the Scottish financial sector? It would be unfortunate if a company were effectively chased out of mutual ownership, as that would create difficulties for the company's future independence.

I wish to make it quite clear that our debate should not add heat to the fevered atmosphere of the past month. On the contrary, it should cool things down and elicit sensible responses to reasonable questions. It certainly has the best interests of the financial sector and the companies that operate within it, particularly Standard Life, at heart. I hope that the Financial Secretary's reply will reassure policyholders, customers and companies in the sector.

9.53 am

Mr. Andrew Love (Edmonton) (Lab/Co-op): I join the hon. Member for Banff and Buchan (Mr. Salmond) in acknowledging the complexity of the subject. I have tried to understand the negotiations between the FSA and Standard Life and grapple with the issues, but I have been baffled. The press release issued by Standard Life came as a shock, as it spoke about the need to

"review the application of risk modelling techniques to long-dated products such as those offered by the life insurance industry in consultation with the industry, particularly with regard to the appropriateness of economic scenarios used in such modelling."

I have no idea what that means, so I cannot make a contribution to our debate about such issues. However, I was struck by the discussion with chairman Sir Brian Stewart on the Standard Life website. In answer to a question, he said:

"The resolution was that we are going to take out of our projections for policyholders the benefits of mutuality."

That pinpoints my interest in our debate, and I hope that the Minister can provide reassurances.

[Mr. Andrew Love]

Many background issues may or may not be pertinent to this debate, such as Equitable Life, the Penrose report, for which we are still waiting, and the Serious Fraud Office, which has been referred to. I accept the importance of all those issues but do not believe that they are directly relevant. They are, however, indirectly relevant to Standard Life, as I shall discuss later. Some people say that it was too exposed to stocks and shares when the stock market was adjusting, and that that is the cause of its problems. If that is so, it is a relevant consideration for Standard Life, but it is not relevant to the debate about whether or not it should be a mutual company.

Standard Life itself says quite a lot of its business is in relatively high-risk areas, so there may be question about whether those risks should be borne by policyholders or whether there is a role for shareholders. However, it has been grappling with that issue for some years, so I accept that it may want to make decisions.

I should like to focus on risk as it relates to the FSA. Equitable Life is relevant, because there are pressures on the regulator to come to terms with the difficulties and problems that have arisen since it assumed responsibility for financial regulation. The hon. Member for Banff and Buchan touched on the change from a statutory basis of accounting to what the FSA characterised as a more realistic basis. I am not an accountant and shall not try to describe that change, but a number of issues arise. We can assume that a realistic basis is intended to give a more realistic view of a mutual insurer's accounts. I suspect that most hon. Members in the Chamber would accept that if that achieves more transparency for investors, policyholders or, indeed the industry generally, it is a good thing and should be welcomed.

I should like to touch on three changes resulting from the way in which insurers now have to publish accounts on a realistic basis. First, they have to quantify future discretionary benefits, as the hon. Member for Banff and Buchan said, including the level of discretionary bonuses and terminal bonuses. They have to account more than they did in the past for the level of those benefits. Secondly, they have to give a more explicit statement of their liabilities so that they have adequate capital to cover them. That includes a requirement for greater transparency so that people know that their money is not at particular risk should the mutual get into difficulty. Thirdly—I suspect that the Equitable Life saga is relevant here—options and contracts, such as guaranteed rates for annuities, must be quantified in value and included in the liabilities. The FSA requires insurers to hold capital to meet increased risks that are made apparent by accounts on the new realistic basis. The FSA wants explicitly, says one publication, to reduce the pressure

"to sell shares when the stock markets fall."

That highlights an issue that has been very much to the fore in the FSA's discussions with the insurance industry about its difficulties.

I am interested in the way in which those three issues impact on Standard Life as a mutual body. For example, when we take into account the benefits of mutuality, will that make a pertinent and significant difference to the accounts that are produced at the end of the year? I do not know the answer, so hope that the Minister can deal with that. However, if discretionary benefits are increased and bonuses, such as the terminal bonus, are improved by the benefits of mutuality, would that inevitably mean that the accounting had to include a greater capital requirement to meet that increased risk? Similarly, would increased liabilities have an impact on accounting?

My personal view is that if annuity rates are guaranteed, there is no particular difference between contracts offered by a mutual or a non-mutual company, provided that they both include guarantees. Mutuals may believe that they can offer such guarantees more often because of the benefits of mutuality, and they know what they are doing. Although a problem arose with Equitable Life, the issue is relevant to the whole industry, rather than just the mutual sector.

Are we putting the mutual sector at a disadvantage because of the new realistic basis of accounting? Standard Life, for example, has announced that it can no longer take into account the benefits of mutuality. As a result, mutuals must reconsider whether there is any point in being a mutual.

That brings me finally to diversity, an issue raised by the hon. Member for Banff and Buchan at the beginning of his speech. When we discussed the Financial Services and Markets Act 2000, I made a speech on Second Reading in which I called for a change in the objectives of the FSA to include diversity. The mutual sector in financial services is relatively small. It may not require protection because, as has been said, it produces better returns—people who save with a mutual get a better return than they would in other parts of the sector—but the special circumstances of mutuals need to be recognised.

That may be the root of the present problem. The Financial Services and Markets Act is under review, and I believe that there is a need to consider whether diversity needs to be taken into account so that we can be sure that the mutual sector and its benefits for the marketplace are protected. We can then ensure not only that Standard Life, the largest mutual insurer in Europe, but all the other mutual organisations are aware that we think that mutuality is a good thing.

10.3 am

John Barrett (Edinburgh, West) (LD): I congratulate the hon. Member for Banff and Buchan (Mr. Salmond) on securing this debate. He set out clearly the problems facing Standard Life, and referred to the feeding frenzy in the press, which has created a distorted view of the FSA's involvement with Standard Life, and information available to the public.

Whether we are interested in the economy, employment, pensions or personal finance, it is safe to say that the issues facing the financial services industry are important to many hon. Members. Our postbags on Equitable Life alone would surely be testament to that—mine certainly was. As a minor policyholder in Standard Life, I declare an interest in this debate. After being elected to Parliament, I entered into correspondence with Standard Life to transfer that small policy to a parliamentary pension fund. A year later, it still has not managed to make that transfer, so I remain a policyholder with Standard Life.

I have, however, a much wider interest in the relationship between Standard Life, the FSA and my constituency. The company is by any measure of primary importance to the city of Edinburgh, part of which I have the honour to represent. Apart from the thousands of my constituents who have policies with Standard Life, the company employs 8,000 staff in Edinburgh as a whole, making a huge contribution not just to the financial industry in the city but to the Edinburgh economy as a whole. Although the future of Standard Life is an issue that rightly concerns the whole UK, the future of the company is of particular importance to Edinburgh and many of my constituents.

I confess that I was a fan of Standard Life. Not very long ago, in this very Chamber, I referred to the company in a debate on the outsourcing of financial services jobs, and paid tribute to its attitude on that issue. Its managing director of human resources had a firm commitment to keeping jobs in the city at a time when many of its competitors were moving customer service roles overseas. However, Standard Life has made mistakes, and continues to do so, both of presentation and of substance. Some say that the problems are of Standard Life's own making. Its reliance on equities at a time of stock market decline had a major negative impact on the company's capital reserves. That decision, combined with other circumstances, has left Standard Life in its current position.

At the same, however, it is vital that we deal with the issue constructively. It would be easy, in the wake of the Equitable Life scandal, to respond to Standard Life's difficulties with alarm and horror, as has happened in some press reports. Such an attitude is misguided, because Standard Life is not going the same way as Equitable Life and is not as short of capital as Equitable was. However, we must wait for its new balance sheet following the new FSA rules in March. Much has been made of demutalisation and the extent to which that could solve Standard Life's problems. Even contemplating such a process would be a massive U-turn by Standard Life, and shows the depth of the challenge facing the company. Indeed, such a consideration makes the protestations by the chairman of Standard Life that there is not a problem even more unbelievable.

The hon. Member for Dumbarton (Mr. McFall) secured a fair amount of coverage for the grilling that he and his Select Committee gave Standard Life management two weeks ago, but the interrogation was justified. We, as our constituents' representatives, must ask difficult questions to which our constituents want answers. Extraordinarily, in addition to the evidence given to the Treasury Committee, the Standard Life website features a special question and answer page with its chairman in which he says that

"it is not a difficult time for Standard Life."

That is spin worthy of Alastair Campbell, and bears little resemblance to what people in the industry, the staff, policyholders, the FSA and others have seen. There is no shame in the challenges that face the company. It goes without saying that Standard Life must be honest and open. The UK financial services world changed after Equitable Life, and people rightly expect nothing less than complete honesty from those who handle their financial affairs. I hope that the decision to give an indication of what has been agreed between Standard Life and the FSA when the annual results are published on 18 February will mark a new period of openness, but that depends on exactly how forthcoming the company is in that report.

Demutualisation, of course, offers no short-term remedy for the company. People in the industry believe that a full-scale conversion could take up to two years because of the requirement to get permission from policyholders, an independent actuary, the Financial Services Authority and the courts. The process is not cheap, and Standard Life spent £6 million on administration during the 2000 campaign against demutualisation. There are other options, which I hope can be considered in the current review. For example, the company could either cut new business to protect the interests of current policyholders or cut equity exposure. I am not a financial adviser, and do not pretend to offer advice on those matters, but I believe that Standard Life should consider its options carefully. The Government, the FSA and others should make every effort to offer assistance.

Mr. Salmond: The hon. Gentleman has a huge constituency interest in the matter, so will he say something about the point that the hon. Member for Edmonton (Mr. Love) and I tried to explore? There is concern that there might well be—perhaps inadvertently—something in the regulation that the FSA is looking for that would militate against major companies staying in mutual ownership. If that is the case, it puts some of his comments in a different context.

John Barrett: I absolutely agree. Standard Life has long promoted the benefits of being a mutual company. It should be made clear if the rules are changing, and the FSA's involvement is queering the pitch for Standard Life. I look forward to hearing what the Minister has to say about the matter, because there is a genuine concern for the company's future and its employees and policyholders.

Policyholders have to be realistic, too. Demutualisation would certainly not bring the windfalls that it would have brought when it was first mooted back in 2000, and any windfall now would in no way make up for the cuts in bonuses that were announced last week.

Hon. Members have, quite rightly, fought to preserve the interests of the millions of people who have policies with Standard Life and whose policy bonuses are falling—I strongly agree with those comments. However, the current uncertainty also means that behind Standard Life's impressive buildings on Lothian road, Conference square and George street, 8,000 staff remain in an equally uncertain position. As I said, the hon. Member for Dumbarton was absolutely right to be critical of Standard Life's management for, at best, their lack of information and, at worst, misleading some people over the position of the company. Similarly, I fear that the management are equally secretive with Standard Life's staff. The company's six-month review has effectively left many employees in a state of limbo. In fact, from what I know from those who have contacted me, I do not think that it is too much to say that some in the company are quite depressed. Promotions are being postponed and long-term goals

[John Barrett]

are being amended. Many within the company who, even a few months ago, would not have contemplated changing jobs now feel that they must reassess their situation. However, as one of my constituents told me, it is not as if she has pages of job ads to wade through. This is a sad situation. We must remember that the staff worked hard over many years to build Standard Life into the world-class business that it is today. For example, the work to resist demutualisation four years ago was a credit to all involved.

I am conscious that other hon. Members may wish to speak, so I shall not go on too long. On the positive side, the scrutiny under which Standard Life appears to be is a sign that lessons have been learned from past mistakes and that foundations are being laid to ensure that the previous situation does not happen again. This is a difficult time, not just for those in the financial services sector, and difficult decisions will have to be taken in the months ahead. It is in all our interests to ensure that Standard Life continues to be a leading player in the financial services field. A resolution must be found for the company and its staff and policyholders, so I would welcome any reassurances that the Minister can give to those policyholders and employees.

10.13 am

Dr. Vincent Cable (Twickenham) (LD): I congratulate the hon. Member for Banff and Buchan (Mr. Salmond) on securing the debate, which is highly topical and of concern to many of our constituents. The Standard Life problem is nothing like as extreme as that of Equitable Life, but many of our constituents who are policyholders are none the less anxious, so the debate is timely and helpful. The hon. Gentleman rightly emphasised the role of the institution in the Scottish economy, as did my hon. Friend the Member for Edinburgh, West (John Barrett). I shall dwell on two more general issues that overlap: first, mutuality in the insurance sector; and, secondly, the implications of what is happening to with profits policies and their regulation, which has been touched on rather less. The two matters are linked, but I shall separate them.

The management of Standard Life argue on the basis of their track record that mutual ownership gives real benefits to its policyholders because it can produce a return that is 0.75 percentage points higher than the industry average over a long time. I do not think that that is simple self-promotion because there has been a lot of academic analysis on the point. The hon. Member for Edmonton (Mr. Love) is a considerable authority on such matters, so he will know that a lot of work has been done at the university of Loughborough by Professor Llewellyn, among others, to demonstrate that mutual insurers produce a higher return for their policyholders than public limited companies do over the long term. That happens for the simple reason that such insurers do not use equity capital, which is a more expensive form of finance.

By the same token, however, mutual insurers have disadvantages. The fact that they have difficulty raising capital in a hurry has been touched on. Their other problem is that by having equities on the asset side of their balance sheet rather than the liabilities side, they are potentially unbalanced because their risks are not properly offset, which was the underlying problem with Equitable Life.

The future of with profits policies overlaps with mutuality. Many of us remember that during the great days of the bull market in shares, everyone wanted a with profits policy. As someone who had a Standard Life policy that matured at just the right time, I have rosy memories of with profits policies and Standard Life. Since that time, however, the market has turned down and such policies are considerably less fashionable. Several years after the horse bolted, the FSA is busily erecting a stable door in the form of reserves and provisioning to ensure that the horse does not escape—that is understandable given the current situation.

There is a public policy issue that we want the Minister to address. We want it to be absolutely clear that, as the hon. Member for Banff and Buchan put it, there is no unwitting bias against mutual ownership in the system of regulation. I am not saying that as an ideologue promoting mutual ownership—it has benefits and disbenefits. However, we want to ensure that there is a genuine level playing field and that there is real diversity in the market with mutual and non-mutual institutions. The Government have a creditable record in the field. The Financial Secretary will remember from her role on building societies in the previous Parliament that the Government took a strong position to ensure that the building society movement was not effectively wiped out by activities such as carpetbagging. They introduced new regulations to that effect, although some of us criticised them for not enacting primary legislation. None the less, the mechanisms that they implemented have stabilised mutual ownership in the building society sector. Nationwide, which was considered to be the most vulnerable building society, is apparently stable.

A different pattern is emerging in the insurance sector, and it appears that mutual insurance might be heading toward extinction. Although I do not think that the unfortunate history of Equitable Life's problems was intrinsically caused by mutuality, it was compounded by it. Standard Life is coming under pressure to demutualise. The only remaining significant mutual insurer is the Liverpool Victoria, which is really a friendly society with several characteristics of an insurance company. It is possible to envisage that mutual insurance will effectively disappear in a couple of years unless action is taken to stabilise the situation.

Although that is a general problem, there is a specific question about the role that the FSA is playing. A charge has been made in some quarters that the FSA might be deliberately—that is probably not the case—pushing Standard Life toward demutualisation. I wrote to Mr. Tiner last week because of that concern. He replied yesterday and published his reply on the internet—I think that it has been widely picked up.

Several specific points about whether the FSA is pushing Standard Life toward demutualisation need separating out. First, does the FSA have any general bias? Mr. Tiner makes it clear in his letter that it does not. His strong statement says:

"On mutuality more generally, we have no view one way or the other about the merits of a mutual structure"

and says that that is a matter for members. I completely accept that and do not allege any sort of conspiracy or ideological bias.

Several hon. Members have touched on a more complex matter: the illustration of the benefits of mutuality. Consultation paper No. 195 is currently in circulation—*[Interruption.]* It is being waved by the hon. Member for Chichester (Mr. Tyrie). It is a weighty document, but if I may try to summarise its significance and the essence of the problem in one line, I understand that it will prevent mutual insurers from illustrating the benefits of mutuality, such as extra returns, in a context in which they must maintain higher provisions. Standard Life's worry is that if it will be no longer allowed to illustrate benefits, its credibility as a competitor in the market will be undermined. Indeed, there is already evidence of that from the response of the rating agencies, Standard and Poor's and Moody's, in downgrading Standard Life on the market when it became clear that it might not be able to illustrate the benefits of mutuality.

If I have understood the problem correctly, I hope that the Minister will say that the Government will respond to the consultation paper and make it clear that public limited companies' lobbying to stop the mutuals from illustrating their benefits will be countered so that mutuals will be able to compete in the market by publicly declaring what they think that the benefits of mutual ownership will be. The Government might be able to intervene, although I accept that the situation is confusing. Mr. Tiner's letter says:

"You express concern about the benefits of mutuality no longer being included in illustrations of future returns. This is a matter for Standard Life."

However, Standard Life does not believe that—it believes that it will come under pressure not to do that—so perhaps the Minister will clarify the situation.

One fundamental problem for mutuals is that they cannot go to the equity market, so they have to go to the bond market. They believe that they are at a disadvantage by having to do that because of the conditions set by the FSA as a regulator. I would welcome feedback from the Minister about whether she recognises that that is a problem—the mutual insurers certainly believe that there is a problem and that the FSA's requirements are too onerous.

I conclude with a point about which I am not terribly clear; perhaps the Minister will clear it up. People who are worried about the rush to demutualisation express concerns that it would not only not be in the long-term interests of policyholders, but it would not solve Standard Life's problems. Standard Life is under great pressure to raise cash to meet the new regulatory requirements, but if it demutualises, it will probably take between 18 months and two years to bring additional capital into the company, so it may be pushed into demutualisation for the wrong reasons at the wrong time, despite the fact that that might not solve the problem with which it is confronted.

I accept that the matter is largely one for the company, its members and the FSA, which, properly, has devolved powers so that it is at arm's length from Ministers. However, we want the Financial Secretary to give us a clear picture of how she sees the mutual sector in insurance. Do the Government have a proactive view, as they did with building societies and, if so, how will she manifest their concern? Does she accept the analysis that the FSA, in subtle ways through its interventions, makes it more difficult for the mutual sector to survive? Does she propose to respond publicly to the consultation paper in a way that would express several of those concerns?

10.24 am

Mr. Andrew Tyrie (Chichester) (Con): We have heard a little about the importance and size of Standard Life. It is a crucial major employer in Scotland, which is at least part of the reason why we are holding the debate. The point made by the hon. Member for Banff and Buchan (Mr. Salmond) about the leak in *The Guardian* is pertinent. Regulatory discussions cannot be conducted in the newspapers. It appears that someone has put something in the public domain as complicated negotiations were taking place behind the scenes, which I regret. I tabled a written question about the leak, but it was ruled out of order by the Table Office. I wonder in passing whether we need to examine our rules to find how we could introduce more flexibility to the way in which we table written questions, given that the Freedom of Information Act 2000 will make it much quicker and more sensible from 2005 to put a letter in the public domain that would require an answer.

The immediate reasons why we are having the debate are the discussions on demutualisation and rumours that jobs might be lost in Scotland. That is worrying, and I raise a question in passing, although I do not expect the Minister or anyone else to answer it. Whenever demutualisation is discussed, why does it so often seem to mean "large savings in employment costs"? I am a supporter of the mutual principle, but the discipline that shareholders could bring to mutual companies could gives scope for cost-cutting that would bring greater benefits to policyholders or shareholders.

As the hon. Member for Twickenham (Dr. Cable) and other hon. Members said, the heart of the debate on demutualisation is the question of access to capital, because a demutualised company can borrow more easily and find resources to expand its business, which is especially important in the fast-changing business environment in which we live. I noticed 18 months ago that, Legal and General raised about £800 million in the capital markets, which would have been more difficult and time consuming if it had remained a mutual.

Set against that benefit is the cost of the long-run yield that shareholders obtain that should accrue to policyholders, which can be measured, in theory. The hon. Member for Twickenham referred to research about which I am aware showing that part, but not all, of that benefit ends up with policyholders, although a number of assumptions that are built into the calculations make it difficult for us to be sure that they are correct.

Standard Life and other firms have historically argued that they have sufficient financial strength to do most of the things that a limited company can do while giving extra benefits to their policyholders, which is the nub of the argument for mutual status. Most of those benefits go to with profits policyholders. The FSA's proposals on with profits policies lie behind the uncertainty surrounding Standard Life. The FSA has

[Mr. Andrew Tyrie]

proposed a tightening of the regulation of with profits policies, but even if we were to stand back and suppose that the FSA had taken no steps to tighten regulation, we would still be debating the industry. The underlying reasons for uncertainty in the industry go far deeper than the FSA's intervention, and I shall cite three or four reasons why.

First, the deep bear market in equities put the size of inherited estates in life companies under a great deal of pressure. The amplitude of the business cycle in the 1980s and 1990s put enormous pressure on the policy of smoothing returns to policyholders, which is the practice of handing out only a proportion of the return during the upswing and giving part of it, but not all, back during a downswing. If the cycle is very big, that policy comes under great strain, particularly if it is much bigger than had been assumed by the actuaries when the policy was put together.

A second reason why the debate would be taking place anyway, or a contributory reason, is that lower inflation and interest rates have increased the value of guarantees that the firms have written, creating much larger liabilities in the balance sheet. That was bound to bring pressure on the industry. Added to that are the facts that forecast life expectancy is greater than anticipated and surpluses on non-profits business are lower than expected. The expenses cap on stakeholder pensions has not helped in that respect, and the Government have something to answer for there.

Finally, and most important of all, there is the effect of the Equitable Life scandal and collapse. It sent a shudder through the whole market when one of the flagships came crashing on to the rocks. Now is not the time to discuss why. I hope that we will soon have an opportunity to discuss why that happened, with the publication of the Penrose report, which the Minister has already read and which I hope we will shortly be able to see in full.

It is important not to draw simplistic parallels between Equitable Life and Standard Life, as the hon. Member for Edinburgh, West (John Barrett) also said a moment ago. Equitable Life operated on a unique business model. It had virtually no reserving and very high terminal bonusing. Inevitably, that created greater risk for policyholders. Whether regulators should have permitted that business model to survive and continue is a subject to which we shall return, but that is not the model on which Standard Life has been operating. It is therefore important that the wider public, including policyholders, do not draw any simplistic conclusions about any putative threat to Standard Life from what happened to Equitable.

In response to the factors that I have listed which put great pressure on the industry—the last of which was the collapse of Equitable, which brought with it a great deal of publicity—the Financial Services Authority launched a review of the entire industry. Several key elements of the review are worth mentioning, as the hon. Member for Twickenham and other speakers did. I have a list of the major changes in the regulatory tax and accounting framework for life companies that have been pushed through in the past couple of years or are coming through in the next couple of years. There are 21 major changes. I will not read them all out—I will not read any of them out, but they can be found on the actuarial profession life office taxation working party website. Even from reading the titles, one gets a sense that this is an industry undergoing fundamental change as a consequence of a reform of the regulatory framework.

We must keep reminding ourselves that the customer is paying for all this regulatory work. It is putting bills up and reducing terminal bonuses and returns to shareholders and policyholders. As we said in our deliberations on the Financial Services and Markets Bill, it is crucial that there is a balance between the costs and benefits of regulation. I support what is going on, as far as I can tell—I do not have the benefit of a detailed knowledge. However, we must bear it in mind that it does not come cost free. The FSA will ultimately be judged on whether it has got the balance of costs and benefits right. It is far too early to tell.

Among those 21 changes, there have been six major consultation documents from the FSA. I have two of them, just to give Members an idea of the volume of paper that the industry is expected to cope with. I shall refer briefly to them, as they are the most important.

CP 207 is about treating with profits policyholders fairly. The purpose is good. It is designed to open up the black box that has been at the heart of life assurance for a very long time.

How should an asset share be calculated? That is an extremely complicated question. Firms vary their practice enormously on how they do those calculations. Is it right that they should continue to have that degree of flexibility? How should a smoothing reserve be managed? I mentioned that earlier. Should firms be allowed to vary the amount by which they smooth in percentage terms? When is a guarantee a guarantee? That question is not understood even now by many people who read the literature. We heard a moment ago about the marketing literature.

I do not have answers to these questions. Reading CP 207 is enough to make one wonder whether more than two or three people in the world at any one time will ever fully understand the answers, but the questions should be asked. I am fairly convinced that it was wrong that directors of life companies should have had—and continue to have, although it is being reduced—such enormous discretion to vary their policy on these matters. Not all life companies agree with that. Standard Life recently put out a document stating:

> "There are risks . . . that excessive limitation of companies' discretion may impair the performance of with profits products, and that excessive disclosure may make the smoothing of returns to reduce volatility more difficulty to achieve."

I am not sure who has the better of that argument and I shall not try to adjudicate, but it goes to the heart of whether mutuality should survive and thrive.

I have two questions for the Minister on the consultative document, which I touched on earlier. First, is it the intention of the regulators to bring greater homogeneity to asset share calculations, or is it merely the intention of the regulators to create transparency, so that people can see the differences? Secondly, CP 207 did not discuss the implications of the Sandler report for with profits business, and there are a number of issues involved, on which I shall not elaborate now. I should like to know the Government's view. Of course, it is consistent with Sandler, but can the Minister go beyond that and say what that consistency amounts to?

The second paper that I shall briefly discuss on this remorselessly complicated subject is CP 195, which has already been mentioned. Again, it is a huge document—hundreds of pages of tiny print, part of which I have tried to read in the past few days before the debate. It is entitled "Enhanced Capital Requirements and Individual Capital Assessments for Life Insurers." It introduces the notion of realistic solvency assessments and realistic balance sheets. When I was reading it, I wondered whether that means that up to now we have all been working on unrealistic balance sheets and unrealistic solvency assessments. I hope that is not the case, but the mere fact that that word can be used in this context without people finding it curious tells a story. Balance sheets have not been transparent enough in the past.

Part of the difficulty has been that the balance sheets of life companies have in the past shown the full value of any fall in markets on the assets side of the balance sheet, but not the full likely effect of that fall in the markets on the liabilities side. That is one of the major issues behind the construction of realistic balance sheets. As I was reading the document yesterday, it struck me that a great deal of discretion is still left to directors of firms to decide how to describe their liabilities.

I have a couple more questions to ask the Minister. The creation of realistic balance sheets was used a few months ago as a justification for using waivers to minimum reserving requirements. Those minimum reserving requirements were in turn triggering the forced sell-off of equities. Was the Treasury consulted by the FSA before such waivers were used? The long-run implications of the use of those waivers are quite profound. An issue of great concern was that if the forced sell-off of equities continued, there would be a massive overshoot in equity prices, with a massive downturn.

I have a more general question that will open another black box that exists in the area of public finance regulation. Very few people know of the existence of the tripartite committee, which consists of the Treasury, the Bank of England and the Financial Services Authority. I know very little about it. Can the Minister tell us whether that committee, which meets monthly, has ever discussed the systemic implications of all the radical changes that are being pushed through in the insurance market?

The regulatory modernisation that is taking place, of which those two documents are just a small part, is sharply changing the shape of the industry. It is partly a result of the colossal failure of Equitable Life. I support what the FSA is trying to achieve, but I return to the point I made a moment ago about the costs and benefits of regulation in the long run. We must not lose sight of that. We are left with a number of quite deep questions, which the hon. Member for Twickenham alluded to, although he phrased them rather differently.

How much are risks spread in with profits policies? I am still not clear about that, and it is a question of which the regulators should be mindful. Can businesses in the 21st century thrive without access to capital that is afforded with limited liability? That is at the heart of the question on mutuality. Can we continue to have a major industry with a massive actuarial black box at its heart, in an age of greater transparency in which consumers are demanding far more knowledge about products, and shareholders are far more active in demanding higher returns? I am a supporter of mutuality, but these are difficult questions for the industry and they are the very questions that the Financial Services Authority is opening up in its review. I shall be interested to hear what the Minister has to say about them.

10.42 am

The Financial Secretary to the Treasury (Ruth Kelly): A relatively short time remains to me, but I shall try to answer as many as possible of the questions that have been raised.

I pay tribute to the hon. Member for Banff and Buchan (Mr. Salmond) for securing this timely debate. I entirely concur with the sentiments of the hon. Member for Twickenham (Dr. Cable), who said that this is an issue of great concern to constituents in Scotland and throughout the country for varying reasons, including the financial sector in Scotland and the employment impact, and the fact that there are Standard Life policyholders across the country. Hon. Members will understand that it is not for me to comment on the ongoing details concerning the regulation of Standard Life or any other life company. However, I welcome the opportunity to lay some concerns to rest.

There is no conspiracy against Standard Life, mutuals in general or Scottish financial services. In my written answer to the House of 13 January, I noted that the Financial Services Authority had kept me informed of the matter under the terms of the tripartite memorandum of understanding. I also noted that the FSA has responsibility for regulatory decisions under the Financial Services and Markets Act 2000 and that it had informed me that it had, under section 166 of that Act, commissioned a review by independent experts into the origins and implications of the significant divergence in the calculation of Standard Life's liabilities. The FSA will continue to keep me informed of the matter under the terms of that memorandum, and I will keep the House informed of developments, as appropriate.

I cannot comment on the substance beyond that statement and those made by the FSA and Standard Life on the day. There are, however, a few things I can say of interest to Members in the Chamber about the handling of the issue and about mutuality generally. First, Standard Life is in no way being singled out by the FSA in respect of realistic reporting. The vast majority of the industry is currently in discussion with the FSA regarding the move to reporting on a realistic basis. Secondly, that move is part of the FSA's much needed programme of modernising the regulation and capital requirements of life insurers, be they mutual or quoted companies. The hon. Member for Chichester (Mr. Tyrie) was right to say that companies are undergoing a programme of fundamental change.

Thirdly—this is of particular interest to hon. Members present—the Government recognise the contribution of all forms of mutual financial service provider to offering choice and diversity in the sector. The recent proposals to update life insurance regulation are categorically not part of a demutualisation campaign by the FSA or the Government. I know of the long-standing interest of my hon. Friend the Member

[Ruth Kelly]

for Edmonton (Mr. Love) in these matters. He and others will recognise the contribution of the Treasury to the development of the mutual sector over the past few years, not least, as the hon. Member for Twickenham noted, in supporting the building societies' movement against carpetbagging, and in my own support of two private Members' Bills on industrial and provident societies, taking forward the issues raised by the mutual sector and trying to further that cause.

Mr. Salmond: Standard Life is the last of the great mutual life insurers. We have been trying to explore whether forcing a mutual to be fully reserved undermines its claim of mutuality and the well documented advantages of mutuality. We are not suggesting a conspiracy. We are asking the Minister to address that fundamental point.

Ruth Kelly: I will. As I am sure the hon. Gentleman noted, I said that I would deal first with the handling of the issue, and then with the substance of the issue of mutuality. If he will be patient, I shall come to his point in a moment.

On the hon. Gentleman's point about briefing to the press, I can categorically assure him that to the best of my knowledge there is absolutely no information to suggest that the Treasury or the Financial Services Authority was the source for any story that appeared in the papers. A story in *The Guardian* was followed up by other newspapers. I have no information that would suggest that the Treasury or the FSA was responsible.

With reference to concerns about realistic reporting and its impact on the life insurance sector and on mutuality, the FSA has been extremely active in pushing through a massive programme of reform for the regulation of financial services as a whole. Nowhere is that more concentrated than for insurance regulation. The programme of reform that the FSA is delivering has focused both on the prudential regime—that is, the amount of capital that firms are required to hold to match their business mix—and on the conduct of business rules, which relates to the way in which firms treat their customers.

For the purpose of today's debate, I shall focus on the reform of prudential regulation for life insurance firms. Shortcomings of the current statutory valuation methods for life insurers, which were so exposed, as the hon. Member for Chichester said, during the recent bear market in equities, are widely recognised in the UK and abroad. In August 2003, the FSA published its latest proposals to address these shortcomings on a more formal basis that will require firms to make a realistic assessment of their with profits liabilities to determine whether they need additional capital, on top of mathematical reserves to cover expected discretionary bonus payments. In particular, this realistic assessment is to include a requirement to value the guarantees and options embedded in some with profits business through more modern techniques that have been prevalent in the industry thus far. The shift to realistic reporting is to be welcomed, as it will result in more risk-sensitive and accurate reporting of firms' liabilities.

The FSA is currently considering responses to its proposals and finalising some of the more technical details with industry representatives. Almost without exception, proposals for a realistic assessment of with profits business have been positively received, with the vast majority of respondents considering the proposed approach to be more risk-responsive and transparent. I should emphasise that the proposals have been welcomed throughout the industry by both mutuals and non-mutuals. Indeed, Standard Life has welcomed the move to realistic reporting. The FSA intends to implement the new approach to prudential regulation by the end of the year. However, in the meantime, many firms will include realistic reports in their year-end returns, which are due by the end of March.

The FSA's updating of insurance regulation is much needed; the industry has long recognised that and widely welcomes it. For example, Peter Vipond of the Association of British Insurers described the realistic regime as

"a big move in the right direction. We are bound to get a bit of bumping and scraping as the FSA tries to push this through and firms come back to them with practical problems".

Standard and Poor's commented:

"Realistic reporting is long overdue, and should form a fundamental part of an insurer's wider risk management process."

The move to realistic reporting and new capital requirements is not intended to force the industry as a whole to raise more capital. However, the FSA has acknowledged that it will probably result in the need for a proportion of firms in the industry to assign more capital to reflect the more realistic valuation of the risks that with profits companies face, given the policies that they write. That may entail simply reassigning capital that already exists in a group to the with profits fund rather than having to raise additional capital from the financial markets. Alternatively, companies, including mutuals, have the option of resorting to the capital markets. I note that Standard Life has announced its intention to raise £750 million of subordinated debt. The FSA's reformed capital requirements are slanted neither to favour mutual companies operating in the industry nor against them.

I want to deal directly with the point about the benefits of mutuality and the way in which they are shown in policyholder illustrations. How companies illustrate their projections is a matter for them. Standard Life has had a choice, as have other mutuals in the industry. The FSA's anxiety is first, that they fulfil the accounting requirements and secondly, that they treat customers fairly. The measures that the companies take, if they feel that they need to raise capital, and their proposals to fulfil the requirements, are completely up to them. It is up to the FSA to evaluate those measures in the light of the proposals.

Mr. Salmond: That is a little disingenuous. It is all very well for the FSA and the Financial Secretary to say that it is up to the company, but if regulation forces it to reserve fully for any claim of the benefits of mutuality, it renders the claim impossible to make. Standard Life has said that it will no longer make that claim in the policy. It is therefore disingenuous to create a system that renders it impossible for a mutual to make that claim without fully reserving. That removes the advantage that the company is claiming. The Financial Secretary owes us a wee bit more on that.

Ruth Kelly: I completely disagree with the hon. Gentleman. I am sure that companies will make

different policies, but if the hon. Member for Twickenham does not mind, it is probably apt to refer to the letter that the FSA published last night on Standard Life. It especially notes:

"The background to the current position is that, in the course of developing the realistic reporting of its financial position, the company identified a significant divergence in the calculation of its liabilities. This accelerated the need for it to consider what benefits previously illustrated to policyholders should be treated as a liability under the FSA's forthcoming realistic solvency tests."

That issue is specific to the company and perhaps does not have a wider application.

Mr. Tyrie: What is meant by

"significant divergence in the calculation of its liabilities"?

Ruth Kelly: The hon. Gentleman knows, not least from my written answer, that the FSA has commissioned a report under section 166 of the Financial Services and Markets Act 2000 to examine the significant divergence and to understand how it arose. We do not therefore have the information with which to answer that question fully. However, I stress that companies will remain free to illustrate projections as long as they treat customers fairly. It is the FSA's duty to ensure that they do that.

The hon. Member for Chichester made some points about the FSA's review of with profit companies and referred especially to CP 207. He is right to suggest that the FSA is undergoing a thorough review of the with profits industry. He made some interesting points. As always, he is right to draw attention to the necessity of a cost-benefit analysis. Indeed, that is embedded in the FSA's responsibilities and the principles under which it operates. It has to consult the industry and draw up a cost-benefit analysis on each change.

The hon. Gentleman asked whether the FSA intended to require greater homogeneity for asset-share calculations, or simply greater transparency. The overriding objective is for transparency to be as complete as possible so that policyholders are fully informed. He also asked about waivers and whether the Treasury was consulted when the FSA used waivers on, for example, the realistic regime. The Treasury would not be consulted in such circumstances. As I have already made clear, the FSA has full operational responsibility for regulatory decisions. Unless it felt it necessary to inform the Treasury under the memorandum of understanding between the FSA and the Treasury, we would not even know about the individual agreements between the FSA and the relevant companies.

The hon. Gentleman asked about the operation of the tripartite committee, which comprises the FSA, the Treasury and the Bank of England and considers financial stability matters, and whether it had examined the changes to life insurance regulations and with profit companies in general. He understands that it would be completely inappropriate for me to disclose any conversations about financial stability. It is essential to the effective operation of the committee that discussions are not disclosed publicly. Nevertheless, he makes an interesting point.

Let us consider the mutual sector and the Government's view of mutuality. The Government believe that financial mutuals have specific, distinct advantages since they do not have shareholders to whom they have to pay dividends. They can therefore deliver greater value to their members, either through higher returns to investors or lower interest rates to borrowers or both. The additional competitive pressures that diversity of ownership creates in the marketplace can deliver benefits to investors in mutuals and non-mutuals. We also value the strong links between many mutuals and their local communities, some of which have their roots in the co-operative self-organisation of working communities in the 19th century. Today, credit unions play a key role in promoting financial inclusion in local communities and the Government are keen to encourage that valuable work.

The Government and the mutual movement have a shared interest in an inclusive society in which all have equal access to the means to participate to the best of their ability. We also have an interest in markets as social institutions that confer rights and obligations in equal measure on the participants, and the exercise of individual liberty with the acknowledgement of individual responsibility. The Government are committed to ensuring that mutuals continue to serve the best interests of their members and wider society.

As I said earlier, we have taken many steps to promote mutuality and encourage mutuals to develop in future. I hope that I can make more progress on the development of the mutual sector in the coming months and years. We are committed to the mutual sector and to proper and realistic financial accounting to ensure that firms recognise the true value of their liabilities and that they treat customers fairly. I hope that I have also shown hon. Members that the FSA has no indirect or covert agenda to disadvantage the mutual sector. The Government and the FSA value diversity in promoting competition and ensuring that consumer needs are fully met.

Advocate-General

Mr. Frank Cook (in the Chair): I advise the Chamber that several hon. Members have sought the consent of the Advocate-General and the Chair to contribute, but they must bear in mind the fact that their contributions cannot impinge disadvantageously on the time that the Government require to reply.

10.59 am

Miss Anne McIntosh (Vale of York) (Con): I am delighted to have secured the debate. I am sure that the Advocate-General will confirm that it constitutes our first opportunity to discuss her role and work at greater length than is allowed in the five-minute interlude of monthly questions to her. I therefore welcome her to her place this morning.

I declare an interest in that I am an advocate, albeit non-practising. I was admitted to the Faculty of Advocates in June 1982. I yield to no woman or man in my admiration and respect for the Advocate-General's knowledge of the law and the excellent legal practice that she continues to utilise in her current capacity at the Scottish Bar.

Exploring her role and work provides an opportunity for the Advocate-General to show how she spends her day and organises her week and the monthly cycle outside the times when we have contact with her in the five-minute interlude. I hope that I have allowed enough time for a couple of hon. Members to make some remarks, although the highlight will obviously be the Advocate-General's reply. I hope that we will respect that.

The reference to the role of the Advocate-General for Scotland on page 10 of the House booklet on Ministers' roles and responsibilities is remarkably brief. It states that the hon. and learned Lady

"Is a Law Officer of the Crown and is the Government's constitutional and legal adviser on Scottish affairs; and has a particular statutory role in relation to devolution issues raised under the Scotland Act 1998."

Page 60 contains an even briefer reference:

"Please note the post of Advocate General for Scotland now sits in the Department for Constitutional Affairs."

Let us compare that with references to other Law Officers, notably in the Law Officers' Department, which encompasses the Attorney-General and the Solicitor-General. Entries about them on page 45 are much lengthier. I do not wish to belittle the hon. and learned Lady's position, but it is important to acknowledge that if the role of Advocate-General is an important constitutional one, hon. Members should know much more about it.

The Scotland Office website is helpful. It states:

"The Advocate General is principal legal adviser to the Government on Scots law . . . As a UK Law Officer, the Advocate General provides legal opinions and advice to the UK Government. On matters of common interest to the UK such as European law and Human Rights, she advises jointly with the other UK Law Officers."

It also states that her statutory functions under the Scotland Act 1998 specifically include

"the power to refer Bills of the Scottish Parliament to the Judicial Committee of the Privy Council for decisions on their competence, and for this purpose"

she

"considers such Bills as they progress, in consultation with interested Departments."

She also plays a role in the Privy Council. She

"receives notice of devolution issues raised in Scottish Courts under the Scotland Act, which to date have usually related to Human Rights. The Advocate General may take part as a party to such proceedings, so far as they related to a devolution issue."

She

"has appeared as a party in Privy Council cases on devolution issues and has personally represented the Government in a number of different proceedings."

I have copies of some of them.

The Scotland Office website refers to the hon. and learned Lady's private office and her legal secretariat. I pay tribute to their work and legal brilliance. I know some of them and I have the highest regard for them. It would be interesting to learn from her this morning—or subsequently in writing—the total number of people at her disposal in the Scotland Office.

The website provides a fuller picture of the role and work of the Advocate-General. As she knows, that stimulated my interest sufficiently to try to probe her role and work and to participate in the monthly Question Time. On 4 February 2003, she referred to the human rights issues that she had considered. All related to criminal matters. She said:

"They dealt with a wide variety of topics, including undue delay in criminal proceedings; refusal to release prisoners on life licence; the definition of the offences of shameless indecency and false accusation; the availability of essential witnesses for trial; and the use of CCTV evidence."—[*Official Report*, 4 February 2003; Vol. 399, c. 135.]

On another occasion, the hon. and learned Lady said that the devolution issues that she had considered covered a wide variety of topics, including challenges by life prisoners to fixing the punishment, life licence hearings, the criminal liability of corporate bodies, pre-trial delay and whether requirements on the defence to disclose that it planned to use sexual history evidence breached the accused's rights to a fair trial. I also have copies of Question Time for the previous three months. Several weighty and interesting topics were raised.

When we have the opportunity to question the Solicitor-General on her work, and as the Attorney-General's representative in this House, it appears that she can provide more information, especially about court cases that have caught her attention or in which she has been involved. Could we have more flesh on the bones of the answers that the Advocate-General provides, albeit in the shorter time available for her Question Time? As she knows, I would personally prefer the Question Time to be extended to 20 minutes or half an hour to do her work and that of her Department greater justice. To whom should I speak about the possibility of extending her Question Time?

The hon. and learned Lady has been involved in an impressive number of cases. In one, she was regrettably referred to as "Mr. Clark QC". I am sure that her office would like to correct that oversight in the law reports. I want especially to query her conclusions in the Trevor Adams case against herself and Scottish Ministers in 2002. The Advocate-General advanced a preliminary submission to the effect that she was not the appropriate

respondent to any legal challenge to the validity of an Act of the Scottish Parliament or Scottish Executive. On 31 July 2002, Lord Nimmo Smith held:

"It was clear from the provisions of the Scotland Act 1998 that the Advocate General was allowed to intervene at various stages of legal proceedings in which a devolution issue was raised. It was a matter within her discretion whether, and if so at what stage, to appear in such proceedings. Therefore, she had not been wrongly called as a respondent. However, the petitioners were not correct to say that she should nevertheless have participated in these proceedings."

That appears to be the only case that throws any light on the Advocate-General's advisory work. Will she therefore outline the reasons for her conclusions?

I follow her work and that of her Department with great interest and I welcome the debate and the opportunity to query more closely her role and work, especially her constitutional role and legal advisory work. I await her response with bated breath.

11.10 am

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I congratulate the hon. Member for Vale of York (Miss McIntosh) on securing the debate. It is clearly the subject of significant demand, so I hope that the next time it comes up, we are allowed 90 minutes in Westminster Hall.

I am on the record as having said that I do not take the view that the role of the Advocate-General for Scotland is necessarily a full-time one, or that it should attract the level of public payment and the substantial number of staff that are attached to it. However, we are where we are, and I do think that there is some opportunity to develop the role of the Advocate-General in a way that is generally helpful to the preservation of the distinctiveness of Scots law, especially post-devolution.

One of the aspects of the business of the House in which I have made it my business to play an active role is the work of Standing Committees. I have been a member of no fewer than nine since becoming an MP, six on fairly substantial Bills. The frequent treatment in UK legislation these days of Scotland as a bolt-on or afterthought causes me increasing concern, and I wonder why the Office of the Advocate-General does not take a more active role in Scot-proofing Bills before the House considers them. One example that springs to mind is clause 185 of the Bill that became the Enterprise Act 2002, which provided that warrants would be provided in Scotland and England by "the High Court". In England, what that is is pretty clear, but apparently in Scotland warrants were to be granted by a senator of the College of Justice—an incredible notion that leapt off the page the first time I read it. How did such a provision get as far as it did? Eventually, the Government were persuaded to amend the legislation so that an application from the procurator fiscal to the sheriff would ultimately result in the granting of a warrant.

Another example plucked from the air is the Bill that became the Crime (International Co-operation) Act 2003; I also served on the Standing Committee that considered that legislation. On Report, we had an interesting discussion about legal privilege. The Law Society of Scotland had made submissions to the Scotland Office, but somehow those submissions had got no further—certainly not to the Home Office Minister responsible for the Bill. That is precisely the sort of job that the Advocate-General should be doing, and I am concerned that she does not appear to be doing it.

Now that a supreme court for the United Kingdom—whatever it is called and wherever it is sited—is to be developed, Scots law has great opportunities and faces considerable threats. I feel that the Advocate-General could play a greater role in that debate, but I have seen no evidence of her involvement: she certainly was not present during my Adjournment debate on the subject in Westminster Hall on 19 December last year.

With those brief remarks, I hope that I have made a few helpful and constructive suggestions about the way in which the role of the Advocate-General might be developed.

11.13 am

Annabelle Ewing (Perth) (SNP): I, too, congratulate the hon. Member for Vale of York (Miss McIntosh) on securing this timely debate, and I am grateful for the opportunity to make a brief contribution.

I have concerns about cases involving the vires of Scottish Ministers' actions, a recent example of which is hepatitis C compensation. As long ago as January 2003, the decision was made in Scotland to award compensation payments, but the vires of Scottish Ministers to take such action was challenged by Westminster, and the action was delayed. In late August last year, it was decided the action was, in fact, within the powers of the Scottish Parliament—but why on earth did it take so long to reach that decision, and what role did the Advocate-General have, or not have, in that process? A cynic might suggest that the matter had to be resolved south of the border—that is, a decision had to be made to pay compensation south of the border—before it could be confirmed that the Scottish Parliament could indeed proceed to do the right thing by the people concerned.

The hon. Member for Orkney and Shetland (Mr. Carmichael) touched on the Advocate-General's advisory role. I, too, am dismayed by what I see happening in this House. Let us leave Sewel motions to one side—I am not terribly keen on the way in which they are being used. Time and again in this place, we see a plethora of important amendments being made on Report to legislation on reserved matters to accommodate the particularities of Scots law. That is no way to ensure that legislation is meaningful and takes full account of the Scottish position. I sometimes wonder what the Advocate-General is doing in relation to such legislation. Surely it would be in everyone's interests if the process were conducted at the outset of the legislation on reserved matters, not at the eleventh hour.

Finally, I echo the comments the hon. Gentleman made about the creation of a supreme court. That issue is vital to Scots law, so I, too, regret the fact that the Advocate-General has seen fit to play almost no part—at least, not publicly—in the process. In the most recent session of oral questions, I raised the subject with the hon. and learned Lady and suggested that, in view of the fact that her colleagues in the Faculty of Advocates had already clearly stated their position, some sort of statement from her might be opportune. I look forward to hearing her reply to this debate.

11.16 am

The Advocate-General for Scotland (Dr. Lynda Clark): I congratulate the hon. Member for Vale of York (Miss McIntosh) on securing the debate, which I genuinely welcome. I hope that my explanation in greater detail of my role will give some satisfaction to the hon. Members present.

As a fellow member of the Faculty of Advocates, the hon. Lady has always been interested in the new constitutional arrangements, and she has a long-standing interest in and knowledge of Scots law. I am especially grateful to her for her kind comments, which I am sure were over-generous. In the *Scots Law Times*, I recently came across an early case in which I believe the hon. Lady appeared in the High Court of Justiciary. I do not know whether she recalls the case—HM Advocate *v.* Brown—but she appeared successfully to assist the Crown.

First, let me set my role in context. Hon. Members may recollect that prior to devolution and during the passage of the Scotland Act 1998 there was some debate on the future of the Law Officers. The legislative solution was to transfer from the UK the posts of Lord Advocate and Solicitor-General for Scotland: the Act provided that they became Law Officers for the devolved Administration. The Act also provided for the creation of a new office of state: Advocate-General for Scotland. The Advocate-General took over the former advisory role of the Lord Advocate and the Solicitor-General for Scotland to advise the UK Government, particularly in relation to all Scots law matters, both devolved and reserved. In addition, new statutory functions relating to the operation of devolution in Scotland were created.

The Conservatives were opposed in principle to moving the Lord Advocate to the devolved Administration—I understand that their solution was to split the Scottish Law Officers and retain the Lord Advocate as a UK Law Officer, but that solution did not find sufficient support in Parliament—so I am especially grateful to the hon. Lady for having supported and taken an interest in my office since its inception. The solution that did succeed, with some cross-party support, notably from the Liberal Democrats, was to create the post of Advocate-General. The then hon. Member for Orkney and Shetland said that Advocate-General would be

"an important post, because large areas of responsibility affecting Scotland will remain with the House of Commons".—[*Official Report*, 10 February 1998; Vol. 306, c. 180.]

The current hon. Member for Orkney and Shetland (Mr. Carmichael) has flown the kite of a part-time post for some time, but I find that a strange suggestion, bearing in mind the fact that, as he well knows, legal problems arise all the time—at weekends, during the day or in the evening. As I hope to demonstrate, my work involves a wide range of issues, and making my post a part-time one would be wholly impractical.

Miss McIntosh: Will the hon. and learned Lady consider a case that has been suggested by several hon. Members, including me? Parts of some pieces of legislation deal with devolved matters. There will be legal implications if, for example, the Traffic Management Bill that is currently going through Parliament does not apply in Scotland, but a road accident occurs on the A1 just on the Scottish side of the border. At what stage does she envisage herself and her office becoming involved to advise of such potential difficulties? Do we have to wait for a court action to be started before we address difficulties flowing directly from legislation made in this place?

The Advocate-General for Scotland: I shall discuss later the fact that I sometimes advise on purely English matters because there may be a cross-reference to Scotland.

I am grateful for the interest shown in my office. Perhaps my role is difficult to understand because mine is different from other offices: the Office of the Advocate-General is an office with legal functions only; it is not a policy office. In answer to the point made by the hon. Lady about my fellow Law Officers, I can say that the Attorney-General and the Solicitor-General have policy functions in addition to their legal role, whereas my functions—both the advisory work and the new statutory functions that I was given under the Scotland Act—are entirely legal. In addition to my normal work, I attend legal consultations, and like policy Ministers I take part in a variety of Cabinet Committees and other committees and perform some work that normal policy Ministers perform.

Mr. Carmichael: I am intrigued by the Advocate-General's line of argument. She says she has to deal only with legal matters, not policy matters, but simultaneously insists that hers is necessarily a full-time job. Is she saying that her work load as a Minister is of the same order as that of the UK Solicitor-General or of that other very distinguished female Scottish jurist, Elish Angiolini, the Solicitor-General for Scotland?

The Advocate-General for Scotland: The work is different and the work load is different. I am involved in cases in court, which is not necessarily part of my colleagues' daily work load. It is important to recognise that, because my work is essentially legal work, it comes under the long-standing convention regarding the confidentiality of the content or existence of Law Officers' advice. That means, for example, that I am simply not free to answer some of the parliamentary questions put to me. Questions about hepatitis—the subject raised by the hon. Member for Perth (Annabelle Ewing)—fall into that category. The hon. Lady asked whether I have given advice and what I did, but under the convention I am not able to say whether or not I have advised, let alone disclose to her what advice I give.

Annabelle Ewing: I hear what the Advocate-General is saying, and I have heard it many times before, but she can understand why, to a Back-Bench MP, such a response is unsatisfactory? However, on that issue and in that context, can she say whether she is constitutionally required to put the interests of the UK Government ahead of the interests of the Scottish Parliament?

The Advocate-General for Scotland: What I am required to do is give the UK the best independent legal

advice that I am able to give, and that is what I do. I shall take no more interventions; otherwise, I shall not be able to finish my speech.

I make it clear when I answer parliamentary questions that I do not regard it as sensible or as one of my functions to respond in Parliament to hypothetical questions about complex legal matters that I have not researched in circumstances in which no notice has been given. In my general role, it is important to understand that I advise not only on matters relating to Scots law, but on other matters that might impact on Scotland. For example, a question about the drafting of a Bill extending to England alone which deals with issues of European law or human rights may involve advice from the Advocate-General, because those areas of law apply to Scotland, although the legislation would be different. In practice, any question about the interpretation or application of laws that apply north and south of the border, or about the Scotland Act, may involve me. That requires close liaison with the Attorney-General and the Solicitor-General for England and Wales with the assistance of my legal secretariat. Each issue involves detailed research and consideration. Unlike policy Ministers, I spend a lot of time reading general legal literature to try to stay abreast of legal developments across a very wide range of subjects.

In respect of court proceedings, more than 2,000 devolution issues have arisen since 1999, although they take only a part of my time. I have appeared personally in six cases involving devolution issues, including appearances before the Judicial Committee of the Privy Council, the Inner House of the Court of Session and the High Court of Justiciary. That litigation has settled various important questions of law relating to human rights under the European convention. I remind the House that to appear in those courts personally takes a great deal of time and research.

In the case of Anderson, Reid and Docherty, the first Act of the Scottish Parliament—the Mental Health (Public Safety and Appeals) (Scotland) Act 1999—was challenged. I supported the argument, agreed by the Privy Council, that the right to liberty under the convention was not absolute and that the protection of the public was a legitimate aim that justified the continued detention of mentally ill offenders. In the case of McIntosh, I successfully argued against a challenge to the proceeds of crime regime. On the subject of discussion of cases in which I have been involved, if the case has been completed, I am more than happy to discuss the legal principles—although a little notice would help me to be properly prepared.

I also appear personally in non-devolution issue cases to represent Whitehall Departments—at their request, of course. For example, I acted for the Ministry of Defence before the House of Lords in the case of McDonald, in which I successfully argued that the word "sex" in the Sex Discrimination Act 1975 did not cover discrimination based on sexual orientation. That issue has now been properly addressed in recent legislation. It was important to have a well considered legislative solution and not have the matter dealt with by the courts under legislation that was not designed to deal with the point.

In another case—that of Mann—the argument was made in the Employment Appeal Tribunal that it should be possible to stand for election to the Scottish Parliament as a job-sharing MSP. At first, Ms Mann was successful in getting the tribunal to accept that it had jurisdiction to hear a case on such an issue, but later I was able to convince the tribunal that it did not. I regarded that as an interesting and important case, and I was pleased to be able to appear in it. There was no further appeal in that case.

More recently, in three immigration cases before the Inner House of the Court of Session, I appeared to argue on behalf of the Home Office about matters relating to the jurisdiction of that court to review decisions of the immigration appeal tribunal, which currently sits only in England. The court has not yet issued a decision in that case.

From time to time I have had to deal with exceptional matters: for example, the first case in which I appeared as Advocate-General was before the Committee for Privileges in another place to defend the constitutionality of the Government's reforms in the Bill that later became the House of Lords Act 1999. The case was complex: in summary, the question was whether that Bill, if enacted, would be in breach of the treaty or Acts of Union. The Committee agreed with my argument that there would be no such breach. In another example, I am currently in charge of an investigation under the Merchant Shipping Act 1995 into the sinking of the fishing boat Trident. I have appeared personally in that case, which is ongoing.

In addition to court work, the Office of the Solicitor to the Advocate-General for Scotland provides legal advice to UK Departments, from the Department of Trade and Industry to the Department for Transport. The office ensures that every Bill going through the UK Parliament that applies to Scotland is consistent with Scots law—at least, it attempts to ensure that. These matters are rather complex. The solicitor's office also instructs Scotland-only Bills. The range of work and subject matter is broad and is not restricted to reserved areas of law. UK Departments in Scotland still require advice on all areas of Scots law, as well as on what is reserved and devolved under the Scotland Act. Most of that work is not public, but it is essential.

In some cases, issues may arise on which formal Law Officers' advice is sought. It is important to remember that I do not personally advise on every single legal issue that arises: Departments seek Law Officers' advice, and there are certain circumstances in which they are recommended to do so. Departments remain responsible for their own instructions and decision making, although they are assisted as best we can through my office. Therefore, the policy Departments seek legal advice, use my office and remain in charge of the policy. That explains to some extent why I do not generally appear on Standing Committees: policy Ministers are there to deal with policy issues, although I might occasionally appear before a Committee to give advice in certain circumstances.

Apart from the work that my solicitor's office does on behalf of other Departments, it assists me in the exercise of my functions under section 33 of the Scotland Act. Those are additional to my advisory role as a Law Officer—

11.30 am

Sitting suspended till Two o'clock.

Somaliland

2 pm

Tony Worthington (Clydebank and Milngavie) (Lab): The Select Committee on International Development has just returned from a visit to Somaliland. Our visit prompted questions in us all about British policy there and, indeed, in the whole of Somalia—questions about the Government's aid policy and about international recognition, which deeply affects the assistance that we give to Somaliland. Our foreign service hang-ups about recognition are getting in the way of us fulfilling our duty to pursue the millennium development goals for the poor people of Somaliland, and we are failing to build adequately on the efforts of the Government of Somaliland to create a modern, democratic state. In effect, we are putting the interests of the warmongers in the south ahead of those of the peace-builders in the north.

This was my third visit to Somaliland, but my first in more than 10 years. I think that no British Member of Parliament had visited the country since I was last there, which shows how isolated Somaliland has been and how let down it must feel given that it was formerly British Somaliland. That said, we were astonished by the warmth of the reception that we received. For more than 80 years, British Somaliland was either a British protectorate or colony, and there has always been the most astonishing loyalty and affection for this country. To take just one example, the Somaliland Scouts regiment played a valiant part in the second world war.

The reception that we received included the honour of addressing both Houses of Parliament. Nevertheless, there is no doubt that the Somalis feel badly let down because Britain has failed to respond to their needs. It is a matter not only of their wish to be internationally recognised but of access to long-term development aid from this country, the European Union, United Nations organisations and international finance institutions. That is the central subject of the debate.

Let me give some background. Somaliland entered an ill-starred union with the former Italian Somalia in 1960 in response to the dreams of Somali patriots who wished to unite the lands in which Somalis lived. Over time, the people of the former British Somaliland became so hostile to the way in which the nation was being administered, with the allocation of resources being skewed in favour of the south and the capital, Mogadishu, that they started an insurrection and eventually declared independence.

I first visited Somaliland's capital, Hargeysa, in 1992, at the time of Somalia's great famine, and I have never seen such devastation. We travelled for mile after mile through Somaliland without seeing a building with a roof on it. The devastation was caused by the country's ruler, Siad Barre. In 1988, we had the extraordinary situation in which Barre's aircraft would take off from Hargeysa airport, bomb and strafe the city, load up again at the airport and carry on. They continued until there were 50,000 dead in Hargeysa and hundreds of thousands dead in the rest of Somaliland. Those people are now buried in mass graves, and the rest of the population fled. That was the most extreme attempt at genocide against the dominant Isaq clan, but the world ignored it. In fact, the developed world largely gave up on all Somalia after 18 US rangers were murdered in 1994.

The withdrawal from Somalia had profound consequences elsewhere in Africa and was one reason for the world's appalling lack of action in Rwanda. Liberia was also left to rot. The creditable exception was Britain's successful intervention in Sierra Leone. The world regarded Somalia as a basket-case, but Somaliland is not a basket-case, and it deserves better. However, since the declaration of independence, which no country in the world has accepted, Somaliland has rebuilt its country and the city of Hargeysa in the most inspiring way. It has created most of the institutions of a modern state. It has acted totally on democratic lines, and the demand for independence was supported in a referendum by more than 90 per cent. of the population. The level of stability is impressive; and the rule of law exists, with a proper police force and a properly constituted national army—as against warlords elsewhere in Somalia. Guns are genuinely not allowed on the streets.

Presidential elections were held relatively recently. The president won by only 280 votes out of a population of 3.5 million, but the election passed off peacefully. I met Ministers there, and I was far more impressed with their plans than those of several other African countries that I have visited—countries that we recognise and support. Somaliland is doing nearly everything right, but it is being ignored.

One of the most remarkable aspects of the achievement has been the contribution of the far-flung diaspora of Somalis to rebuilding Somaliland. The website for the Somaliland front organisation shows a long list of projects that are being funded with the assistance of the diaspora. For example, they support the university of Somaliland trust fund, they organise donations to the Farah Omar secondary school and to the malaria treatment and prevention programme. They also contribute to the campaign for the recognition of Somaliland, to the campaign to lift the ban on Somaliland livestock and to the rebuilding of Burco hospital—it is not named in honour of the hon. Member for Buckingham (Mr. Bercow), who speaks for the Conservative party on these matters—and the Hargeysa psychiatric hospital.

The leading names among those who organise those campaigns live in north America and in the United Kingdom. One of the positive aspects of our visit was that we called a meeting of British Somali residents in Hargeysa. It was the first time that they had met. Out of that meeting, a British Somaliland society was formed. I hope that it will lead to future positive links between Somalilanders in Britain and in Somaliland.

Remittances have made a major contribution to the economy of Somaliland. However, remittances tend to go to individuals and families, rather than to rebuilding the infrastructure of Somaliland. That job is one for the Department for International Development, the European Union, United Nations organisations and international finance institutions; we need them to assist with long-term development aid. It is a job also for the private sector, including British firms such as DNOS, which brought itself to our attention. It contacted us about developing the country's high-value minerals and hydrocarbon deposits, and the rich fishing fields off Somaliland. However, the lack of recognition and the uncertain legal position of Somaliland institutions inhibit such firms.

Somalilanders are caught in a vicious Catch-22 position. They are being told, "Destroy your nation by joining the destroyers in the south, and we will recognise you. Stay outside, with stability and democracy, and we will ignore you."

There is an understandable paranoia about changing old colonial boundaries in Africa, because of the fear that the habit may spread to other countries. Somaliland is a rare example, however; it wants to return to its old colonial boundaries at the time of independence. The rest of Somalia is hostile. That is the only thing that unites the warlords. However, the people of Somaliland are unequivocal in not wanting to join peace talks and being sucked in to the fratricidal squabble that is southern Somalia.

When I have visited Somaliland in the past dozen years, I have met absolutely no one who believes that an enduring state will emerge from the peace talks. I shall give one illustration. When I first visited the country in 1992, the capital Mogadishu was divided in two—between the fiefdoms of Ali Mahdi and General Aideed. The capital city was divided by a war front. The world was appalled, because Somalia was literally starving, but we had to negotiate with and pay those people to get food to starving children. Those thugs regarded the famine as an opportunity for a nice little earner.

On our recent visit, I was told that Mogadishu is now divided not into two zones but into 10, each under the influence of a warlord. They are not interested in setting up a stable state, but rather in continuing their protection rackets in a way that resembles the Chicago gangs of the 1920s, but without the law and order that the Mafia bring to these matters. *[Interruption.]* I do not want to be mealy-mouthed about this. There is not the slightest chance of a democratic Somalia emerging from Somaliland and the rest of Somalia. There is little chance of a stable regime emerging in the rest of Somalia alone. The Somalis, with their nomadic way of life and strong clan-based system, have great difficulty in accommodating the requirements of a modern state.

I note that there have recently been some promising signs indicating an agreement emerging from Nairobi from the 48 clans or warlords gathered there for talks. There is said to be agreement on a Parliament, but I have no faith in this—we have been here before. The peace talks have been going on since 2000, first in Djibouti and then in Kenya, and there were other efforts before then. The alleged progress is more likely to be the result of threats from the host powers to withdraw hotel and other facilities from the negotiators.

Even if there were progress, that would not be the end of it. The move to unite British and Italian Somalia was seen by people at the time as but the first stage in uniting all the lands where Somalis dwelt—not just British and Italian Somalia but also French Somalia, which is now known as Djibouti. There are also extensive Somali links in the Ogaden, in Ethiopia and in Kenya. Periodically the Somalis are seen as fomenting trouble in those areas.

Kenya has borne a heavy burden in refugees from Somalia, and we have a very high number of requests for asylum from that area. The few traditional areas of Somali settlement in this country have been very heavily increased—I am thinking, for example, of the constituency of my hon. Friend the Member for Bethnal Green and Bow (Ms King) and Sheffield, areas in which Somalis have traditionally settled.

The international tactic of waiting for Somalis to come together is simply not working. There are costs and risks associated with simply waiting, with inordinate patience, for progress. We risk driving Somaliland backwards as, despite the progress being made, it is a very poor country. More than 73 per cent. of the Somaliland population live in poverty, and 43 per cent. in extreme poverty. The GDP per head is $226 a head per year. There are appalling rates of maternal and infant mortality. Adult literacy is 22 per cent.;life expectancy is 47; and the lack of long-term education and health services penalises children particularly. Female genital mutilation is endemic, and there is a distressing subjugation of women. However, the millennium development goals have to be met in Somaliland as well as everywhere else in the world. We are simply not giving it our best shot in Somaliland for diplomatic reasons, and I ask what is being gained by the present stance on non-recognition. Certainly a lot is being lost.

The longer the world ignores the achievement of Somaliland in creating stability and democratic institutions, the greater the risk that wilder elements will take over, and the longer Somaliland is left to fend for itself without resources for schools, for example, the more willing will radical elements be to step in. Although the country has been governed by a moderate form of Islam since it declared independence, there is always the possibility that it will give way to a form of Islam that plays into the hands of those trying to stimulate terrorism, and there is tension in the country as a result. Investors wanting to develop the mineral resources of Somaliland are unwilling to do so when the status of the country and its legal system are so uncertain.

My belief is that we should stop waiting as we have done for about 14 years for the Somalis to come together and love each other. This is not going to happen. We should build on the one source of strength in the area—Somaliland. We should reward good behaviour, rather than neglect the area as we do at the moment. If recognising Somaliland is a step too far, we should at the very least pay substantial attention to the needs of Somalilanders in areas such as education, health, livestock, water and the infrastructure. Somaliland has ministries with plans and aspirations with which we could work. There is no DFID presence in the area at the moment, although British non-governmental organisations such as Oxfam and ActionAid undertake work such as providing safe water.

Recognition may not be the risky step that it seems to be. I believe that if we were to give a lead, many other countries would quickly fall into line. There can be no doubt that we would have to give that lead.

Mr. Andrew Robathan (Blaby) (Con): The hon. Gentleman may be about to cover this point, but does he recall that we were told that the Ethiopian Government said that they would be the second Government to recognise Somaliland as soon as soon as someone else did?

Tony Worthington: I was there at the time, but my discretion about private conversations led to me leave

[Tony Worthington]

that bit out. However, I confirm that the hon. Gentleman heard what I heard. That belief exists, but it would obviously provoke people in the rest of Somalia who have not achieved a stable state in their area. However, I sense that attitudes to the recognition of Somaliland have become less hostile over the years. The relationship with Djibouti has improved considerably, and the Government of South Africa have been saying supportive things. The new Government in Kenya have been much more positive than their predecessor, and have been very critical over the dispute between Somaliland and Puntland—the neighbouring part of Somalia. Puntland's leader is said to be backed by Ethiopia, but he is probably trying to flex his muscles to gain brownie points with other Somalis.

It is crucial to bring in support to bolster the formidable self-help activities of the Somalilanders. During my visit, I thought that United Nations organisations such as the World Health Organisation and the United Nations High Commissioner for Refugees responded much more warmly to the needs of Somaliland than did bilateral donors such as the United Kingdom. The WHO has a base in Somaliland and, during our visit, the UNHCR came to Hargeysa just to stress the needs of Somalilanders.

In recent years, more than 600,000 refugees, out of a population of about 3.5 million, have returned to Somaliland. We had the opportunity to see the refugee camp in the grounds of the former state house in Hargeysa. The conditions were appalling. Another reason for increasing our support is that if we are going compulsorily to return Somalis who seek asylum in this country, we should ensure that they return to better conditions than those that we saw. It is irrational to complain about the large number of Somalilanders claiming asylum because of conditions in their country and then denying their country the long-term development aid that would slow down the stream of applicants to the UK.

The antagonism towards Somalia also inhibits its main trade in animals such as camels, sheep and cows to the Yemen, Saudi Arabia and Egypt—activities that form about 65 per cent. of Somaliland's export earnings. We must overcome this paralysis, but I am sure that the antipathy towards Somaliland as an independent nation is lessening as the exasperation with the rest of Somalia grows.

A local newspaper, *The Horn Tribune*, is one of the thriving free local papers. It recently said that

"we are still treated as pariahs by the world, despite the flourishing, fledgling, thriving and booming peace, tranquillity and development."

I realise that issues such as recognition are matters for the Foreign Office, and that it must take into account issues and countries other than Somaliland. However, the reason that I secured this debate is to say to DFID that we need to move beyond a holding pattern for Somaliland. I believe that my colleagues agree. Failure to move to another stage of development assistance would mean that we, and Somaliland, risk losing what has been created. I look forward to the Secretary of State's response and a continued dialogue on this matter.

Several hon. Members *rose—*

Mr. Frank Cook (in the Chair): Order. I remind hon. Members that it is customary to begin the first of the three winding-up speeches 30 minutes before the end of the debate. Currently, I see four hon. Members seeking to catch my eye, not all of whom have written in. I will do my best to accommodate them all, provided that they remember the time constraints when making their contributions, and when accepting or responding to interventions.

2.21 pm

Tony Baldry (Banbury) (Con): We are a disciplined group, Mr. Cook, and I think that we will manage to divide the time equally.

It is a great pleasure to speak after the hon. Member for Clydebank and Milngavie (Tony Worthington), because he is a distinguished member of the International Development Committee, having served on it for two Parliaments. He is also the chairman of the all-party group on overseas development. I have checked the records of the House and I can find only one instance of Somaliland having been raised since it gained independence in 1960—in a debate initiated by him in April 1994. Modestly, he did not tell us that he was kidnapped in Somaliland, prior to that debate taking place, so he knows a lot about this topic.

On 9 February 1959, in Hargeysa, during a constitutional conference on the Somaliland protectorate, the then Secretary of State for the Colonies said that

"whatever the eventual destiny of the Protectorate, Her Majesty's Government will continue to take an interest in the welfare of its inhabitants, and will in the light of the circumstances prevailing from time to time, be prepared to give sympathetic consideration to the continuation of financial assistance within the limits of the amount of aid at present being provided to the Protectorate."

That statement was reiterated in a Colonial Office report, which was submitted to Parliament on independence, on 4 May 1960. The Prime Minister, Harold Macmillan, told the House:

"I should like to say, however, that it is Her Majesty's Government's hope that whatever may be the constitutional future of the Protectorate, the friendship which has been built up between its people and those of the United Kingdom for so many years will continue and indeed flourish."—[*Official Report*, 11 April 1960; Vol. 621, c. 104W.]

If ever there was a need for the United Kingdom to give friendship and financial assistance to Somaliland, it is now.

Few of us knew much about Somaliland prior to our visit, which was a very humbling experience. In Hargeysa, we met Dennis McNamara, the inspector general of the United Nations High Commissioner for Refugees, who was visiting to assess the situation. At a public meeting, he said that practically everyone in Hargeysa was once a refugee or an internally displaced person. The return of the refugees and IDPs and the reconstruction of Hargeysa followed its devastation in 1991. The Somalis in the south had completely destroyed Hargeysa—every house and hospital had

been bombed and destroyed by MiGs, tanks and other equipment. How on earth one can expect there to be a reunion of those peoples is beyond credibility.

We saw mass graves, in which thousands of Somalilanders had been murdered in cold blood with their hands and feet tied together. Bodies were piled up and crammed into ditches, and bones were scattered all over the area—we could still see them. Among our guides were many people who had lost fathers, brothers, mothers and other loved ones to the genocides.

Dennis McNamara explained that Somaliland is one of Africa's untold success stories. Nearly 250,000 people have been returned there by the UNHCR, and a further 400,000 have returned under their own steam. That is a humanitarian success story. He said that what is needed now is a shift to longer-term development assistance.

There is a gap between the fulfilment of humanitarian needs and the provision of development assistance. Such a gap means that the achievement of millennium development goals in Somaliland remains out of sight. Somaliland and its friends in the international community face two challenges: recognition and—the focus of this debate—longer-term development assistance. Mr. McNamara also made the point that many returnees live in conditions worse than those that they endured in refugee camps. He explained that UNHCR and other UN partners were ready to roll with an inter-agency, multi-sectoral programme of development and assistance, but were waiting for donor support.

I entirely agree with the hon. Member for Clydebank and Milngavie that the effort to tackle poverty—one of the millennium development goals—should be blind to boundary disputes. Somaliland is not a conflict area; it is a settled area where the people have enormously improved their lot practically without assistance from the international community.

There is a desperate need for health assistance. We visited the Hargeysa group hospital, which was built in 1953—coronation year. Much good work was being done by non-governmental organisations, such as Kings College hospital and the Tropical Health and Education Trust, but the pharmacist there was running a pharmacy lacking the most basic drugs. We visited a facility run by the Red Crescent to help people with artificial limbs and those who have been injured by land mines, but everything was being done on a wing and a prayer. We were told by Save the Children UK that 80 per cent. of children in Somaliland are not in school. Somaliland is falling behind according to practically every indicator.

I hope that the Secretary of State will give the simple pledge that, having considered the matter in the light of today's discussion, he will think about establishing a small DFID office in Hargeysa to explore how DFID could provide long-term development assistance. There is a much larger devolved DFID office in Addis Ababa, which is good news, but I see no reason why we cannot establish an exploratory team in Hargeysa, managed by the Addis Ababa office. There is no justification for holding Somalilanders to ransom or for treating them, as *The Horn Tribune* put it, "as pariahs".

The people of Somaliland have worked extremely hard to rebuild their country and community, and they deserve our help and support. Somaliland supported this country during the second world war. It is worth recalling that 91,000 Italian troops, together with 200,000 local troops raised by the Italians, confronted 9,000 soldiers, mainly from the Somaliland Scouts and the Somaliland Camel Corps. The BBC documentary, "The Second World War", reported that the Italians

"were held at bay for four days"

and that our troops had

"inflicted over 2,000 casualties at a cost of around 250 men."

The documentary concluded:

"Furthermore, the impression that their defence left on the Italians would greatly influence future actions."

The people of Somaliland stood shoulder to shoulder with us in the past and, as the hon. Member for Clydebank and Milngavie said, they have done everything asked of them. They have had free and fair presidential and municipal elections. When we addressed both their Houses of Parliament and said that they would need parliamentary elections, there was no dissent. They said that they had to address some issues to achieve that, but that they want to do so. If ever a community deserved long-term development assistance, it is the people of Somaliland. I hope the Secretary of State takes steps today to achieve that.

2.29 pm

Mr. Tony Colman (Putney) (Lab): I will take your advice, Mr. Cook, and speak briefly to enable colleagues to contribute to this important debate. I congratulate my hon. Friend the Member for Clydebank and Milngavie (Tony Worthington). When he spoke to both Houses of Parliament in Hargeysa, I, like others, was surprised to hear of his previous experiences. There was almost a sense of redemption that he had come back to fulfil his wish to see and deliver change.

Today's debate is about delivering change for the people of Somaliland. As Members who were in Hargeysa know, our visit was extraordinary as I met many of my constituents on the roads of Hargeysa, and I am very proud of that. I deal with concerns expressed in my surgery in Roehampton library or Southfields library and see the results in circumstances such as the rebuilding of Somaliland. I am proud to see that many people wish to go back to rebuild the country.

I pay particular tribute, as others have, to the leader of the Kulmiye party, Mr. Silanyo, who lost the presidential election by 280 votes. He met us to describe how he wanted to continue to take part in future presidential and parliamentary elections. He may live in Putney heath, but his heart is in Hargeysa, and I know that he spends a great deal of time there. The chair of the electoral commission was from Southfields and went back to Somaliland to supervise the elections. That is part of the rebuilding process and the attack on poverty in Somaliland.

Kevin Brennan (Cardiff, West) (Lab): My hon. Friend makes a very important point about the links between Britain and Somaliland. Is he aware that there is also a long-standing Somali community in Cardiff? Many of the citizens who would like to see an independent and recognised Somaliland live in Cardiff. The antecedents of the community go back to the seamanship of those people in the century before last.

Mr. Colman: I was not aware of that. However, if my hon. Friend would like to suggest that his constituents

[Mr. Colman]

contact me, I will put them in contact with the new British Somaliland Society, which is based in Putney; I say that out of pride.

Other Members have mentioned whether there is a need to take account of events in Nairobi. It is important to put on the record that the hon. Members for Banbury (Tony Baldry) and for Blaby (Mr. Robathan) and I met 30 warlords and members of civil society who have been meeting in Nairobi; I think that it was the 17th meeting of the parties to take place. I pay tribute to the staff of the British high commission in Nairobi, who have put an enormous amount of effort into bringing the matter if not to a successful conclusion, certainly to a successful temporary conclusion: there is now agreement on the essence of how to work together. We will see how that agreement goes forward. I also pay tribute to the Kenyan Government, who took part in those discussions. We could obviously have a separate debate on that.

I want to express solidarity with the speakers so far who have made it clear that those discussions are going on in parallel. They should not undermine the need for international development aid to Somaliland. We should ensure that Somaliland is not held back by the discussions. All those who took part in the visit were concerned about that. When it comes to the issue of recognition, in July 2003, the Home Office signed a memorandum of understanding with the Somaliland Government for the return of failed asylum seekers from this country. Denmark is the only other country to have done so. It is one of those strange fictions that we can have a memorandum of understanding to return failed asylum seekers to a country that we do not recognise. The reality is that a Government and a country are there, but that there is not sufficient support in-country for the asylum seekers who have returned. I agree with my hon. Friend the Member for Clydebank and Milngavie about the appalling conditions in which asylum seekers were living in the grounds of the old state house.

There is a long shopping list of international development aid items that DFID could help with. Our last meeting was at the Ministry of Foreign Affairs, with the redoubtable Foreign Minister Edna Adan Ismail, who I hope will soon be able to come to Westminster to address the House. There is an excellent planned strategy for economic recovery and poverty reduction, which I am happy to pass on to the Secretary of State.

We are not groping in the dark: the Somalilanders have a clear vision of where they wish to go forward in terms of poverty reduction. I am glad to say that that vision is shared by the Norwegian Red Cross, which is working with the Somaliland Red Crescent Society and the limbs prosthesis centre, which we visited. We met aid workers from the Netherlands, who were supported by the Dutch Government. Although this point has already been made, it was good to see the work of the Africa Educational Trust and to meet Dr. Michael Brophy, and the excellent work being done by the surgeons, doctors and nurses of King's college who were working to rebuild the hospitals in Hargeysa.

Returning to the need for development aid and to achieve the millennium development goals, we are told that 73 per cent. or more of Somalilanders live in poverty, and that some 43 per cent. live in extreme poverty. GDP per head is $226 a year. If that figure is divided by 365 days, one can clearly see that people are living on below $1 a day. There is 45 per cent. unemployment, only 17 per cent. primary school enrolment, and the enrolment of girls is way below that. Life expectancy is only 47 years.

I felt that our visit was an example of how we, as parliamentarians, could make a difference. This debate is to hold our Government to ransom for money and development aid for Somaliland, and to ensure that they join us in delivering that to the people of Somaliland.

2.35 pm

Mr. Andrew Robathan (Blaby) (Con): How nice it is to have cross-party consensus; we should all agree on that. I am particularly delighted to welcome the Secretary of State to the debate as it is not normal to have a Secretary of State in Westminster Hall. Although I know that he has been here before, it shows how seriously he takes both the subject and the debate. It is a matter of huge consequence to the millions of people living in Somalia and Somaliland. I know that he is going to Addis Ababa soon, but perhaps he will take the opportunity to tell his diary secretary and his other officials—he could take Foreign and Commonwealth Office advice—to go elsewhere. He might take a short trip to Somaliland; he would find it illustrative, as we did.

I do not want to cover the old ground that has been covered extremely well by the three hon. Members who have already spoken. However, it was touching, to say the least, to be greeted on our visit by posters saying, "The Queen: our mother". As an old-style Conservative, whose family served the empire—I would certainly have served the empire if I had had the opportunity—it reminded me of the great white mother of the seas. It was touching and showed the feeling that people in Somaliland have for the United Kingdom.

If I can paint the picture a little more, there is no alcohol in Somaliland. We almost survived for the 24 hours that we were there, but that is how they want it and there is very little disturbance: it is safe on the streets. The police are not armed, and that is extraordinary in that part of the world. If anyone can tell me where to go in that part of the world where the police are not armed, I should be astonished. It is my wont to go up to people and say, "What's the truth? What's going on here?" rather than just listening to Government spokesmen, and I wrote down a particular quote at the time. I was told, "We are absolutely free." That is quite something in that part of the world.

I hope that I have painted a picture of freedom in a grindingly poor country, where 43 per cent.—nearly half the population—live in extreme poverty. As we have the Secretary of State here—I reiterate that I am thrilled to see him—I should like to cover some issues that have not been covered by my hon. Members that pertain to him. The first is the ghastly issue of female genital mutilation. There is a prevalence of that in Somaliland of perhaps 85 or 95 per cent. It is illegal in this country, because of two private Member's Bills. The hon. Member for Cynon Valley (Ann Clwyd) made it

illegal last year with her private Member's Bill on the sending of children out of the country, and that is marvellous. The Secretary of State will understand that female genital mutilation is a means of keeping women in subjugation. It also constitutes grievous bodily harm against defenceless children.

I will send the Secretary of State a paper, which contains perhaps the most moving comment on this. It is written by Mrs. Edna Adan Ismail, the Foreign Secretary of Somaliland. She is the former wife of the first Prime Minister of Somalia who subsequently became the first president of Somaliland. I hope that the Secretary of State will read it because a prominent politician—the Foreign Secretary of this small, fledgling republic—is trying to lead a campaign. With DFID's help, she might be able to do some good for the people of Somaliland, for young girls and for future generations. I am sure the right hon. Gentleman agrees that that is the way that international development should work. It should do good and be seen to do good. I could raise with him the issue of direct budgetary support in Ethiopia, but I will not do so at the moment because it is outside the scope of the debate.

I turn now to mine clearance. The Secretary of State will know that I am the chairman of the trustees of the HALO trust. I visited the trust in Somaliland where it is the biggest private employer, employing some 300-odd Somali workers at $150 a month, which is much more than most people in the country earn. As well as clearing mines along the border with Ethiopia, it is also clearing an enormous Soviet ammunition depot about half an hour's drive from Hargeysa, which I visited. It is clearing it, at the Government's request, because children, who are so poor that they go there to get the scrap metal from the ammunition, keep getting blown up. Again, I repeat the invitation to the Secretary of State to visit that site, because it is very interesting.

Another important point has wider ramifications. We have already referred to Islamist extremists. In the rest of Somalia, people will dig up mines and sell them, typically to the Yemen or Saudi Arabia where they are then passed on, perhaps to al-Qaeda. Atrocities are then committed with these mines. That does not happen in Somaliland because the Government have stopped it. If someone is storing mines in their house, they will be arrested. That is an important point for the whole world, let alone this debate.

The next issue that I would like to raise is small arms and light weapons destruction, and I know that the Secretary of State is aware of that. It is a joint responsibility between the Ministry of Defence, the Department for International Development and the Foreign and Commonwealth Office. I had a meeting with a DFID consultant yesterday, and I understand that £19.5 million of Government money has been put aside for the three years up to the end of this March for the small arms and light weapons destruction programme. I was told yesterday that part of that money is being spent in Somalia. I find that hard to credit. It seems to me that it is a lawless society where, I suspect, it is difficult to spend money sensibly, particularly in clearing weapons. Perhaps the Secretary of State might like to look at that matter later and find out where the money is being spent, what it is being spent on and whether any small arms or light weapons are being destroyed.

The Secretary of State knows that a few years back the Select Committee produced a report on conflict. As my hon. Friend the Member for Banbury (Tony Baldry) rightly pointed out, there was no conflict in the Government of Somaliland itself. However, there is a conflict in Sool down in the south-east where the warlord of Puntland, which is the northern bit of Somalia, has moved into the province and taken the town of—I hope that I pronounce this properly—Las Anod.

Tony Baldry: Say it again.

Mr. Robathan: Las Anod.

The conflict is a huge dilemma for the fledgling republic. If it goes to war with Puntland, everybody will say that it is another typically lawless society fighting among itself. Here again, we can offer help, perhaps through the United Nations, to support the Government there to find a way out of the conflict whatever that way may be. I do not know enough about the dispute, but I know that it is about clans, clan territories and so on. The conflict could destroy the republic of Somaliland, and I am sure that we would not wish that to happen.

That brings me to my last point, which is about what the hon. Member for Clydebank and Milngavie (Tony Worthington) referred to as the genocide of 1998. My hon. Friend the Member for Banbury talked about the bits of cloth with bones sticking out of them in the mass graves outside Hargeysa. Responsibility for those war crimes—there is no other way to describe them—is a matter for the courts. However, it is generally accepted that General Morgan, who was in Siad Barre's Government at the time, was responsible for the shooting of a large part of the male population. People were tied up, sometimes with barbed wire, shot and buried in rather ineffective mass graves—as the water comes down it washes away the sand, leaving bodies literally sticking up, which is pretty disgusting. The crimes should be investigated, even though they happened in a country a long way away of which we know little.

Where is General Morgan, the person who is alleged to be responsible? We met him last Monday. He is the guest of the British taxpayer, which I, as a representative of taxpayers, resent. We are paying for him to stay in the Safari Park hotel outside Nairobi, as part of the conference on the future of Somalia, about which we have heard already. My view is that General Morgan should be in jail, but he should nevertheless be tried for whatever crimes he has committed. I understand that there is even a warrant for his arrest for the murder of a British subject, who was one of the victims. I am investigating that claim. Is it true? The Secretary of State is a pursuer of justice, so I am sure that he would like to speak to the Home Secretary about that.

Having seen the meeting in Nairobi, I think that little good will come out of the conference on the future of Somali, but I suppose that it is worth the effort. Surely none of us wishes to see a culture of impunity in which war criminals and mass murderers are allowed not only to escape, but to become guests of the British Government and the British taxpayer.

Mr. John Bercow (Buckingham) (Con): I am intrigued by what my hon. Friend is saying. Did he tell General

[Mr. John Bercow]

Morgan at his meeting last week much the same as he is rightly relaying to us today? If so, what was the response?

Mr. Robathan: My hon. Friend raises a good point. As it happens, I did not think that a room filled with 20-odd Somali warlords was the place to raise war crimes. However, if I had had General Morgan on his own, I would have been happy to raise such issues.

Colonel Yusuf is the self-styled leader of Puntland who lost an election, but decided that he would stay on. His family is in the UK and I understand that he may be wanted for crimes as well. Again, perhaps the Secretary of State could have his officials look at that case.

In the name of justice, General Morgan, Colonel Yusuf and others must provide answers about the crimes that they might have committed. Every hon. Member in the Chamber would agree that justice should override the culture of impunity that happens to prevail. There is obviously a culture of impunity in Nairobi, and the hon. Member for Putney (Mr. Colman) can bear that out, because he took a photograph of me with the alleged war criminal in question.

I shall pursue this subject because it is important. A peace process for Somalia as a whole cannot be built with war criminals. I hope that the Secretary of State will also pursue the matter. I wish him well on his coming visit to Addis Ababa. I hope that he goes further and will, either now or later, answer some of the points that I have raised.

2.49 pm

Mr. Quentin Davies (Grantham and Stamford) (Con): I congratulate the hon. Member for Clydebank and Milngavie (Tony Worthington) on securing this important debate. I agree very much with what he said. I should also like to echo my hon. Friend the Member for Blaby (Mr. Robathan) and say how much we appreciate the fact that the Secretary of State is spending time listening to the debate personally. I trust that he will not be disappointed by what he hears, because the Chamber infrequently experiences an apparent cross-party consensus among MPs who have no party political, personal—that may not apply in Putney—or, in many cases, constituency interest in pursuing a subject. I think we are all here because we feel the need to testify to what we saw a couple of weeks ago.

The visit to Somaliland was a complete revelation for me. I expected to see a country that was unstable, insecure and chaotic, where the atmosphere was volatile—perhaps rather menacing—and where there was considerable destitution and a general sense of breakdown. However, although all those epithets apply, I think, to neighbouring Somalia, none of them applies to the Somaliland that we saw. There is poverty and life is austere, although we saw no signs of malnutrition. As several hon. Members said, however, we saw some pretty grim refugee camps. That is inevitable because of the tens of thousands, if not hundreds of thousands, of people who have come back from Ethiopia and Djibouti to nothing—to find their homes destroyed and their cattle killed long ago. All they get is one month's handout from the United Nations High Commissioner for Refugees.

There is an enormous burden on the Somalilanders who are there and who have been able to rebuild their city. The rebuilding has been extraordinary. Again, only 12 years or so after the destruction of Hargeysa, I expected that there would be considerable signs of that destruction and that the rebuilding would be very incomplete, but that is not the case. Of course, there are signs of the fighting, including in the former state house or governor's house, but that has deliberately been left in that condition. In any case, no one is likely to want to live in such pomp and circumstance in the present conditions. The town shows no sign of having been razed to the ground only a short time ago.

It is remarkable that such a poor country has been able to put itself together again. The atmosphere, far from being menacing in any way, was relaxed and friendly. It is clear that the Administration are thoroughly in control of events and operating extremely effectively. We gathered that the total budget, at the market rate of exchange, for the police service, army and everything else for a country of about 3.5 million people is $14 million a year. Perhaps it is a good thing that the state apparatus in Somaliland is so light that it cannot develop the conditions of bureaucracy, corruption and so on that in many poor countries often make the Government more of a problem than part of the solution.

We met quite a lot of officials and representatives of the Government, and we were impressed by their competence and motivation. We also saw a vigorous parliamentary life, which, again, it was encouraging to see in a country that is emerging from such a grim period over the past 20 or 30 years.

I think that there is complete agreement in our minds about what needs to be done: we in this country should support people who show such courage and determination in rebuilding their country and such commitment to the principles of democracy. One impressive group that we saw involved a number of Somali ex-patriots from this country who had returned, including a number with professional qualifications. We met doctors and accountants—people whose standard of living would be vastly higher in this country, but who, for patriotic reasons, had returned and want to contribute to the emergence of a successful new Somaliland. In some cases, they have set up businesses and made personal investments there. That is all splendid.

I completely endorse the point that has been made by hon. Members on both sides of the Chamber—there is no division between us on these matters—that DFID should establish an office there. It is right that the Somalilanders should get whatever help they can from bilateral and multilateral aid agencies. They thoroughly deserve that and will make good use of it—of that, I have little doubt. However, the issue of recognition cannot be avoided.

Although I recognise the fact that the Secretary of State for International Development does not have this responsibility, I hope that he will have a word with the Foreign Secretary. Although the Government should spend taxpayers' money on contributing to the development of Somaliland, it would be perverse and crazy to do so while by political action or deliberate political inaction—a refusal to recognise—they are cutting Somaliland off from a considerable amount of

private sector money that otherwise would flow there. For oil companies that want to prospect, those amounts of money are obviously a considerable multiple of what could reasonably be found in a DFID budget.

It is crazy that we do not recognise Somaliland when it has the basis for attracting substantial investment flows and has people who are already trained—many in this country—and others who are extremely eager to learn the requisite skills to support that investment. The situation is impossible. Like me, the hon. Member for Putney (Mr. Colman) has some experience of international business and he knows that if one went to a board with a proposal to invest in a country that no one recognises, one would be laughed out of court. One simply cannot make such an investment. Recognition is key, and not just a political issue or a sideline. It is fundamental if there is to be any progress in the economic development of Somaliland or any rationality in setting up a DFID office, which we hope will happen.

Somaliland is a fascinating example of how it is worth our taking the time and trouble—and using taxpayers' money—to visit other countries, because none of us could have imagined the situation on the basis of some desk research, however thoroughly it may have been conducted. I hope that it will be registered that several hon. Members, from different party political perspectives, have been able to reach the same conclusions. My hope is that the Secretary of State, having shown the courtesy to Parliament of attending the debate, will not feel that he has given his time in vain.

2.57 pm

John Barrett (Edinburgh, West) (LD): I congratulate the hon. Member for Clydebank and Milngavie (Tony Worthington) and all other speakers, who have made positive contributions in showing that Somaliland has something that can be built on. There are opportunities and there is definitely hope for the future.

It is right that the debate has concentrated on development aid because although recognition is a key to Somaliland's future, we must not let the political process get in the way of the real and urgent needs of the people who live there today. As has already been mentioned, some images will stick in the mind for ever: mass graves, the bombed maternity hospital and even the paper that was given to us by the Foreign Secretary on female genital mutilation. The images generated by that paper will stick in the mind for a long time. I recommend that the Secretary of State should read that paper, because we must take action to protect children from what is nothing other than assault.

Somaliland is a country with needs that must be addressed urgently. The situation is more complicated because of its recent history. As we have heard, it has problems with health, education, food insecurity, water supply, HIV/AIDS and infrastructure. Much of that relates to the possible recognition of Somaliland. We have heard about its recent history, that it was a British protectorate for 80 years and that, five days after independence, it joined with Italian Somaliland. We must now look to its future. Whether the UK decides to recognise Somaliland at some time in the future, we should realise that action must be taken now to help those in great need.

The suffering continues in a land that is relatively peaceful and stable compared with the chaos in the south, where the fear remains that aid delivered to an area under the control of warring factions will result only in that aid being diverted to the same factions, which will use it to strengthen their grip in their own areas of control. It was with some amusement, after the 14th meeting in Nairobi, that some positive results emerged from the warlords meeting. I must put that down to the hon. Members for Banbury (Tony Baldry), for Blaby (Mr. Robathan) and for Putney (Mr. Colman) who attended.

Problems may arise from recognition of Somaliland, such as the UK being accused of reverting to colonial days, and the hope must be that an African nation leads the way so that others might follow. The Somalilanders hold the UK in high regard. I found something unusual in the amount of Union jacks and photographs of the young Queen Elizabeth being displayed in a country that describes itself as an African republic. All they are asking for is the right to self-determination within boundaries that are long established. If the majority of the people of Scotland or Northern Ireland wished for that same right, would it be denied? If the recognition problem is holding up aid, the Secretary of State should try to separate the delivery of aid and recognition, so that the aid can carry on.

Delivery of aid to an area of conflict is a real problem. There are dangers to aid agencies and to everyone involved. The situation in Somaliland is one of relative stability and ease of access; there are flight connections, a port capable of receiving aid and road links to the regions most in need. Somaliland is also in desperate need, having suffered from terrible droughts, the worst in decades, resulting in the deaths of hundreds of thousands of animals; 200,000 people were left vulnerable. There is much that could be done with the basic provision of boreholes and water harvesting, to make the most of a scarce resource when the rains do come. Dried out riverbeds and no provision for storing water where so many people do not have access to a basic drinking water supply must not be tolerated in this day and age. I hope the Secretary of State will think about what can be done to provide clean drinking water supplies, particularly to those in urban areas.

An assessment must also be made of the lack of food security and to consider the earliest suggestions about whether DFID could open up a base in Hargeysa to establish what is possible and what the UK Government could be doing on the ground. This could be linked to the DFID office in Addis, but kept separate from the political discussions, which could be dealt with elsewhere. That might avoid the process stopping aid, and I hope the Secretary of State will consider that option.

With so little support from the outside world, what has already been achieved in Somaliland is impressive. The rebuilding of Hargeysa has started and, although there is much to do and the Government have a relatively tiny budget—$15 million to $20 million to spend—there is little scope for lavish spending or waste. Most of this money seems to go on civil service salaries, so it is possible that some expenditure in priority areas is being held back.

[John Barrett]

This sum is dwarfed by remittances from the diaspora. The total is between an estimated $300 million and $500 million a year. This proves there are many outside the country who want to send money to their homeland, but it also shows that probably many more people could be organised to increase this figure. A 10 per cent. increase in the Government's budget would be less than a 1 per cent. increase in remittances. One problem with remittances is the easy flow of money back to many developing countries. Will the Secretary of State say what can be done, at a low cost to the sender—that can make a massive difference to the recipients—to ease the flow of remittances?

Not only money from abroad but also those with skills are currently required back in Somaliland, which is encouraging them to return. If we encourage people to go back to Somaliland—they benefit by getting back to their homeland—we have to accept responsibility for the fact that what they go back to is in no way comparable with life over here. We must take a direct interest in the standard of life over there. Her Majesty's Government are trying to reduce the numbers fleeing from terror. It is a stable country. I could understand people from Mogadishu saying that they were in real danger, and I have a fairly small number of Somalis in my constituency. If someone came from the south of the country I would understand the danger they were in, but I would have to say that Somaliland looked like a very peaceful and stable nation.

Somaliland also has oil and mineral resources, which could help in the drive towards prosperity. But until contracts can be signed, these resources cannot be exploited. It may not be within the Secretary of State's power to move this issue along, but it is a tragedy that wealth could be just below ground level while there is so much poverty just above it.

Real progress could be made with assistance to clear up confusion around the truth with Rift Valley fever. For many years, the export of sheep, goats and camels to Saudi Arabia was the region's main export, but that has now stopped because of Rift Valley fever. Some people maintain that the disease does not exist, while others maintain that it will return during the wet season. Whatever the problem, will the Secretary of State use DFID's expertise to end the confusion and restore what was the country's main income source for many years?

Health care has been mentioned, and was available to some. The ever-present scourge of AIDS cuts through every aspect of life in Africa, and Somaliland is no exception. Money is available for the war against AIDS, but political problems should not be allowed to get in the way of making resources available, particularly to deal with mother-to-child transmission. Land mine clearance, which was mentioned earlier, has been a success, and I, too, pay tribute to the HALO trust.

Children are particularly at risk in Somaliland. UNICEF is doing good work, but there are an estimated 10,000 street children and 20,000 underage workers in that relatively small country. We must not let that situation continue, and access must be given to agencies that have the capacity to improve the lot of those children and orphans.

We should not forget the other group that was mentioned earlier and which is at the opposite end of the range: the dwindling band of old soldiers who fought with us during the last world war. In a country where the average life expectancy is below 50, it is no surprise that there are few old soldiers left. While visiting a centre that produced artificial limbs, we met a few of those gentlemen. They asked about their pensions and hoped that the British Government would consider their plight given that they had fought on our side, just like those who were buried in the war cemetery in Hargeysa. They added, however, that they would happily give up the thought of a pension if their country could be recognised. It was a real contrast to see old soldiers next to limbs that were being made for children.

The country has many scars from war, but it is rebuilding itself. It suffers from drought, but when the rains do come, mass graves are exposed. An estimated 9,000 people are buried in 160 mass graves. None the less, democracy is stable and peaceful in the part of Somalia that is Somaliland, and I hope that the Secretary of State will do all he can to ensure that aid gets through.

3.7 pm

Mr. John Bercow (Buckingham) (Con): I join colleagues in congratulating the hon. Member for Clydebank and Milngavie (Tony Worthington) on securing the debate and on his contribution to it. He has vast experience of the area and spoke with knowledge, sincerity and passion. He was followed by the distinguished Chairman of the International Development Committee, my hon. Friend the Member for Banbury (Tony Baldry), who spoke in a similar vein, and then by the hon. Member for Putney (Mr. Colman), my hon. Friends the Members for Blaby (Mr. Robathan) and for Grantham and Stamford (Mr. Davies) and the hon. Member for Edinburgh, West (John Barrett).

In opening the debate, the hon. Member for Clydebank and Milngavie set out the historical background, which is the cause of many of the problems that are endemic in the area today and which the international community must address. Specifically, he pithily characterised the unhappy merging of Somaliland into the united republic of Somalia, and Somaliland's subsequent, understandable wish to secede or—I use my language carefully—withdraw from it. All sorts of problems have been spawned by the historical background.

Mention has been made of the large and enduring refugee phenomenon, which was created by the civil war. As Somaliland became relatively safe, there is no doubt that those refugees thought it reasonable and timely to return to their homes. However, the emergency and humanitarian aid that is trickling into Somaliland is meagre compared with what the rest of Somalia and other countries in the horn of Africa receive. With zero or negligible help from the international community, Somaliland inevitably continues to absorb, although with the greatest difficulty and strain, tens of thousands of refugees from Ethiopia's refugee camps.

The country's social problems have been compounded by the return of those hundreds of thousands of refugees through the UNHCR's assisted

repatriation programme during the past six or so years. That has placed stress on the still relatively fragile and war-torn infrastructure, and the lack of development assistance has inevitably limited and constrained the already weak capacity of the Government, who are seeking proper and effective reintegration of refugees into society.

There is, of course, the second, dramatic problem of a severe drought—the worst experienced by Somaliland in some three decades—leaving 200,000 people vulnerable to starvation. That matter is specifically within the purview of the Secretary of State, whom I warmly welcome to the debate. I know that he will want to say something about it, and I shall return to it briefly.

Where do we stand on the critical issue of recognition? As Somaliland lingers in a sort of diplomatic no-man's land, there is a practical consequence for the nation, as well as a stain on the independence and integrity of the country. The practical consequence is that Somaliland cannot enter into formal trade agreements with other nations and has understandable difficulty in seeking, and certainly securing, any sort of assistance from world financial institutions, as my hon. Friend the Member for Grantham and Stamford (Mr. Davies) mentioned.

The late President Egal remarked that the most disabling thing was the lack of communication with the international community. "We have no ambassadors," he said, "we have only international agencies." Attracting foreign investment is difficult, as there are no proper banks and although Somaliland is believed to have large oil deposits in the coastal region, there is a lack of interest due to insufficient insurance for equipment and personnel. President Egal endorsed a liberal economic regime, resulting in a potentially thriving private sector. However, it is handicapped—I return to the problem yet again—by a lack of recognition. We are in danger of going round in circles in our attempt to resolve, or at least minimise, the burdens of that proud but beleaguered country. Unless it receives recognition, so much else that could flow by way of economic potential and political reconstruction will not be possible.

There is relative stability, and there is also significant economic progress, but that is not as great as it could be. The debate has already focused on the economic statistics. The World Bank survey illustrates the immense poverty that exists. It is important to be accurate; one wants to celebrate the country's successes under duress, but also to recognise that those successes are modest and that they are not indefinitely sustainable. If more than 73 per cent. of the population lives in general poverty and 43 per cent. in extreme poverty, we cannot turn a blind eye. If GDP is only $223 per head, we cannot turn a blind eye; if 45 per cent. of the population is unemployed, we, in our comparative extreme wealth and political good fortune, cannot turn a blind eye. If primary school enrolment stands at only 17 per cent.—that is, non-enrolment is over 83 per cent.—and maternal mortality stands at 1,600 per 100,000 births and infant mortality at 224, almost one quarter, per 1,000 live births, we, in our comfort, cannot stand by, self-satisfied. If adult literacy stands at only 22 per cent. and life expectancy is only 47 years, we cannot stand by.

In reality, for all the country's stability, the lack of recognition by the international community is a serious impediment to the proper entitlement of what should be a sovereign state to grow and to flourish.

Like other Members, I want to hear what the Secretary of State has to say, so I shall try to exercise a self-denying ordinance and conclude with a series of polite but probing questions. How much humanitarian aid is being given to Somaliland to cater for the problems resulting from the drought? What form does it take, and what mechanism of assessment of its efficacy is in place? Of the total aid given to Somalia, what proportion comes from the UK and what proportion goes directly to the Somaliland Government? As several hon. Members have rightly inquired, can a base be established? What have the Government done or what do they propose to do to promote UK business investment in Somaliland, particularly considering the potential for exploration of the oil field capacity?

What assistance have the Government given to Somaliland to cope with the influx of refugees, and how do they intend to monitor and improve on it? What moves has the Secretary of State made to establish a British diplomatic presence in Somaliland? What efforts have the Government made to encourage a successful outcome from the peace talks? Alternatively, if the Secretary of State shares the pessimism of the hon. Member for Clydebank and Milngavie, is he inclined to reconsider recognition and have a huddled serious conversation with the Foreign Secretary? What is his attitude to recognition, and will he elaborate on it?

This is an important debate that has been characterised by serious contributions. I have tried to pose some pertinent questions, and I look forward to the Secretary of State's answers, preferably today but, if not, as soon as possible in writing.

3.17 pm

The Secretary of State for International Development (Hilary Benn): I join other hon. Members in congratulating my hon. Friend the Member for Clydebank and Milngavie (Tony Worthington) on securing this debate and, from what I have learned, the history of his involvement. I was aware of the kidnapping episode, but I was not aware that all the debates in the past 40 years on Somaliland have been generated by him. He has undoubtedly flown the flag and put the rest of us to shame.

What has come across powerfully in the contributions, which have been outstanding, is that members of the International Development Committee and other hon. Members have used their experience in this debate. As the hon. Member for Grantham and Stamford (Mr. Davies) said, the Committee members have used what they saw and heard to bear witness to the situation in the Somaliland as they found it during their visit. We are all grateful for that, not least me, and later in my remarks I shall tell the Chamber about the steps that I propose to take as a result of this debate. The debate has been all the more powerful for the fact that we have heard current witness—Committee members visited only very recently—and it is an excellent example of hon. Members doing their job. That is precisely what we are in this House to do.

We have heard about the history, and I do not need to go back over how Somaliland is a former British protectorate that sees itself as an independent country.

[Hilary Benn]

We have heard powerful evidence about the extent of poverty in Somaliland. However, because of the progress that it is making, in contrast with other parts of Somalia, it has placed fewer demands on the international community for emergency humanitarian assistance. As my hon. Friend the Member for Clydebank and Milngavie outlined, one reason for that is the extent of the support that a sizable diaspora provide to Somalilanders. The hon. Member for Edinburgh, West (John Barrett) talked about the range of estimates of the size of remittances. The figure that I have is in the middle of that range; about $425 million a year. That is a significant commitment of resources and demonstrates the great interest shown in Somaliland by those for whom Somaliland has been their home or to which they are returning.

I concur completely with what we have heard today about governance and the progress that Somaliland has made. Indeed, it provides some important lessons, and in some respects acts as a beacon to other parts of Africa because of the relative stability that it has enjoyed for 10 years. It has held democratic elections—municipal and presidential—and aims to hold parliamentary elections in, we all hope, the not too distant future. It has a traditional bicameral Parliament, and it was interesting to hear hon. Members talk about speaking in it, because hon. Members of this House do not often have the chance to address other Parliaments, especially both Houses. It has a police force, a defence force, its own currency and a relatively free and lively press. Undoubtedly, in contrast to the rest of Somalia, it has achieved an enormous amount for its people.

As hon. Members will know, reconciliation has been fraught with difficulty. Puntland has made some progress since 1998, and we are encouraging its efforts to achieve greater stability, but people in the rest of southern Somalia have suffered enormously. We have not talked a great deal about those people, and I want to talk briefly about their situation. We have heard powerful testimony about the impact of the slaughter in Hargeysa, and the picture that I will take away with me from the Chamber is the description of the bodies literally returning from history as they rise from the sands.

No one can be sure of the exact figure, but an estimated 500,000 people—about 7 or 8 per cent. of the population—lost their lives in this conflict. My maths is not very good, but if we think about the impact on a country of our size, that is the equivalent of about 4 million people in the UK losing their lives in a conflict. We have to pause only for a second to take in that figure to realise the scale of the loss.

It is encouraging—I use that word deliberately—to hear the news that emerged from the discussions, negotiations and breakthrough on 29 January. I entirely understand the caution expressed particularly by my hon. Friend the Member for Clydebank and Milngavie, but the people in the rest of Somalia have just as much need of peace and stability, and just as much of a right to a better life, as the people of Somaliland. There should be no conflict between the two, and no competition. Bitter experience teaches us the need to be cautious, but it is right and proper that we should be doing all that we can to support that peace process. The benefits that will flow to the people in the rest of Somalia will be considerable if peace can be achieved, which is why we have been offering support.

Mr. Robathan: I am not the only one who is ignorant about the breakthrough on 29 January. Will the Secretary of State briefly talk about it?

Hilary Benn: I will gladly do so. In those talks, the faction leaders agreed to proceed to the selection of a transitional federal Parliament with 275 Members who would elect a President to head a new five-year transitional federal Government. That process is likely to take between four to six weeks, after which the parties would be ready to return to Somalia. If the agreement is reached, and if it sticks—I understand the caution—it is the international community's responsibility to support that process. Somaliland has not, of course, been part of the process, but if the process is to be successful, there will need to be some form of reconciliation for peace to be established throughout Somalia. I entirely understand the strength of feeling in Somaliland because of the history of the region. This difficult issue needs to be confronted.

It has been very encouraging to see the very strong lead taken by Somalia's African neighbours in supporting the peace talks. As Members will know, these talks were sponsored by the Intergovernmental Authority on Development with the active support of the Kenyan Government. IGAD is now considering how best to build on the success of the talks, including trying to secure agreement to a comprehensive ceasefire. We played a modest part in those talks, and—linking to the point raised by the hon. Member for Blaby (Mr. Robathan) concerning the financial assistance we have given to those negotiations, alongside contributions from Sweden and the European Union—dedicated a member of staff from our high commission in Nairobi to help mediate between the factions. I want to take this opportunity to pay tribute to the role that he and others have played.

On recognition, when my hon. Friend the Member for Putney (Mr. Colman) was talking about the extensive links between his own constituency and Somaliland, I thought for one moment he was going to suggest that UK Government recognition should be extended to parts of his constituency in view of the very large diaspora.

I understand entirely why hon. Members have so forcefully raised the question of recognition for Somaliland, because it is a subject about which the people of that country feel extremely strongly. We encourage Somaliland's progress towards democracy, and we should do all we can to reinforce their efforts. As Members have kindly indicated, this is not directly a matter for me. But we should be careful about doing anything that undermined the prospects for success in those talks and the reconciliation elsewhere in Somalia. I advance the argument for the simple reason that the people of the rest of Somalia deserve the same right to be able to live in stability and security. We also have to acknowledge that the question of recognition is the subject of some controversy, not least among neighbouring African countries. Having said that, it is my view that the issue of recognition—a point raised by the hon. Member for Edinburgh, West—should not get in the way of development and assistance.

Our priority now should be to increase the support that we provide. In the current financial year we anticipate that our total support for Somalia as a whole will amount to some £3.5 million. That figure includes help for health through Médecins sans Frontières, education projects through the UN, support on governance, peace building and the issue about which the hon. Member for Buckingham (Mr. Bercow) particularly asked, humanitarian relief. This last includes the drought relief to which we have contributed £1 million through UNICEF by way of humanitarian assistance.

In addition we contribute 19 per cent. of the funding for the EU programme; that is $9 million out of the $50 million in total. It is rather difficult to disaggregate from within this total amount the specific spending in Somaliland because most projects cover the whole of Somalia. The best estimate that I am advised of is that about 40 per cent. of all international aid, which is about $170 million a year, is spent in Somaliland. I hope that is helpful, and I will happily undertake to write to the hon. Member for Buckingham with further information about how that figure breaks down. I shall add to his list of needs, which he read out so powerfully. In Somalia, there is less than half a doctor and two nurses per hundred thousand population. We have also provided support to the electoral process in Somaliland, specifically providing £160,000 to help secure these elections.

On the subject of female genital mutilation, I agree entirely. We should do all we can; indeed the Government supported the Bill that was referred to. I will find out the answer to the question on small arms.

Finally, I want to respond to the plea from the hon. Member for Banbury (Tony Baldry). We are in the process of drafting our country engagement plan. We do not normally consult on such plans, but I make this commitment to the Members who have spoken today: I propose to do differently in this case, and to consult the Select Committee formally or informally in whatever way they decide. When we have had a chance to reflect on this debate, they will have a chance to see what we propose to do in response to their plea to me today. I look forward to hearing their views on that offer, and I hope that it is acceptable to the House.

School Meals and Children's Diets

3.30 pm

Helen Jones (Warrington, North) (Lab): Over the past few months, there has been a great deal of public discussion about children's diets. We hear a lot about the large amounts of fat and sugar that they consume in fizzy drinks and snacks; quite rightly about the effect of advertising upon children; and about the likely health problems that will occur in the future.

However, we do not hear enough about the one area that the Government can directly influence, which is the provision of school meals. The decisions that the Government take now, and the regulations that they decide to adopt, have potential to improve the diets of our young people—particularly the poorest among them—and to set a pattern of healthy eating that we hope would continue. The money that is spent now on school meals could save us a great deal of human suffering, and cost to the health service, in future years.

Yet, as a country, we have failed to give this issue enough attention. We know what the facts are. The recent Food Standards Agency report on children's diets showed that mean energy intakes were lower than the average requirement in almost every age group from four to 18. It noted that diets were high in fat, salt and sugar but very low in fruit and vegetables. Sadly, none of that is new. The then Education and Employment Select Committee's report on school meals in 1999 quoted the Acheson report on the need to improve children's diets. It also quoted evidence from the National Heart Forum that showed that the propensity to develop diseases was set in early life, thus making intervention in children's diets essential. In addition, it cited evidence to show that cognitive functions, which are impaired by poor diet, can be put right by simple interventions, such as providing breakfast.

That is a truism; the importance of the issue has been known about since the 19th century, when charitable people started to provide school meals for children. We knew so much about it that in this country we enshrined it in statute in the Education Act 1944, which made local authorities provide a meal that was suitable in all respects as the main meal of the day.

We are now dealing with what happened as a result of the Education Act 1980, which was introduced by the then Conservative Government. That broke the consensus on the importance of school meals and ended almost all central control on the issue. The result of that was disastrous: staff were de-skilled and heated up pre-prepared foods; school kitchens closed down; and, in some cases, only sandwiches were available for children who were entitled to free school meals. There were fewer and fewer of those children as the social security regulations were tightened up. It was a prime example of knowing the price of everything and the value of nothing, for which many young people still pay the price.

The result of that was that when this Government first came into office in 1997, they faced an appalling situation with regard to school meals at a time when the whole education system required massive amounts of public spending. I commend what the Government have done since then. There are schools—Beamont junior school in my constituency is a very good example—that

[Helen Jones]

received great new dining facilities. The national school fruit scheme, which provides fruit for young children in school, is very popular in my constituency. The healthy schools initiative encourages schools to examine healthy living and healthy eating in the round. Those are commendable first steps, but they are only first steps. There is still a lot of work to do.

Mr. Kerry Pollard (St. Albans) (Lab): Does my hon. Friend accept that other agencies have an equal responsibility in this; for example, television advertising, which force-feeds young children the desire to have some of this rubbishy food, and supermarkets and food manufacturers, who stuff food with the three S's, salt, sugar and saturated fat? The issue is much wider than just school meals, although I accept my hon. Friend's point that that is a starting point.

Helen Jones: My hon. Friend is entirely right. Because of those problems, we need to focus on what we can influence and control: school meals.

There is no use lecturing our young people about healthy eating if we do not provide them with good meals. Part of the problem with school meals, as the recent report from the Soil Association showed, is that we value our young people's diet so little that we do not spend much on it. Average spend on the ingredients of a primary school meal provided by local authority caterers is 35p. For those provided by private contractors, the spend can be as low as 31p. That leads to our young people being fed a diet of highly process food, mechanically recovered meat and lots of additives.

One does not have to be a devotee of organic eating—I freely confess that I am not—to be worried about some of the ingredients that are highlighted in the report. For example, there was a 'so-called fish product that contained only 35 per cent. fish; the rest was breadcrumbs, rusk, raising agents and water. A cheese product contained only 30 per cent. cheese, and again was filled up with breadcrumbs, additives and so on. Under current regulations, those two items counted as fish and cheese and as the protein part of a meal. That is a particular problem because so many of our young people are not eating adequately outside school.

I asked a group of young people at a secondary school in my constituency to keep food diaries for a week. I have them with me, and I hope that the Minister will look at them later because the results are horrifying. I commend the young people for their honesty and bravery because it would be easy for them to be singled out; lest anyone try to do that, I do not think that their diets are any better or worse than those of most youngsters in my constituency.

The results were startling. Many of the young people went to school without breakfast, although some got breakfast or a mid-morning snack in school because the school provided it. However, the mid-morning snacks were usually nothing that we would recognise as nutritionally adequate. It was what the young people ate for lunch, however, that was the most worrying. I shall give some examples; chips and gravy, pie and chips and cheese pizza, often accompanied by a fizzy drink. They ate lots of snacks, crisps and chocolate, but very little fruit or vegetables in school. Although many parents provided both breakfast and a hot meal at night, there were still examples, in the 21st century, of children who went through the whole day without a proper meal; they were merely snacking on bits. That is an indictment of our society.

When I discussed that with the head teacher, what was most worrying was that it was often the children from the poorest families who were eating the most inadequate school lunches. Although the diaries were a snapshot and not a scientific survey, they reflect what we know from other national surveys. The Acheson report highlighted the difference in nutrition between different socio-economic groups, and clearly showed that poorer people have a lower intake of fruit and vegetables and, hence, dietary fibre. I know that there are complex reasons for that, but I return to the idea that it is our duty to influence that part of the food chain that we are able to, which is school meals.

There are some examples of what can be done even under current regulations. I visited St. Paul of the Cross primary school in my constituency, where Jane Gallagher, who is the cook there, and her assistant, Sylvia Thomas, talked to me about how they cooked fresh food for the children and encouraged them to try new dishes. I am grateful to the primary school children who told me bluntly, in the way that children will, what they liked and what they did not. They liked things such as baked potatoes, pasta and fruit. That gives the lie to what people often tell us, which is that children will only eat highly processed food. All parents know that the truth is that children will eat what they are used to, and that it is our jobs as adults to get them used to eating decent meals.

I accept that things are much more difficult in secondary schools. There are two problems that we need to tackle there. First, too many schools are still using vending machines as a source of revenue, and they are usually stuffed with unhealthy products. We must give much firmer guidance on that to head teachers and governors. Secondly, pricing policies in school canteens make it almost impossible for those on lower incomes to eat healthily. All of us who have teenage children know that they are always hungry. For those on a limited budget, there is a temptation to eat things that fill them up quickly and seem to offer a lot for the money, whether or not they are healthy. That is particularly true of children who are entitled to free school meals.

The guidelines of the Department for Education and Skills state that a free school dinner ticket should buy a two-course meal and a drink. I know of very few secondary school canteens where that could be achieved. The value of a school meal ticket varies considerably between local authorities; in some cases, it can be as low as 90p. Government research on improving the take-up of free school meals showed that, and I congratulate the Department on commissioning the research. In every school surveyed, the average spend was higher than the value of a free school meal ticket. Even in the school with the highest-value meal ticket—£1.65, I think—the set meal of the day when the research team visited was fish and chips, which cost £1.75. That could not be afforded, even without vegetables or a drink. Therefore, it is no wonder that many children who are entitled to free school meals end up eating sandwiches and snacks. In another canteen the

set meal of the day was sausage roll, gravy and chips with a drink. What price healthy eating in those circumstances?

We need to start turning that around by providing better meals for our children. That would fit in with the Government's overall policies because it would improve provision for everyone while having a particular benefit for the poorest children. It would benefit working parents, who would know that their children were getting a decent hot meal at lunchtime, so they do not have to rush home to cook one at night. It would also radically improve the diets of the poorest.

A number of things must be addressed. First, the quality of the meals that we provide could be radically improved were we to move away from the current food-based standards for school meals, which allow the serving of highly processed products that count as meat, fish and so forth. We should adopt the nutrient-based standards that were recommended in the 1999 Select Committee report and which are still recommended by many experts. That would, with one step, improve quality.

Secondly, the value of free school meals must be addressed. It is untenable that a national benefit, the entitlement to which is decided on national criteria, should vary so widely from one local authority to another. We must at least set a minimum standard of entitlement to free school meals that is sufficient to buy a two-course meal and a drink.

We also need to grasp the nettle with regard to hot meals. We must accept that many schools are still not serving hot meals. Some local authorities still only serve sandwiches, and we must decide whether that is acceptable for our children. I suggest that no other European country would accept it; we need to start to end that. It can only be done gradually. For example, we all recognise that school kitchens have to be re-introduced. If we are going to defuse the health time bomb that faces us, we have to think seriously as to whether we value our children enough to re-introduce kitchens.

I also suggest to the Minister that we need to remove the disincentives in the system for schools to encourage the take-up of free school meals. As a school's budget for free meals can be delegated by the local education authority at the beginning of the year, increasing the take-up of meals means that the school ends up funding the deficit itself. That is clearly nonsense. I do not believe that the finest minds in the DFES cannot find a way round that.

I also suggest to the Minister that when people claim any other benefits—such as income-based jobseeker's allowance or income support—that might entitle them to free meals, we need some joined-up government so that they can make sure that they apply for meals there and then. As well as that, we need to remove the stigma that is often attached to children receiving free school meals. We need to give schools much stricter guidelines on that. As the evidence shows, many parents abandon free school meals, even after they have applied for them. Evidence also shows that many who are entitled to do so do not apply in the first place; many abandon them after they have applied, either because their children are singled out or because the quality of the food that they can purchase is so poor that they would rather try to provide something themselves. We must seriously try to ensure that heads and governors appreciate that it is part of their duty to consider school meals, which are vital not just for children's health, but for their educational attainment.

As I said, we need to do something about the proliferation of vending machines in schools. It is time for a bit of central direction on that, because local decision making is clearly not solving the problem. The truth is that we cannot keep blaming the children and we cannot keep blaming their preferences. We are the adults and we have to steer our children in the right direction. I hope that in the future we face up to that as a country and face up to our obligation to start providing decent school meals for all our children.

3.47 pm

The Minister for School Standards (Mr. David Miliband): Ministers usually start licking their lips when an hon. Friend starts talking about the need for centralisation, but I thought that that would be an inappropriate response. I congratulate my hon. Friend the Member for Warrington, North (Helen Jones), not just on securing this debate, but on her continuing campaign to ensure that the Government are held properly to account and make best use of advice and ideas from as far and wide as possible to get this serious issue right. I applaud the work that she has done on the issue and applaud also the contribution of my hon. Friend the Member for St. Albans (Mr. Pollard). As members of the Education and Skills Committee, my two hon. Friends are a formidable duo. I fear that if we do not give them full answers today, we may find the Education and Skills Committee turning its fire on us.

I agree 100 per cent. with what my hon. Friend the Member for Warrington, North says about the value of high quality school meals, the necessity of meals for youngsters to develop properly in education, and the fact that that matters twice over in our poorest communities and for our poorest youngsters. That must surely be right. She spoke with all the passion of a mother and a former teacher in putting that case and I concur wholly with what she said.

I want to use my remarks to address both the supply side of the issue, what we are doing to raise the quality of meals provided, and the demand side, what we are doing to shape children's choices about what they eat. In the process, I hope to show that all is not bleak. I hope that I will be able to give some examples of outstanding provision, not in my hon. Friend's constituency but elsewhere. We should not neglect the fantastic work that is done by many cooks in communities and at local education authority level throughout the country.

The context for this is consistent evidence that children are growing not just taller but heavier; that many are consuming too much fat and eating too much sugar; that a significant number do not get the right amount of vitamins and essential minerals; that, like some parts of the adult population, significant numbers of children are getting fatter; and that those four items are especially the case in poorer communities. I was not referring to my hon. Friends. They are certainly not evidence of the burgeoning girth of the adult population, but significant numbers of children do suffer from that.

[Mr. David Miliband]

By way of introduction, my hon. Friend raised some interesting points about the take-up and in-year registration of free school meals, which sounds like an issue that we should consider. She may be interested to learn that the Department for Education and Skills, the Cabinet Office and the Department for Work and Pensions, which is key to getting things right, are working to develop a new one-stop application process at Department for Work and Pensions offices. That will ensure that all parents are aware of the free school meal entitlement as soon as they register for the benefits that she described, and that they are not deterred by the plethora of forms that must sometimes be completed, but are fast-tracked through the process. We will ensure that my hon. Friend is informed as soon as we know of any results on take-up from that initiative. At the moment local education authorities have quite a lot of discretion in administering the free school meals package. Different authorities do that in ways that either maximise or fail to maximise the take-up. We do not want to venture into greater central direction of such matters because of the need to maintain stability and predictability in funding, but we shall keep the situation under review.

My hon. Friend did not dwell at length on the new nutritional standards for school lunches that have been in place since April 2001. I am sure that she would agree that those standards, which were the first for more than 20 years, were a big step forward. There was a wide debate in the run-up to their introduction. The consensus among a range of local education authorities and health and food groups was that, to be effective, the standards should be based on the familiar balance of good health diagram, which sets out the right types and proportions of foods, rather than nutrients, that make up a balanced diet. That was designed to ensure that the standards were more practical to implement and that children—the ultimate consumers—would understand them.

We are also honour bound to monitor the implementation of that commitment. An exercise is being conducted between the Department for Education and Skills and the Food Standards Agency, which is obviously an important body, to ensure that the standards are adhered to. Through that study we shall be able to gather a multitude of contextual information that was not previously available, such as the purchasing power of a free school meal ticket. The study that is under way will enable us to consider that in rather more detail than before and will help to put in place the most effective systems throughout the country.

We are also looking for information about the different catering contracts around the country, the visibility of certain types of food and the impact of other lunchtime activities. There is obviously a need to hold youngsters in the school—some people think it would be simpler to shut the gates and keep them in, as is done in some schools. My hon. Friend mentioned the quality of the dining rooms and the need to ensure that facilities are adequate, which is important. She mentioned the co-operation of the pupils from William Beamont high school in Warrington in work on children's food diaries, which I look forward to reading carefully. I hope that learning what is popular will inspire me as well as horrify me. We are also keen to ensure that the environmental aspects that my hon. Friend mentioned—sustainability and organic issues—are properly considered in that context.

Positive provision exists around the country. There are downsides to a decentralised system of 150 local education authorities, but there are also some upsides, which are embodied by the experience of Icknield high school in Luton. I can only describe the chef who has been employed to provide meals there as the Jamie Oliver of the free school meal world. He was trained as a chef at the Savoy hotel. Pupils at Icknield can look forward to boeuf bourguignon, mussels and pheasant, chicken teriyaki, seafood paella and fresh bread baked daily on the premises. Before hon. Members start running to Luton for their lunches, he also offers tasters of unfamiliar foods to encourage people to try something different. There are downsides to relying on this sort of inspired leadership at local levels, but it does show what is possible under the current rules, and it might be an inspiration to others who are providing similar services. Maybe we can do a better job of making the experience of Icknield high school more widely understood.

That relates to the supply side, but the demand side is also important. My hon. Friend referred to the frustration of seeing a range of foods on offer, but only those that fall into her cheese pizza and chips or sausage roll and chips category being chosen. I want to run through a few relevant aspects of Government intervention in this area. First, the national curriculum itself is important in this area. Food education in both primary and secondary schools teaches children about the importance of healthy eating and an active lifestyle. They also learn how to prepare meals. In the science curriculum in primary and secondary schools children study basic nutrition and receive information on the range and type of foods available, their nutritional composition, the function of different nutrients in contributing to health and well-being, digestion and human dietary and nutritional needs. This puts a particular onus on science teachers, but also teachers in other subjects such as personal, social and health education, which is important in this area.

Secondly, my hon. Friend mentioned in passing the growing schools initiative, which encourages teachers to use the outdoor classroom as a valuable, regular and integrated part of pupils' day-to-day learning, growing food in a school's own grounds.

A third aspect is the national healthy school standard, to which a significant sum of money is now attached—nearly £6 million has been spent every year since 2000. The standard was launched in 1999 and offers an opportunity to ensure that healthy eating is firmly embedded in a school's ethos. I do not have with me the details of how many schools have now signed up to the standard—as with Investors in People, it would be interesting to see how widespread it is—but I will write to my hon. Friend with details of numbers and of what we are doing to publicise this whole school approach to healthy eating.

Fourthly, there are design and technology issues, because that part of the curriculum allows pupils to learn about food and nutrition, and this is a central part of the food technology strand of design and technology at GCSE and beyond. I was struck by the fact that food

technology is now taken by 100,000 14 to 16 year-olds a year. Ofsted reports that excellent work is to be found in these classes throughout England. My hon. Friend referred to the particular challenges for secondary-age pupils—I do not think it was only her son who was a challenge in this regard. The popularity of food technology, a subject that was not available when I was at school, is encouraging.

Fifthly, the food in schools initiative was developed in conjunction with the British Nutrition Foundation and the Design and Technology Association to produce practical guidance on how schools can develop their activities in this area. The guide "Establishing a Whole School Food Policy" links what is taught across the curriculum with the food provided for children to eat at school to ensure that consistent messages about healthy food choices run throughout all aspects of school life.

Finally, my hon. Friend the Member for St. Albans mentioned the importance of working with other partners in the wider community, notably in industry. The development of food education in the national curriculum is an ongoing process. A couple of examples sprang to mind when reading the briefing. The Waitrose focus on food bus and the Sainsbury's taste of success food awards scheme are part of this wider engagement with the community. Over 1,100 teachers are registered on the taste of success scheme, and over 115,000 pupils have been awarded certificates for excellence since the scheme began in 2000.

The issues raised by my hon. Friend the Member for Warrington, North go far and wide. They have a direct impact on youngsters' educational achievement, and they touch on difficult issues regarding the relationship between central and local government that is at the heart of our constitutional settlement, but is also a restraint on the centralising tendencies—dare I say Stalinist approaches—that my hon. Friend might like to see us adopt in ensuring that the entitlement and the requirement for every youngster to learn not just intellectually and emotionally, but about their physical development, is seen through. That links closely to sport, which I know she has talked about before. I hope that we can use this debate as a basis for moving forward and improving provision.

Question put and agreed to.

Adjourned accordingly at Four o'clock.

Westminster Hall

Thursday 5 February 2004

[DAVID TAYLOR *in the Chair*]

Broadcasting (Rules of Coverage)

[Relevant document: First Report from the Broadcasting Committee Session 2002–03 HC 786.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Jim Fitzpatrick.]*

2.30 pm

Mr. David Lepper (Brighton, Pavilion): It is many years since a report of the Select Committee on Broadcasting was debated in the House of Commons, and I welcome this opportunity to discuss our report on the rules of coverage.

At a time when media coverage of the business of this House, political events and politicians, especially by the broadcasting media, is a subject of daily controversy, our debate today has a narrower and—I suspect—less controversial focus. The rules recommended by the Broadcasting Committee on behalf of the House cover the shots that may be used in providing pictures of proceedings in the Chamber, Westminster Hall and Select and Standing Committees of the House. This is perhaps a less controversial broadcasting debate than some others, but it is especially topical following events in the Chamber yesterday afternoon, which I shall come to later.

Although the immediate focus is narrower, the Committee's report also touches on issues that I believe should be of interest to all hon. Members, and especially to those serving on other domestic Committees and the Modernisation Committee, which is considering the crucial issue of reconnecting Parliament with the people on whose behalf we are all here. I believe that our report is very much in tune with the important decision of the House of Commons Commission that improving access to and understanding of Parliament should be a priority in the strategic plan for House of Commons administration that was adopted in June 2002.

For many years, Parliament was wary of allowing its proceedings to be broadcast. Following the refusal of John Reith's request on behalf of what was then the British Broadcasting Company to broadcast the state opening of Parliament in 1923, some 55 years passed before the first experiment with radio broadcasting, and 67 years passed before regular television broadcasts began in July 1990.

In 1990, the Select Committee on Broadcasting, chaired by the then Leader of the House, established two main principles to govern those broadcasts, and those principles still underlie the rules that are the subject of our debate. They are that the House will at all times have the principal and final say in any matter concerning televising the House and that the dignity of the House will be protected at all times. The rules of coverage were devised to ensure that the House retained control over how it was portrayed. The statement of objectives in annexe 1 refers to

"a full, balanced, fair and accurate account of the proceedings, with the aim of informing viewers about the work of the House."

The rules are essentially guidelines to help the television director to ensure that the shots that he or she selects preserve the dignity of Parliament and have regard to its function as a working body rather than as a place of entertainment.

The rules are set out in full in annexe 1 to the report. In essence, they require the camera to present a head-and-shoulders shot of the Member speaking, although cut-away shots are allowed to show the reaction of Members to whom the Member speaking has referred. Medium-angle shots, including over-the-shoulder shots, are allowed to show both the Member who has the Floor and another Member intervening or attempting to do so. There can be occasional use of group shots or wide-angle shots to show the reactions of a group of Members and to establish the geography of the House. Whenever the occupant of the Chair rises, the director should cut to show that that is happening. The Press Gallery and the Public Gallery, officials' and visitors' boxes and the area behind the Speaker's Chair should not be shown other than unavoidably in a wide-angled or other authorised shot.

If there is disorder on the Floor of the House, the shot should show the occupant of the Chair, although some use of wide-angle shots is allowed. As anyone who was watching BBC Parliament or the House of Commons monitor at approximately 1.10 pm yesterday or who saw the item on the news later will know, a similar rule applies to disorder in the Strangers Gallery or—the likelihood is remote, of course—in the Press Gallery.

There has been little substantive change in the rules since 1990, although the Committee, under powers delegated to it by the House, has from time to time allowed some relaxation of them. For instance, even though the Prime Minister might not refer by name to the Foreign Secretary when giving a reply on foreign policy during Prime Minister's questions, it is acceptable to cut to a shot of that Secretary of State during that reply.

Mr. Iain Luke (Dundee, East) (Lab): One of the issues that was raised in the Committee's discussions arose during our visit to the Scottish Parliament, where there is a complete relaxation of the rules. We thought that the possibility of displaying graphic scenes of disorder in the Public Gallery did not enhance the stature of that Parliament. That is why we decided to consider some relaxation but to keep it to the minimum.

Mr. Lepper: My hon. Friend is right about possible events in the Scottish Parliament and about the Committee's conclusion. As the Public Gallery in the Scottish Parliament is shown, any disorder in it might also be shown, as it is acceptable to show the reactions of members of the public. Members of the Scottish Parliament seem comfortable with that arrangement. We wondered whether it exists at least in part because of the layout of the Scottish Parliament Chamber, which makes it difficult to avoid showing the Public Gallery from some angles.

Our report proposes no major changes. When the rules were devised 13 years ago, Members believed that it would be better to begin with fairly tight restrictions

[Mr. Lepper]

and to relax them if necessary as time went on, rather than begin with a looser framework of guidance and perhaps court controversy by having to respond to demands, possibly from Members, for more restriction.

We recommend adopting broadly similar rules for proceedings in Committees and here in Westminster Hall, taking into account the different geography of each location. As in the Scottish Parliament, however, that could make it difficult to adhere to prohibitions on showing the Public Gallery, for instance.

Why carry out an inquiry now? We felt that with so little change during the past 13 years it was about time to review the rules, to test whether they still fulfilled their original function and to ask whether consideration should be given to recommending their revision, especially in the context of technological changes in broadcasting during those 13 years and of the other legislatures that have come into existence in the UK and whose proceedings are broadcast. As my hon. Friend the Member for Dundee, East (Mr. Luke) said, we therefore considered the approach of the Scottish Parliament.

Further impetus for the inquiry came from evidence given by the BBC and Channel 4 to an earlier inquiry carried out by the Committee into the development of parliamentary broadcasting. We published a report in June 2000, although it was, unfortunately, never debated on the Floor of the House or in this Chamber. Nevertheless, several of its recommendations have been adopted. For instance, changes have been made in the composition of the board of the Parliamentary Broadcasting Unit Ltd., or PARBUL, to remove the potential conflict of interest that could arise from the inclusion of members of the Broadcasting Committee on that board.

Progress has also been made in providing coverage of the devolved legislatures on our internal video network. The new camera system and control units are in place in Westminster Hall. Live inject points where broadcasters can plug in to relay signals directly to their studio have been established for interviews in Central Lobby, so that whether there is sunshine, wind or rain, College green is no longer the only available location for an interview, although it is amazing how much broadcasters persist in using it. All of us know that when constituents see interviews taking place in Central Lobby, the reaction is very favourable, as they provide a visual and graphic impression of the House of Commons at work in splendid surroundings.

We raised in our earlier report the potential for webcasting proceedings. The initial experiment was successful and webcasting is now established, and it is expanding. Although that report did not deal directly with the rules of coverage, it recommended a relaxation of the restriction on the use of reaction shots. In giving evidence to the Committee in 1999, the broadcasters made a clear plea. Anne Sloman, then chief political adviser at the BBC, told the Committee that

"the rules established ten years ago are really desperately out of date."

Comparing Westminster with the Scottish Parliament, Ms Sloman said that in Edinburgh, those involved

"took the view that the cameras were there as a surrogate for being in the public gallery, so anything you can see in the public gallery should be available on the electorate's television screens".

She argued that the rules of coverage made the proceedings

"incredibly static compared with other serious outside broadcast events, for example party conferences."

David Lloyd, then head of news and current affairs at Channel 4, also took up the concept of the surrogate Public Gallery in his evidence to the Committee:

"No wonder again that some of our viewers find so much of the coverage lacking in the very dynamic that they experience when sitting in the public gallery, and yet the objective, clearly states, that it was to have been a full and accurate account of proceedings."

Mr. Lloyd continued:

"As a broadcaster I spend a great deal of my time thinking how to bring current affairs in general, and politics in particular, home to a younger under-35 audience. This is the generation that has an enormous visual literacy with an instantaneous instinct for anything that they regard as at all dull, stuffy, old-fashioned. If it is any of those things then they do not watch."

He argued that a relaxation of the rules could help to

"bring a new audience to politics and"—

as we hope—

"relocate a departed one."

Those statements from the broadcasters are powerful, especially to those of us concerned with reconnecting the political process to the people, although as someone whom I hope has contributed to that visual literacy through many years teaching film and television, I also believe that real visual literacy extends beyond the obsession with the instantaneous and ephemeral.

At the beginning of our inquiry, the Committee asked the broadcasters whether they wished to update their evidence. Anne Sloman, on behalf of the BBC, submitted a further memorandum, which can be read as an annexe to our report. New issues that were raised included panning shots showing a Member being addressed or told off by the Speaker, a greater variety of shots during Divisions and the entry of the Speaker and Prayers. Ms Sloman argued that such arrangements would make sense of the day's proceedings, and she emphasised that she was not suggesting coverage of the Public Gallery. In general, she argued that the relaxation of the rules was appropriate for building on the

"spirit of trust which currently exists between broadcasters and Parliament".

At the start of my speech, I referred to the often controversial nature of debate about the relationship between politicians and the broadcast media. Whatever the situation elsewhere, I believe that I speak for all members of the Committee when I say that we have the greatest admiration for the professionalism of Peter Knowles, the editor of BBC Parliament, and his colleagues in carrying out their responsibilities and using the clean feed from the House to provide BBC Parliament on satellite, cable and free digital terrestrial TV.

I congratulate BBC Parliament on its viewing figures. It had 270,000 viewers last Tuesday during the debate on the Higher Education Bill and 225,000 viewers on Wednesday when the Prime Minister made his statement on the Hutton report. Indeed, during the

Higher Education Bill debate in mid-afternoon, BBC Parliament overtook all the other news channels for a half-hour period. It stayed ahead of Sky and ITV News for two hours. That suggests to me that it might well be the issues being debated that are important to the audience, rather than the formal style of presentation.

As has been mentioned, during our inquiry we visited the Scottish Parliament, and we also visited the Irish Parliament in Dublin. The Committee would wish to thank the elected Members, media representatives and parliamentary staff who welcomed us and gave us their time to discuss the issues. I suspect that other Committee members who took part in those visits might wish to say more about the detail of that aspect of the inquiry. The opportunity to view the coverage of the two Parliaments in situ, and especially the opportunity to discuss with elected Members and journalists their experience of the systems in Edinburgh and Dublin, were valuable, particularly where people had also had experience of the Westminster model.

Our conclusion, however, was that there was no case for major changes in the rules at Westminster. The Committee believes strongly that, whatever other purposes exist for the televising of Parliament, the prime purpose must be to provide an accurate record of proceedings, and that focusing mainly on the Member who has the Floor fulfills that purpose. We believe that the right of the elected Member, whether a Back Bencher or Minister, to be seen by his or her constituents, as well as by the wider public, when addressing Parliament or taking part in Committee proceedings is central, as the basis of ensuring an accurate record of proceedings. For those reasons, we do not accept the comparisons made by the broadcasters with other outside broadcasts or with party conferences.

It is also true that, on behalf of Parliament, Bowtie Ltd. provides the clean feed—the signal—from the Chamber through a single set of cameras. That clean feed is used by people in a number of ways and therefore should not contain mixes. For example, a TV company that wanted the clean feed of a clip of a particular speech could find that the precise moment in question was unavailable because the director had used a cut-away shot to provide a greater variety of shots. Similarly, panning shots away from the Member speaking distracts from what should be the primary focus—the Member speaking. The rules fulfill a necessary function and ensure that attention is focused on the proceedings.

It had been suggested by the broadcasters that the Scottish Parliament provided an example of the surrogate gallery model. On the basis at least of the technology that is currently available, we do not accept that the experience of the viewer at home can in any way approach the experience of the viewer in the Gallery. The viewer at home does not and cannot have available to them an infinite variety of shots of the Chamber from which to choose. The viewer sees what the director decides that he or she should see, whether it is the person speaking, the Speaker in his Chair taking advice from staff—which is prohibited at the moment—or Back Bench ribaldry or displeasure, which is on the borderline. The director makes the choice, not the viewer. Technology might change that, but we are not yet at that technological point.

We also felt that there was no case for showing the entrance of the Speaker or Prayers, not only because they have traditionally been private, but because they would not fulfill the function suggested by Ms Sloman—providing a context for the day's proceedings. In terms of dealing with disorder, as I said, the situation is somewhat different in Scotland, although all legislatures have rules that should be followed by broadcasters in the event of disorder. We also looked at the Irish tradition of welcoming and showing distinguished visitors to the Public Gallery. It was pleasant for us to be welcomed in the Senate, but we decided that that was an issue for the Procedure Committee rather than for us.

The conclusion that we drew from our experience was that, whatever more relaxed rules there might be elsewhere, and taking into account the different geography of different Chambers, televised proceedings look much the same wherever they take place. This is a function of the parliamentary system, rather than the range of shots that is available to the director.

As I said, we believe that our report has wider significance than its immediate subject. We agree with the broadcasters who have commented on the need to provide a clearer context for understanding the significance of what goes on in Parliament. We also believe that the broadcasters have the main responsibility for providing that context. Our responsibility is the clean feed—the signal. In the broadcasters' programmes, the pictures that that clean feed provides can be mixed with other content to provide understanding and context. We believe, for instance, that the excellent coverage of the Iraq debate last March and of last week's Second Reading of the Higher Education Bill show how, through showing a mixture of live events in the Chamber, interviews and studio discussions, Parliament can be presented in a way that engages viewers and increases understanding.

In its second report of the 2001–02 Session, the Modernisation Committee emphasised the importance of making the House more accessible, saying:

> "It is therefore important that the House makes maximum use of the TV media to convey a sense of the Commons as a working environment and a forum of serious and challenging debate."

We agree. We look forward to working with the Modernisation Committee and, indeed, the broadcasters to take that aim forward. We remain enthusiastic about the idea of a visitors' centre and the role that a live relay of Parliament and archive material could play in that regard.

From our discussions with the broadcasters, we also believe that we might need to reconsider the rules about the use of the clean feed signal, especially in the context of the more relaxed style of many current programmes about politics. A magazine programme with an occasionally irreverent tone can none the less be a serious platform for political debate. At the moment, the Director of Parliamentary Broadcasting has offered to use her discretion when dealing with requests for material from the broadcasters, but we may need to devise new guidelines to assist her in making those decisions. I am pleased to say that she has not so far had to recommend to the Committee that it should call before it call named persons to answer charges of contempt, as it has a right to do.

Mr. David Drew (Stroud) (Lab/Co-op): I am intrigued. It is not clear from the report what the exact relationship is between the broadcasters and Bowtie, the current contractor. Does the Committee get an opportunity to look at that contract and make any observations?

Mr. Lepper: The report does not deal with that issue. I refer my hon. Friend to our previous report, which we issued in the last Parliament. Put briefly, the Parliamentary Broadcasting Unit Ltd. includes representatives of Parliament and of the broadcasters. PARBUL appoints a contractor to provide the clean feed. That contactor is Bowtie. My Committee is exercising its right, halfway through the Bowtie contract, to review the way in which it is working. We will do that over the next few weeks. There is no direct relationship between the Broadcasting Committee and the contractors providing the clean feed.

We dealt with webcasting in our 2000 report and in the current report. The www.parliamentlive website began as an experiment in January 2002. I was quoted in *The Guardian* at the time as saying that it would be a powerful new tool in opening up Westminster. I said and the Committee shares my view:

"There is an audience there and more and more people will make use of it."

The webcasting experiment, with our enthusiastic support, was put on a permanent basis in September last year. The figures for January alone show that 29,403 plays were requested from www.parliamentlive. The availability of webcasting of the Lords, the Commons and Westminster Hall is important and we hope that it will eventually redress an imbalance in the visual presentation of Parliament on which we commented in both our reports—the comparative lack of coverage of Select and Standing Committees.

Television broadcasters still tend to cherry-pick the Committee sittings that are likely to provide the most dramatic soundbites and confrontation. At present, Parliament Live carries material on seven channels, with the aim of eventually providing coverage of every Committee in sound or sound and vision, as well as coverage of the Chamber and Westminster Hall. We look forward to when that system is fully up and running and available to Members at their desks.

Mr. Luke: It was the Committee's view that webcasting was useful for the general public and an educational tool that would enable school children and college students to watch interesting live debates on points of procedure in Committees and the House. It would bring back the connection between Parliament and the people.

Mr. Lepper: I agree with my hon. Friend. The educational potential of the webcasting of Parliament is immense; it provides opportunities that are not available through the parliamentary channel.

Mr. Khalid Mahmood (Birmingham, Perry Barr) (Lab): On the educational issue, a programme on the 1964 election was shown during the recess. I was three in 1964 and I enjoyed watching the programme, especially in relation to what happened in Smethwick, which I had heard about. It was interesting to see live coverage from that election. It was educational, and it was a fundamental part of broadcasting history and the political process. As well as the broadcasting of Committees and the Chamber—

David Taylor (in the Chair): Order. That is too long for an intervention.

Mr. Lepper: I welcome my hon. Friend's comments. He is right; we are at the beginning of considering how webcasting can be used by Parliament and by the general public to access live broadcasts from Parliament and archive material to make political events come to life more vividly.

Webcasting, rather than revisions to the rules of coverage, will be a major development to aid the modernising agenda and to promote the ambition to reconnect Parliament with the people. It is a major change to the way in which the public can experience what happens in the Palace of Westminster. It extends the range of coverage and, as my hon. Friend the Member for Dundee, East suggested, it targets a new, potentially younger audience. It has the potential to develop into an integrated, interactive information service for Parliament.

I have no way of knowing when there will be another debate on a report of the Broadcasting Committee; I hope that it will not be as far away as the last debate on the subject. On behalf of the Committee, I put on record our huge appreciation of the work of Barbara Long, the Director of Parliamentary Broadcasting, her staff, the Committee staff and the staff of Bowtie, who provide the clean feed.

In the 13 years since the televising of Parliament began, technological change has evolved more rapidly than most of us would have imagined possible. The pace of change will increase and the Broadcasting Committee looks forward to working closely with other relevant Committees and the broadcasters in assessing how that change will widen the possibilities for re-engaging with the public on the work of Parliament.

2.59 pm

Mr. Roger Gale (North Thanet) (Con): May I associate myself with the Chairman of the Committee's remarks and with his thanks to Barbara Long, the Director of Parliamentary Broadcasting, and to her staff, to successive Clerks who have helped us since the last report was debated—when God was a boy—and to Bowtie, the current Parliamentary Broadcasting Unit?

I hope that because it has been so long since we last debated this matter, it will be in order for me, as the Committee's then acting Chairman, to place on record my thanks to Brian Lamb of C-SPAN in the USA and Peter Milliken, the then Deputy Speaker and now Speaker of the Canadian Parliament, for the assistance that they gave us in the preparation of the report that was published, but not debated, in the 1997 to 2001 parliamentary Sessions. Without the assistance of all those people, our work would have been much more difficult, if not impossible.

The Chairman of the Broadcasting Committee, the hon. Member for Brighton, Pavilion (Mr. Lepper), gave a thorough appraisal of the Committee's deliberations

so far as most of the report is concerned. He outlined carefully the determinations that we made—I hope in the interests of the House and of the public—in reaching our decision not to extend the shot coverage of the main Chamber of the House of Commons. We came to that decision after painstaking thought and, as the Chairman said, after visits to the Scottish and Irish legislatures, to which thanks are also due. We found their coverage interesting, but we did not feel that it was best suited to the mother of Parliaments, for the reasons that outlined. Rather than rehearse arguments that have already been rehearsed and that have been set out clearly in the report, I shall confine my remarks to paragraph 5 on page 4 of the report, which concerns access to parliamentary broadcasting.

The Committee Chairman said—I entirely agree with him—that we have made major progress in the webcasting of Parliament. There has been considerable criticism that not enough of the work of Parliament has been properly covered. Although it is true that there is what the Americans call "gavel-to-gavel" coverage of the main Chamber, albeit in limited form, the real work of Parliament—the coverage of Select Committees and Standing Committees, where so much of our work is done and to which so much of our time is devoted—has received scant, if any, coverage.

The perceived way forward to deliver that at reasonable cost has been through webcasting. It is now technically possible to put a web camera into every Committee Room and, on a fixed shot basis, to offer through the internet wall-to-wall coverage of whatever is being debated, however obscure and esoteric it may be. However obscure and esoteric the subjects deliberated on in Select Committees and Standing Committees may be—sometimes statutory instruments; sometimes obscure bits of European legislation—they all affect the lives of someone in the United Kingdom. If they did not, we would not cover them. It seems to us that it is right that that handful of people—it may be only a handful—should have access to those debates, in a way that they otherwise could not if they live outside striking distance of London. That experiment, now converted into practice, seems to be working. I hope and believe that it will be expanded.

That, however, does not overcome the fundamental problem that I have attempted to address since I was a member of the Select Committee on televising the House, in its first form—I am sorry that I am the only dinosaur remaining from that time. In that Committee we argued not only over the merits of whether the House should be televised at all, which is now water under the bridge, but over how we were going to bring Parliament to the people. I have to say that this House—both Houses—have signally failed to do that.

In 1989–90, when I was the only member of the Select Committee to vote against Lord Wakeham's report, I opposed it on the ground that the arguments that had been rehearsed by the then Leader of the House, Tony Newton, and others, were that it would enhance democracy by bringing Parliament to the people. We all know only too well that there is scant interest in the work of Parliament: voting figures at elections reveal that. It seemed to us—it certainly seemed to me at the time—that if we wanted to go down this road, we had to do it properly. It was not supposed to be an exercise in providing news clips to sex up the "9 o'clock News", as it then was, and "News at Ten", as it then was. It was a serious attempt, first, to provide an electronic *Hansard* and, secondly, to make sure that as many people as possible could see Parliament working—not just Prime Minister's Question Time by the kids in the playground at break, but the real work of Parliament in all its forms, at its dullest, soundest, most genuine and most worth while.

In 1989, relatively few analogue television channels were available. I said that we should have a dedicated channel and was told, "No. There simply isn't the space." There were technical reasons that made that a reasonable argument. However, since then, we have seen the development of digital television: multi-channel broadcasting has burst out of our screens like there is no tomorrow. Soon analogue will be a thing of the past, and everything will be digital. It grieves me enormously, on behalf of both Houses of Parliament, that we, the legislators, have failed to take this opportunity to take some of that spectrum and make it available for the broadcasting of democracy.

In my opening remarks, I paid tribute to Brian Lamb of C-SPAN. Brian has been responsible, almost single-handedly, for developing not one but two channels of democratic broadcasting in the United States—gavel-to-gavel coverage of the Senate and the House of Representatives, interspersed with coverage of committees and with serious, in-depth and worthwhile current affairs interviews. If they can do that in the United States, we can still do it here. I am bored with hearing myself rehearse the arguments about who should do it. I have long felt that the Houses of Parliament should own their own broadcasting unit. If we want it and believe that it enhances the cause of democracy, we, the taxpayers, should be prepared to pay for it. We are prepared to pay for new offices all around the estate of Westminster—we are prepared to pay for all sorts of things—but we in the House have not been prepared to vote the relatively modest sum that would allow us to have our own broadcasting unit.

That is no criticism of Bowtie, which does a superb job, or of the BBC parliamentary channel, which also does a superb job. One of the suggestions that I have made, as colleagues know, is that the BBC should do the job, on the same basis as World Service radio does its job—by special vote—so that there would be a ring-fenced sum dedicated to that purpose and a Chinese wall between the work of that bit of the British Broadcasting Corporation and everything else. I almost care not how it is done, but it can be done and it should be done. Both Houses of Parliament should get to grips with the issue and insist that we, as parliamentarians, take the necessary steps to give the British people what I believe to be their right to full access to parliamentary broadcasting.

Were there to be two digital channels—two C-SPAN channels—most people would not have access to them, because at present the majority do not have digital television. Yet we all know that, in a few years, there will be analogue switch-off and we shall move solely to digital broadcasting. Channel after channel after channel is available. At that point, it is right that the public should have access to the work that we do. If we can achieve that, either in-house or by contract, and if we can offer the public a real insight into the work of the

[Mr. Roger Gale]

Chamber of the House of Lords, the Chamber of the House of Commons, the Committees of both Houses, the Select Committees, the Standing Committees of both Houses—and good commentary—and if we can offer, in addition, the facility to see the wall-to-wall work of the Committees through the website, we shall achieve what the original Committee set out to achieve. If we fail, I do not believe that we shall be forgiven.

3.10 pm

Mrs. Helen Clark (Peterborough) (Lab): I am glad to have the chance to contribute to this debate on what everyone here understands to be a vital topic. Having the debate means, of course, that what we say and what I say now will be recorded in *Hansard*, providing a full record for any future use and therefore complementing our formal report.

Also, we are being televised according to the very rules of coverage that are the subject of the debate. That means that, unless I am interrupted, the camera will remain on me almost all the time, but not in close-up. Any viewer will not be able to see, therefore, what others in the Chamber are doing while I am speaking, unless—and perhaps one should experiment—something I say causes an abnormal reaction, which the television director decides warrants a panning shot along the Benches. That is not likely to happen, Mr. Taylor, I hasten to add.

There may, however, be an occasional group shot to show the reaction of a group of Members—I cannot predict that—or a cut-away to another Member to whom I refer, or who wishes to intervene. I do not think that anyone today, unlike yesterday, is expecting any disorder, but if any occurs, the camera will not show it.

All that may sound arcane, if not positively boring—I have bored myself by reading it out. Ten minutes watching one person speak does not sound like good telly, or a good advertisement for Parliament. It may even sound defensive. The introduction to the Select Committee report says that

"the television director should have regard to the dignity of the House and to its function as a working body rather than a place of entertainment."

That might imply that if the viewer finds our debate boring or incomprehensible it is his or her problem, not ours.

I hope to use these 10 minutes or so to persuade the viewer—or later, the reader—of the proceedings that the rules of coverage protect a basic part of our democratic form of government. Crucially and in short, they enable those in Parliament to be shown fully and fairly, and they provide those outside Parliament with access to a full and impartial visual record of our proceedings.

I digress slightly, but I will get to the point. I think hon. Members will understand. During our careers as politicians, all of us here have attended hundreds of the dread party meetings. I cannot speak for other political parties, but I know that newcomers to Labour party meetings are often bemused, if not entirely put off, by the formal agenda, registering attendance or apologies for non-attendance, approving the minutes, points of procedure, having to speak through the chair and so on—not to mention the mystifying acronyms that refer to the hierarchy of committees and other bodies whose decisions are reported to and impact on the meeting in question.

Nevertheless, all those features are necessary if the meeting is to be accountable to others who are not present, and for the purposes of future decisions. They are essential if those present are to be given a fair chance to speak and to be listened to. If decisions are to be taken, it is vital that other criteria, such as valid membership and whether the meeting is quorate, are adhered to. If those matters are allowed to lapse, we will be on a slippery slope to secret decision making by an unknown number of unaccountable individuals with an undisclosed agenda—three men or women and a dog down the pub issuing statements claiming to represent the wishes of the organisation as a whole. Yes, it does happen, and not only on the so-called lunatic fringe.

Similar considerations apply to proceedings in Parliament, where fortunately we have the benefit of centuries, rather than decades, of experience to guide us. However, over the last decade we have had the additional visual broadcast and recorded dimension provided by television. The significance and control of those are the subject of the rules of coverage and of this debate.

Much has been said and written in recent years—we have probably said this ourselves in our constituencies—about the need to engage or re-engage the public with the processes of democracy. That concern informed much of the work of members of the Modernisation Committee under the previous Chairman, the former Leader of the House, my right hon. Friend the Member for Livingston (Mr. Cook). In September 2002, when announcing several recommended changes to parliamentary procedures, he said:

"Public confidence in our democracy depends on whether the public respects Parliament as relevant to their lives and believes that its scrutiny of Government is effective. The strongest case for modernisation is to convince the public that the Parliament they elect does a good job representing modern Britain."

Being able to see what goes on in Parliament without being in the Chamber, in this new and additional Chamber or in Select or Standing Committees, surely ought to be a jolly good thing. It is better than being able only to read or listen to the proceedings. It ought to reduce the distance between the public and their elected representatives, demystify the processes of legislating and scrutinising, and enable people—yes, the general public—to form their own opinions as to whether their Members of Parliament are worthy of respect and doing a good job.

Some proposals that the Modernisation Committee made in a recent questionnaire to Members would, I believe, help in those respects. I shall mention a few of the possibilities that it suggests: a short Commons newsletter for constituents; an introduction-to-Parliament pack for first-time voters; clearer explanatory notes for legislation or debates; and allowing more time for the presentation of petitions, which would perhaps include allowing the presenting Member to make a brief speech.

As an individual, I am in favour of maximum public access to Parliament. I have always encouraged as many of my constituents as possible to visit the House for a

tour, thereby making an awful lot of work for my assistant, Isobel. I have met many visiting groups, especially school parties—one visited yesterday—and arranged discussion sessions and speakers for them.

Mr. Luke: I am glad to hear about the many suggestions that my hon. Friend is making to re-engage or reconnect voters with the political system. I had the privilege of visiting Russia as an official involved in the scrutiny of elections to the state Duma in December, and it was great to see the returning officer for an electoral district meeting young first-time voters aged 18 and presenting them with a certificate as well as little guide to electoral politics in Russia. I do not know whether that custom could be included in my hon. Friend's list of proposals, but it certainly gave the first-time voters a feeling of importance and—

David Taylor (in the Chair): Order. That is a long intervention.

Mrs. Clark: I am grateful to my hon. Friend. That is an excellent suggestion, and I shall enjoy considering it when I read *Hansard*. It shows that Members of the Mother of Parliaments can still learn from the fledgling, emerging eastern democracies.

I am not sure what the mooted comprehensive citizens education centre at Westminster would look like, but the cafeteria in Westminster Hall has certainly made Parliament a much friendlier place for visitors. However, I do not support radical relaxation of the rules of coverage. I do not agree that the word "modernisation" is a euphemism for less democracy. That was the opposite of the intent of my right hon. Friend the Member for Livingston, but it could be the effect of ill-considered changes if we are not careful.

No one would accuse the Broadcasting Committee, under the chairmanship of my hon. Friend the Member for Brighton, Pavilion (Mr. Lepper), of not being careful. We have recommended only minor changes to the rules of coverage for the Commons Chamber. We do not rule out future change—we are not total dinosaurs—and I support our Chairman's expressed wish to meet the Chairman of the Modernisation Committee to discuss matters of common interest. Meanwhile, I would be concerned if a relaxation of the rules meant that TV directors were enabled, or required, to make decisions on where to direct their cameras, with what focus and range, and on who and what to show in live broadcasts.

Like other hon. Members, I was interested to see a different philosophy in action on our visit to the new Scottish Parliament. There is more of an attempt to present a surrogate Gallery to the viewer, and a more dramatic and varied approach, which gives more of the experience of being there. However, it is not the same as being there, because what is seen on television is, in effect, the director's cut. That may be an intelligent and well-rounded version of events, but it does not give each speaker their full coverage. It picks out media stars or telly stars, and it will not serve as a future record for other purposes, or for other broadcasters to use on other programmes. It might not necessarily be what visitors to Parliament would choose to see, or what they would necessarily consider interesting and significant.

Some broadcasters told us that parliamentary coverage should be more like other major events, such as jolly old party conferences, using

"a shape that viewers are accustomed to".

I am not too happy about the effects on full and free debate of unrestricted televising of the party conference, although I shall let that pass, because there is a crucial difference. The significance of parliamentary proceedings is not visual; it is not about what appears to happen; it is not about mood music. It is about what is said, and indeed how it is said. The meaning lies in the text, and to understand it requires a close scrutiny of that text. There is a place for commentary, illustration and other contextual material, but not while the proceedings are happening.

In a previous life, I was a teacher of English and it is tempting to draw a parallel with Shakespeare's plays. A lot of Shakespeare is not visually dramatic. We have all studied him: some of his plays are quite awkwardly crafted and have been heavily reconstructed in Hollywood-style script conferences. The enduring strength and relevance of Shakespeare, and the secret of his appeal then, were in the words—his audiences knew it. They knew that they had to listen hard to understand what was going on. Sadly, there are proposals from some quarters today to downgrade Shakespeare in our schools. Some people do not believe that students ought to make the effort to understand in detail what he wrote; it is enough to get the story, the narrative, the general picture.

I suggest that making the televising of Parliament more like other television programmes would have that same downgrading effect. Far from opening up parliamentary proceedings to scrutiny, less secretiveness and more accountability, what we do here would end up less comprehensible, more mystifying and more insulting to the electorate. In contrast to a Shakespeare play, or any other play or TV programme, Parliament is not intended primarily to entertain or to be a bear pit. We are at work when we speak to proposed legislation or Government policy, or draw a particular issue to Government attention. It is certainly better if what we are saying happens to be interesting, intelligible and audible, and if it engages the attention of listeners in and outside the House. However, we are not thespians or performers; nor are we elected to be so. Parliament is not a human circus to divert the public. It is not, "I'm a celebrity, get me in here or get me out of here". I hope that it is never allowed to become that.

3.24 pm

Mr. Alan Reid (Argyll and Bute) (LD): I greatly welcome today's opportunity to debate the Select Committee's report on broadcasting of the House. I join other hon. Members in thanking Barbara Long, director of broadcasting, and the other staff who assisted the Committee in compiling the report. As has already been pointed out, when television coverage of the House began over a decade ago, the rules of coverage were originally framed restrictively. That was done deliberately, because it was realised that it would be much easier to relax them than to tighten them later.

Changes made since then have allowed the television director more flexibility in shot selection. I support the Select Committee's view that there is no need for

[Mr. Alan Reid]

wholesale changes to the rules or for any significant lessening of the House's control over how it is portrayed. However, it is right that change should continue as part of an evolutionary and incremental process, so I welcome the extension of the rules of coverage to Westminster Hall debates and Select and Standing Committees.

I note that broadcasters have reservations about some restrictions that are imposed, but, as was pointed out, it is important to remember that the prime objective of televising the proceedings of the House is to produce a proper record of them and for that record to be made available to other broadcasters. If we were to allow the TV director to cut away to add variety to the live feed, that could disappoint other broadcasters if the clip that they wanted was unavailable because the director had unfortunately chosen the wrong moment to cut away to something else. A clean feed is essential to maintain a proper record of our proceedings. As long as other broadcasters stay within the rules, they have the opportunity to broadcast coverage of the House, along with interviews and discussions.

As the Select Committee Chairman has pointed out, today's debate is timely, given yesterday's rowdiness in the Public Galleries. Mr. Speaker clearly had no choice but to suspend the sitting and clear the Public Galleries. However, the presence of TV cameras meant that the proceedings of the House were recorded and available to the public. Yesterday's events confirmed that the Select Committee is correct to recommend that cameras should not cover the Public Galleries. I agree that allowing such coverage would only encourage disorder there.

The Deputy Leader of the House of Commons (Mr. Phil Woolas): It would guarantee it.

Mr. Reid: As the Deputy Leader of the House says, it would guarantee it. The Public Gallery in the Scottish Parliament is shown. It is probably true that there have not been a significant number of rowdy demonstrations there, but there certainly have been some that would have been much less likely to occur had the demonstrators not known that they would be on the news that night. Covering the Gallery guarantees that the news will cover such a demonstration later the same evening.

My impression is that the behaviour in the House has improved since cameras were introduced. I was not a Member in the days before the cameras came in, but I well remember many incidents of hon. Members being suspended for bad behaviour—a certain Mace-wielding incident immediately springs to mind. Following the introduction of cameras, such incidents do not happen, because hon. Members do not want to be seen behaving badly in front of them.

I greatly welcome other developments, such as webcasting and the live inject points. The live inject points, which allow short interviews or pieces to camera to be done on the parliamentary estate, have done much to enhance the House's image and are a great improvement on shots in a studio or on College green.

The innovation of webcasting is to be welcomed; I believe that it has tremendous potential. I especially like the ability to search for a particular point in the proceedings. As Robert Burns mused in the kirk one Sunday:

"O wad some Pow'r the giftie gie us

To see oursels as others see us!"

Webcasting certainly gives us the opportunity to see how we performed the day before.

With all new technology, however, one or two hitches have to be overcome. When I searched for my contribution to yesterday's Prime Minister's Question Time, the clip that appeared was of my hon. Friend the Member for Montgomeryshire (Lembit Öpik), who was two questions after me. Fortunately, I knew that, so I was able to move the cursor back to find the right clip, although the way that the cursor is set up needs to be improved. It is very small and it is possible to move back only in quite significant stretches.

The technical hitches need to be overcome so that the search engine either finds the Member whom the viewer is looking for, or, if it is not possible to get to that exact point, takes the viewer to a previous point so that he can find the right place when the broadcast is played. Taking the viewer to a point after the one that he is looking for is not particularly useful. Those hitches have to be overcome, but this is still a tremendous innovation.

One disappointment so far is that no cost-effective solution has been found that will allow proceedings of the Scottish Parliament to be broadcast on the internal video network. Proceedings of the Welsh Assembly are available, so I presume that that means that there are no technical problems. Having broadcasts of proceedings in the Scottish Parliament available would be extremely useful to hon. Members who represent Scottish constituencies, such as me. I hope that the difficulties can be overcome.

The hon. Member for North Thanet (Mr. Gale) gave us a vision of what could be achieved with digital TV. His suggestions are well worth investigating. The analogue switch-off will probably arrive in less than a decade and digital TV should be universally available. For the moment, however, it is important to remember that the prime purpose of the broadcasts is to provide an accurate record of our proceedings. I believe, therefore, that the Select Committee has adopted the correct approach of proposing only modest changes, and is correct in continuing the evolutionary and incremental approach taken by previous Committees. I commend the report.

3.32 pm

Mr. Nick Hawkins (Surrey Heath) (Con): I join the tributes that have already been paid to the Select Committee, to its Chairman, the hon. Member for Brighton, Pavilion (Mr. Lepper), to all those who assist the Committee and to those who are responsible for parliamentary broadcasting.

When I found that I would be speaking on behalf of my party in this debate, I was particularly pleased because, over the past few years, I have got to know a constituent of mine, Mr. Bob Longman, OBE, who was the most senior engineer at the BBC at the time that the cameras were first installed. I am delighted to have this

opportunity to pay tribute to him. I am grateful to my hon. Friend the Member for North Thanet (Mr. Gale), who also knows Mr. Bob Longman, for his endorsement of that. I am also fortunate in that one of the early producers of parliamentary coverage is a lifelong friend of mine and is married to another friend of mine. Therefore, I have personal and constituency connections with parliamentary broadcasting.

I was delighted to read the report that the Select Committee produced because it accords not only with the views of my party, but with my view that we need to ensure the continuation of parliamentary control—that term occurs several times in the report—over the way in which Parliament is broadcast. We need to retain the dignity of the House.

Reference has been made to the length of time since there was last a debate on the views of the Select Committee. I have another concern: the length of time that has passed between the Select Committee publishing the report in June last year and today. Will the Minister give an undertaking that, the next time there is a report from this important Select Committee, we will not have a six-month gap before it is debated? As the Select Committee makes clear in the report, under the powers that are delegated to it by the Speaker, as soon as it has made recommendations, they are implemented. We do not have to wait for this debate to take place for the changes to be made. I hope that the Minister and those who advise him will recognise that that makes it particularly important that there should not be a substantial length of time between a report by this Select Committee, above all others, and a debate, whether in Westminster Hall or the main Chamber. The hon. Member for Peterborough (Mrs. Clark) is nodding.

Mr. Lepper: I, too, regret the length of time between publication of the report and this debate, but, in defence of the Minister, such issues are largely in the hands of the Liaison Committee, which recommends when debates should take place.

Mr. Hawkins: Of course, the hon. Gentleman is right, and I am sure that the Minister appreciates the defence that the hon. Gentleman offers. He and I are actually arguing the same thing—that there should not be delay. I am grateful for his confirmation of that. He will also know that if the Government and the usual channels are keen to avoid a delay, representations can be made to the Liaison Committee. I have no doubt that the Minister will be able to go through the usual channels to ensure that there is not such a delay in future.

I particularly welcome the comments of my hon. Friend the Member for North Thanet. Other members of the Committee also mentioned wider availability of parliamentary broadcasting, and it is mentioned in the report. As someone who has been concerned about the availability of the parliamentary channel via digital and satellite broadcasting, I wish to echo the concern on behalf of my party.

My hon. Friend and I are also concerned about another matter; namely, the need for greater coverage of Standing Committees. The hon. Member for Brighton, Pavilion is nodding. As he said, there is a degree of cherry-picking in that Select Committees are broadcast only if the broadcasters think that they will include something dramatic, confrontational or controversial. Standing Committees are hardly broadcast at all. Most of the people whom we represent do not have a clue as to which Committees do what. Even long-standing political activists in all the parties have no idea that the Standing Committees, which carry out line-by-line, word-by-word and clause-by-clause scrutiny of legislation, often have far more power over the law of the land than any Select Committee.

Of course, Select Committees are important. My party was proud to introduce them. I do not suggest that they should not be covered, but something has gone wrong with the balance. I hope that the hon. Member for Brighton, Pavilion and his fellow Committee Members, many of whom have spoken this afternoon, will take that point on board. When they do their next inquiry, I hope that they will take it from me, on behalf of my party, that we would like them specifically to consider the need for broadcasting all Standing Committees.

Such broadcasts should not be through webcasts only. The hon. Member for Argyll and Bute (Mr. Reid) made it clear that there are technical difficulties with webcasting. The coverage should be like that of C-SPAN—gavel to gavel—which my hon. Friend the Member for North Thanet discussed. We should move towards broadcasting every Standing Committee and covering every Bill so that those who are interested in a Bill that may affect their livelihood, the company for which they work or the things in which they are interested can follow not just Second Reading and Third Reading debates in the Chamber but what is discussed by representatives of the different parties in the Standing Committee. I feel strongly about that.

The hon. Member for Brighton, Pavilion rightly referred to the fact that BBC Parliament coverage of the top-up fees debate—the Higher Education Bill—and the Hutton report debate in the past few days led to an increase in the audience of other news channels. He rightly drew the conclusion that what affects the size of the audience for Parliament is the nature of the issue being debated. I am sure that he is right about that. I know that previous debates—for example, the war in Iraq—received a much higher audience share because some of the mainstream news channels, in addition to the specific parliamentary channel, covered the whole of the debate. That is important. As the report says and as all the speakers have said, the prime purpose of parliamentary broadcasting is to provide an accurate record of proceedings. On behalf of my party, I say that we entirely agree with that. We also agree with the Committee about the importance of the single, clean feed.

I am glad that the Committee has decided not to change the rules in the way that some political journalists—Anne Sloman and colleagues of hers—had suggested and had sought to persuade the Committee. I am glad that the Committee has said that the rules should hardly be changed at all. It was right to reject the broadcasters' attempts to push the boundaries. I strongly agree, as the Committee has concluded, that there is no case for showing the entrance of the Speaker, Prayers and other private matters.

[Mr. Hawkins]

I also agree with other speakers that it is particularly timely, in the light of yesterday's serious misbehaviour that led to the suspension of the sitting and required Mr. Speaker to have the whole of the Strangers Gallery cleared, that the Committee reported—we should be debating the fact—that there should be no coverage of the Strangers Gallery and no coverage of disorder. I agree with the Minister's sedentary remark, at the time that the hon. Member for Argyll and Bute was speaking, that allowing coverage of disorder would simply provide those who wished to disrupt our tradition of parliamentary free speech and orderly debate, and who do not believe in proper parliamentary debate, with the oxygen of publicity. We do not want that to happen. We want to keep disorder in the Strangers Gallery to a minimum and preferably rule it out altogether. We certainly do not want the enemies of democracy to be given television coverage.

The hon. Member for Argyll and Bute talked in more detail than I am able to about the technical side of parliamentary webcasting. He has far more experience of that than I do, but he is right to say that if there is scope for a greater expansion of webcasting, the technical difficulties will have to be dealt with. I hope that those who are responsible for the technical side will continue to consider that.

I very much believe that the debate is timely and that the Committee has got things right. I want to end by reaffirming—in bold type—on behalf of my party what I regard as the most important single conclusion from the Committee's report:

"We do not, however, believe that there needs to be wholesale change in the rules or any lessening of the control that the House has over the way it is portrayed."

We should make changes only when a compelling case can be made. The Committee has got the balance right and I am delighted to endorse its report.

3.43 pm

The Deputy Leader of the House of Commons (Mr. Phil Woolas): It has been a pleasure to listen to the debate and to follow what has been said about the proceedings of the Committee. I congratulate my hon. Friend the Member for Brighton, Pavilion (Mr. Lepper) and the other Committee members on producing the report. It has clearly been hard work and a good job has been done. We have heard more information about the investigations that have taken place, and the whole House and the broadcasting industry will be grateful.

As has been mentioned, this is a timely debate not only because of yesterday's disruptions and the recent increase in television viewing figures, but because of the many changes taking place in other areas of the House through different modernisation processes. It has been fascinating for me to prepare for this debate and to consider the history of how the House communicates with the public, or rather of how it does not communicate with them.

It is interesting to note that 300 years ago, before *Hansard*, Parliament met in secret. Not only was no electronic recording available, but no minutes were kept. The reason was a desire not to keep Parliament out of the eyes of the public, but to keep it out of the eyes of the King, because that was where the threat lay. It was only as Parliament and the settlement developed that recording started. Interestingly, as has been said, the BBC first applied to broadcast proceedings from the House on the occasion of Winston Churchill's Budget speech in 1926, but it was turned down.

The issue was raised intermittently over the years and pressure from the broadcasters grew in the 1960s. Another former television producer who used to be a Member of Parliament, Tony Benn, first called for Parliament to be broadcast in an article in *TV Times* in 1953. The first microphones were installed in the Chamber in 1952, not for broadcasting purposes, but merely to enhance the sound—I guess that it was thought that hon. Members needed aid for their hearing. Recordings were also made to assist *Hansard*, but not for broadcasting. Tragically, those recordings were not kept, so the recordings of the great speeches of the Clem Attlees, the Churchills and so on are lost for ever.

In November 1966, the House considered a recommendation made by a predecessor body to the Broadcasting Committee that there should be a closed circuit experiment in sound and vision. That recommendation was defeated by one vote, but a proposal to make specimen sound programmes was approved the following year. It was not until April 1975 that an experiment in sound broadcasting finally took place. Regular sound broadcasting began in 1978, and it was Jim Callaghan, not Harold Wilson or Edward Heath, who was first heard by the British public on the radio. That was a tragic delay. No one would now say that radio broadcasting is controversial; people may say that some of the comment is controversial, but not the broadcasting itself.

The arguments about television continued. Television broadcasting began on an experimental basis in November 1989 and was made permanent in July 1990. As a young assistant producer for the BBC, I had the honour and pleasure of being the first assistant producer on the "Newsnight" programme to use the signal that was given to us. I certainly endorse some of the remarks of the hon. Member for Surrey Heath (Mr. Hawkins) about the people involved.

Mr. Hawkins: I did not realise that the Minister had been in that position. He may have worked with my longstanding friend Suzanne Franks, or Mrs. Suzanne Bowers as she now is. I thought that he had guessed to whom I was referring, and in the light of his remarks, I should put that on the record.

Mr. Woolas: I also sat alongside a delightful and charming young correspondent from ITN who is now the hon. Member for Bromsgrove (Miss Kirkbride). We had a cross-party agreement about the fact that, if we had been able to direct and edit the pictures as we wanted for BBC and ITN, the dignity of Parliament would not have been upheld. The then Member for Derbyshire, South, Edwina Currie, would have featured more on those programmes than Ministers or the Speaker. I can see that my point is clearly understood from the nods around the Chamber.

It is interesting to look back at the debates of 1989 and 1990, when the key decisions were taken. On 12 June 1989, some 98 votes were cast against televising

Parliament. One of those who voted against was the then hon. Member for Halesowen and Stourbridge, Sir John Stokes, who fiercely opposed the televising of Parliament, as some hon. Members may recall. He told the House:

"I have always felt that, in general, the coming of the television industry has been thoroughly harmful rather than beneficial to the nation."

He continued:

"We must never forget that the public have no interest in whether the House is televised . . . I fear that the televising of our proceedings would utterly ruin the character of this great and famous Chamber, the most famous debating chamber in the world. I very much hope that this nonsense is thrown out."

The moderniser in me disagrees with those dinosaur sentiments. However, my wiser head acknowledges that Sir John made a good point when he said:

"When television covers current affairs, it tends to distort, to trivialise and to sensationalise."—[*Official Report*, 12 June 1989; Vol. 154, c. 640–41.]

That remark was quite prophetic. There is a balance to be struck. Nowadays, the idea that we would not televise the House is preposterous. Televisation seems entirely natural, and not merely beneficial, but essential to our parliamentary democracy and the way in which we communicate our proceedings to the nation and beyond. It is primarily through broadcasting rather than the written media that the public become aware of debates in this Chamber.

To pick up on the point made by the hon. Member for Surrey Heath, there is a decline in parliamentary reporting in the printed press. Standing Committees are rarely covered, despite the fact that very important decisions are made there. That leads to disillusionment with politics when people think that they have seen a decision taken, only to find a few months later that it has been changed. Greater openness, using the electronic media to supplement the falling away of print media, is to be welcomed.

In the past, before the House was broadcast, people had no idea what their representative sounded like. In preparing for the debate, I discovered that when Gladstone, who was Prime Minister well before broadcasting, toured the country and spoke in public, people were amazed to discover that he had a Scouse accent. My constituents in Greater Manchester were heard to mutter to the local reporters that they would have never voted for the old so-and-so if they had known that he was from Liverpool.

The point that I am making about regional accents is relevant in the televised age. The fact that broadcasting has failed to lead to the dire consequences predicted by its opponents is testimony to the expertise and good sense of the broadcasters and to the careful oversight exercised by the Broadcasting Committee and by the Director of Parliamentary Broadcasting and her predecessor. Tributes have rightly been paid to them in today's debate.

In the report, the Committee recommended a number of modest changes in the rules of procedure that have now been implemented. By all accounts, the rules appear to be working. The Committee's report also explored whether the guidelines on the use of signals should be changed to allow new forms of programmes that would perhaps be more accessible to the public. It is right that we should impose certain rules on the use that the broadcasters can make of parliamentary proceedings, but we must also work with the broadcasters to ensure that these rules are not too restrictive.

Let me respond to a few of the points that have been made. The hon. Member for North Thanet (Mr. Gale) talked about his long-standing commitment to the idea of a dedicated channel. From reading the debates that occurred in 1989 and 1990, I can see that his consistency is remarkable. It also been suggested that the advent of webcasting is important, as television broadcasting and information technology broadcasting can thereby be brought together. I think that he will see his objective met, but perhaps not by the route that he hoped.

Mr. Gale: I agree in part that there is a tremendous role for webcasting, but I hope that the Minister will agree that there is a fundamental difference between a dedicated channel giving multi-camera coverage of main debates in the Chamber and the sort of information service that webcasting can offer.

Mr. Woolas: I think that that is true. With the advent of interactive television comes the idea that the viewer of such a dedicated channel could have the choice to dip into a Standing Committee to look at proceedings, which would be advantageous.

I thought that the Shakespearean analogy of my hon. Friend the Member for Peterborough (Mrs. Clark) was very powerful, and I would endorse the Committee's report with the following remarks. If one considers the example of the televising of the US courts, one sees that there are a lot of parallels between televising courts and televising Parliament. The presence of the media and cameras, if they were uncontrolled, would change the coverage broadcast to the public, and it would change irrevocably and for the worse the behaviour of the participants in the debate. The way in which justice seems to be decided on the airwaves in certain cases in the US is a bad thing from the point of view of equity, because those who can influence television coverage through power and resources have a greater say than the ordinary person. I thought that her speech was a powerful case for the report.

We thank the Chairman of the Committee for his well-informed speech. He put the case powerfully, and in general, the Government agree with it. We point also to the many advances that we have instigated in the use of electronic broadcasting in local government, as well as in Departments and so on.

The development of new technologies presents exciting opportunities for Parliament both in terms of how we communicate our proceedings to the outside world and in terms of how we obtain information and views from the public. To that end, I am delighted to conclude this short but interesting and important debate.

Question put and agreed to.

Adjourned accordingly at five minutes to Four o'clock.

Westminster Hall

Tuesday 10 February 2004

[MISS ANNE BEGG *in the Chair*]

Health Funding (Buckinghamshire)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Ainger.]*

9.30 am

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I am delighted to have obtained, through the Speaker's good offices, the opportunity to raise the funding of health services in Buckinghamshire. I extend a warm welcome to the Minister. His office telephoned me last week to ask me exactly what subject I wanted to raise. I am afraid that I told it that I wanted him to come to the House with an apology and a cheque book for the people of Chesham and Amersham. I hope that, by the time I have finished, my constituents will get both, but forgive me if my expectation is not high.

I am joined today by my hon. Friends the Members for Wycombe (Mr. Goodman) and for Beaconsfield (Mr. Grieve), and bring apologies from my hon. Friends the Members for Aylesbury (Mr. Lidington), who has been forced to attend to his duties in Northern Ireland, and for Buckingham (Mr. Bercow), who is returning from a mission abroad in connection with his international development portfolio. The five of us had hoped to participate in the debate, but I am glad that three of the five have made it, as I am sure is the Minister.

We are in trouble in Buckinghamshire because, with the approach of the new financial year, virtually every aspect of our health service will be in the red. Whether we look at the mental health trust, the acute trust or the primary care trust, we face a problem. As the Minister knows from his recent visit to the National Society for Epilepsy, even it—one of our country's leading specialist facilities—faces bitter options simply to maintain its facilities and research. About the only success story in health funding in my constituency at present is the wonderful achievement of Amersham plc, which is in the process of being acquired by General Electric. It leads the world in health science and will continue to do so from its headquarters in Amersham, something of which we are rightly proud.

I shall deal with four subjects in turn but, first, I want to place on record my admiration for the hard work and dedication of everyone who works in our local health services. Their morale, to put it mildly, is not great at the moment and I hope that the Minister will appreciate that the problems arise despite the best endeavours of our staff and managers, who do sterling work and stand in the firing line when it comes to bringing bad news to patients and front-line staff alike. The Minister goes back to his office surrounded by civil servants. The local health service officials must face the public, as I saw only recently at a meeting on Chesham hospital, in a way that perhaps he does not.

The first thing that I want to consider is the mental health trust. Since my election in 1992, I have been only too well aware of the issues surrounding mental health in my constituency. At that time, a facility was opened at Debenham house in the Chalfonts, and I was given a crash course in the fear and misunderstanding that can occur with regard to mental illness. However, in the 1990s I did not see large numbers being failed by the mental health system. Over the past couple of years, I have noticed that an increasing number of constituents who consult me at surgery have mental health issues. At the sharp end, it is becoming obvious that our resources are insufficient and stretched to breaking point.

By the end of the financial year, even with the most favourable out-turns, our mental health trust will have a £3.6 million hole in its finances. The reasons for the deficit range from an underlying structural problem inherited when the trust was established to the high costs of agency and locum staff, and from an overspend of about £500,000 on drugs to out-of-service placements or extra-contractual referrals, for which the current overspend exceeds £1 million. In addition, it looks as if there will be an overspend of nearly £750,000 on learning disability services.

I am the first to admit that the restructuring announced last week presents a partial way forward. The acting chief executive, Mrs. Jill Cox, whom we have all met, has done a tremendous job. By staying in post much longer than she or anybody expected, she has now negotiated an arrangement with the Oxfordshire mental health trust whereby Julie Waldron will run both trusts side by side. This is not a merger, but it may well provide economies of scale in management. It will not, however, alleviate the deficit or solve the continuing problems, such as the shortage of psychiatrists and nursing staff, and the problems with facilities, such as the Haleacre unit at Amersham general hospital in my constituency, which are in desperate need of improvement and which I believe will close. It will not prevent the possible closure of the brand new paediatric intensive care unit or provide the extra resources to help sick people who are unsupported in our communities when they are most vulnerable.

The Buckinghamshire hospitals acute trust covers three hospitals: Stoke Mandeville, Wycombe and Amersham in my constituency. The accident and emergency units are based at Stoke Mandeville and Wycombe, which, with Amersham, serve about 750,000 people. Amersham was a private finance initiative project initiated by the previous Conservative Government but built and executed under the Labour Government. It is an almost brand new facility, but we are already facing the possible closure of one of its wards—the Misbourne ward.

We have an enormous problem with the recruitment and retention of staff—a problem that will be exacerbated by the restrictions on working hours caused by the European working time directive. Again, agency costs have blown a large hole of about £5 million in the budget. Last year, I tabled questions to the Minister about the cost of the working time directive. His colleague, the Minister of State, the hon. Member for Doncaster, Central (Ms Winterton), gave answers that, frankly, were quite unsatisfactory and did not address my questions at all.

In fact, the total deficit to the acute trust will be upwards of £6 million despite the financial support of £4 million of extra resources from the Thames Valley strategic health authority. My hon. Friend the Member

[Mrs. Cheryl Gillan]

for Aylesbury has similar problems. He asked me to make the point to the Minister that a date has still not been given for the commencement of the new buildings at the Stoke Mandeville hospital. Apparently, parts of the hospital were built in the 1940s and are literally falling down. Back in April 2001, plans were confirmed to bring in private investment to improve the facilities. The Government initially delayed the development by gerrymandering in respect of the rules by which the hospital can gain private funding. Despite all the plans made, the Government have still not given the final go-ahead for building to begin. My hon. Friend wants to know when they will give a date and would like the Minister to give one now so that essential work can start on the hospital.

A consultation document has been published entitled, "Shaping the future of your local health services". The deadline for consultation is June 2004, but set against burgeoning financial difficulties, I am convinced that it is driven by concerns about cost and not about patients. My hon. Friend believes that there will be change and that the demands placed on the health service by population changes should be reflected in responses to the paper. He also believes, however, that the document gives few figures and little costing of any changes. As a result, he and I have real fears that there will be a reduction in services. What is particularly striking is that the document gives no cost of the implementation of the working time directive. Recently, however, the trust has been performing well. The reference costs published last week show that we have, and get, excellent value for money. As the Minister knows, however, the problem is that we do not have enough money—a point to which I shall return.

The PCT has been working overtime. This year, one hopes, it will break even, thanks to dedicated staff and really good management across the board. However, it has come at a price to my community. Appleyard, a much needed physical disability respite unit, has had to close. The older citizens' day hospital now opens only four days a week instead of five. Chesham hospital faces possible closure and its beds being moved to Amersham if the acute trust decides that it cannot keep the Misbourne ward open and offers it to the PCT. I suppose that there is also some good news in that the PCT plans to develop new health care facilities in Chesham. It may or may not be possible to build those facilities with beds if the Chesham hospital closes.

The hospital has a history going back 100 years and it is a much-loved institution. I admit that it has passed its sell-by date, as all things do, and that it does not offer state-of-the-art facilities, but we must not underestimate our community's emotional needs. The hospital's place at the emotional and physical heart of the community gives it protected status among my constituents. New beds at a modern facility in Chesham may be acceptable, but a journey to Amersham would be less so. However, I appreciate that that might be the outcome and I cannot prejudge the choices that we shall face as a result of uncertainties at the acute trust.

The situation in Aylesbury is lamentable. The Vale of Aylesbury primary care trust has forecast an overspend of nearly £1.8 million, as my hon. Friend the Member for Aylesbury and many others predicted. Central Government's relentless setting of targets has driven health care managers to distraction. With so many compulsory targets, the money needed to implement them is, effectively, ring-fenced, which prevents managers from responding to the needs of the local environment. As a result, many essential services have been sidelined and are not funded adequately enough to respond to local need.

My hon. Friend wanted me to mention the speech and occupational therapy services in Aylesbury, which are woefully underfunded. Similarly, special educational needs are not being met. Such inadequate support might lead to patients requiring more care than they might otherwise have needed.

I cannot predict what my hon. Friend the Member for Wycombe will say about the PCT in his area, but it is in much the same situation as those in my area and that of my hon. Friend the Member for Aylesbury. However, I can predict with certainty that the PCT in my area will face growing demand next year and that it will have a hard time staying out of the red.

The calls on the PCT's funds are growing and underfunding has had a knock-on effect in one final regard. The National Society for Epilepsy has 258 places in residential and nursing homes on the Chalfonts site, as well as 26 assessment beds, which see a throughput of about 270 in-patients and 2,000 out-patients a year. The NSE operates under a service agreement with the National Hospital for Neurology and Neurosurgery. It has the UK's only magnetic resonance imaging scanner dedicated solely to epilepsy, which was paid for entirely out of charitable moneys. The same is true of the 3 tesla machine, which, incidentally, will come from General Electric and will be installed later this year at a cost of more than £1.5 million.

The Government's national care standards requirements mean that all the residential units will have to be updated at an astronomical cost, which will run into millions, but the fees paid by local authorities do not cover the costs of the residential care remit. Funding for the health care of residents falls to the PCTs and the costs are currently well over £800,000 a year, but the NSE receives only £116,000. Assessments are being carried out on the residents and 50 have been completed. The balance is expected to reveal that 29 more residents will meet the criteria for 100 per cent. health care funding. I assume that I do not have to spell out the implications of that to the Minister. No systems have been established to meet the assessed health care costs of those residents and there is an ongoing dispute, but the money will have to be found from somewhere and it will come from the NSE's charitable funds.

Thames Valley strategic health authority says that the PCT in which the resident lived immediately before coming to the NSE should be the funding authority. However, the Department of Health's guidance on responsible commissioners says that where a patient moves away from the area served by their registered GP, the responsible PCT should be determined as the PCT in the area in which the patient has become resident. Matters have still not been resolved, which is adding to the NSE's financial burdens.

In addition, there are immediate therapy needs. The NSE has only one full-time equivalent occupational therapist, one full-time equivalent physiotherapist and

no speech therapist for a population of 225 residents. That is not good for an institution that is recognised as a centre of excellence by the World Health Organisation.

In practice, the lack of funding has forced the NSE to apply for planning permission for a housing development on part of its site as the only way to plug the gap in funding. The problem is that such a development would breach the green belt, which the Government now favour but which I and my constituents do not. The proposals have aroused much genuine concern among the NSE's neighbours, for whom I have a great deal of sympathy. The Secretary of State has refused funding, which is required largely because of the effects of his regulations. I also have sympathy for the NSE. We do not want to lose the facility, which benefits my constituency and those who suffer epilepsy throughout the United Kingdom and even the world.

The Minister saw the NSE for himself the other day, so I wonder what he would suggest. Will he encourage it to apply for planning permission and to breach the green belt or will he find the funding for that first-class organisation? I hope that he will not duck the question and that he will give us and the NSE the benefit of his advice.

There is a major problem with the finances in almost every aspect of our health service—I promised to return to the underlying problem. Despite all the hard work, carried out across the board, to build so-called recovery plans; despite all the economies and restructuring; despite the closure of facilities and the slimming down of others, to the detriment of my constituents and others in Buckinghamshire; and despite the so-called extra moneys that I am sure the Minister will fall back on in his speech, the truth is that we are underfunded and disadvantaged by a formula that is robbing my people in Chesham and Amersham of their rights.

Thames Valley receives 18 per cent. less money per head than the national average and Chiltern and South Bucks PCT receives less per head than the English average, by £150 or more. That is a scandal. The referral rates in Bucks are really low and the reference costs show that the acute trust is below the average at both sites. It could not be more efficient if it tried and the high cost of living means that the below-average funding is harsh to say the least. That is confined not to my area alone, but almost exclusively to the south.

The *Health Service Journal* confirms that half the English acute trusts are not confident of hitting their year-end financial targets and one in six rated themselves "very unconfident". London and the south-east accounted for all but one of the "very unconfident" finance ratings and—surprise, surprise—those in the north-west were the most confident about their financial out-turns. The *Health Service Journal* goes on to reveal that the Thames Valley area will have an enormous deficit of £18.1 million, which is on top of the £24 million NHS bank support. Most interesting are the comments of Noel Plumridge, a former finance director, who says that the financial results suggest that there is a problem throughout the south.

Thames Valley has done well in the circumstances, but the consistency of the deficits suggests that the problem is in the south rather than, as Noel Plumridge puts it, restricted to the usual culprits. The greater restrictions on the trusts' ability to delay capital spending is storing up problems for the long term, and backdating the consultant contract and the other factors that I mentioned all contribute to the picture. The problem is that those deficits are likely to be increased next year and even the severest of short-term measures is unlikely to remedy the situation. Indeed, what out-turn does the Minister forecast for my health trusts for next year—£36 million or £40 million? He must have a figure in his files and I should like him to share it with us.

I am sure that the Minister will argue that the standard of health is better in the south than it is in the north, and hence that the deprivation factors used by the Department justify the underspend in my area. That is not a valid justification. The needs of the north are not better served by levelling down those in the south. Surely we should be advancing medical services so that those improvements and advancements can be passed to other areas of the country rather than being used to penalise us for having different health requirements.

My constituents are hard working and pay enormous amounts of tax. They are articulate and knowledgeable about what they require in terms of health care. Their voices, too, deserve to be heard. Instead, they are vulnerable to a Government who have decided that they are worth less per head in terms of health care spending than people in other parts of the country. That includes some deprived areas in our constituencies in Buckinghamshire, which the Minister never seems to take into consideration.

I said that I wanted an apology and I think that even the Minister would acknowledge that our people deserve it. However, I also want him to get his cheque book out. It would make a difference if he were even to bring my constituents up to the national average. That might mean that they would not have to wait 13 months to get a hearing aid; that we do not have a bitter battle in my community over projected plans to build at the NSE to meet the Government's requirements; that the Misbourne ward does not have to close; that mentally ill people get the support they need; that we can give patients the therapies that they require; and that we attract and retain the staff we need to serve our community. After all, the community pays for and rightly expects that service.

The Minister will have a long list of successes and figures that show that much more money is going in than ever before. Well, it is not going into my backyard. After all, I am only asking for equality of treatment and a chance to face the new financial year without the inevitable cuts and reductions in service for the most vulnerable in any society, certainly in my experience—the sick. I hope he can give us the hope that we need in Chesham and Amersham and in Buckinghamshire.

Miss Anne Begg (in the Chair): I intend to call the first winding-up speech at half-past 10, so I would be grateful if the two remaining hon. Members divided the time equally, if possible.

9.52 am

Mr. Paul Goodman (Wycombe) (Con): It is a great pleasure to see you in the Chair, Miss Begg.

[Mr. Paul Goodman]

I congratulate my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) on securing this important debate and on covering the ground so thoroughly. Like her, I pay tribute to the 50,000 or so NHS staff who work in Bucks, and in particular those who work in the PCT, the acute trust and the mental health trust in my constituency.

As my hon. Friend has said, an image of Bucks tends to linger—it may even linger in the Minister's mind—of a rich, lush, wealthy, well-off county. However, the reality in my constituency is somewhat different.

I want to share some figures with the Chamber. The Minister will be familiar with the Government's indices of ward deprivation, which measure some 8,414 wards in England. I want to cite some of those figures relating to wards in my constituency. For child poverty, Booker and Castlefield comes in just outside the top 1,000, at 1,006. For education, the same ward comes in at 886. The housing figures are quite striking. Cressex and Frogmore is at 929, Green Hill and Totteridge at 772, Bowerdean and Daws Hill at 573, Booker and Castlefield at 529 and Marsh and Mickelfield, incredibly, at 256.

It might be hard for some hon. Members who are not familiar with Buckinghamshire to believe that such pockets of poverty and deprivation can exist in the south, but they do. The district has a 12.14 per cent. ethnic minority population, who are disproportionately represented in those poor wards. Many are originally from Kashmir and Pakistan, and do not always speak English as a first language. They have acute health needs.

We know from the census that 8 per cent. of the local population said in 1991 that they had limiting long-term illness. By 2001, that proportion had risen to 12.6 per cent. In 2001, no less than 14,700 people were providing unpaid care to their family, friends and neighbours. That is in the context of rapid population growth in the Thames Valley area.

We have a picture of complex health need, and of a small but important deprived group who lose out when other areas are better funded. Living in pockets of poverty, they are often little better off than others in areas that are, in general, poorer. However, our constituents also have a rising demand for health care. Like my hon. Friend, I am struck by how many of my surgery cases relate to mental health—they might involve a girl who harms herself or has anorexia, or a child with a problem in attending school. The number of such cases is increasing, and they are difficult and expensive to treat.

Returning to the figures that my hon. Friend cited, although funding in Wycombe district is almost £150 a head below the English average, and Thames Valley spending is some 18 per cent. below the English average, I have no evidence that demand in my area is 18 per cent. below the English average. If anything, I suspect that it is average or above.

That brings me to the first of three themes that I want to explore: the effect on funding of the star rating system for hospitals and targets. In the last but one set of ratings, Wycombe hospital was near the top of the list. However, last year its rating fell from three stars to one. I doubt whether the average patient admitted to that hospital for successive operations during those two successive years would have come out of the second operation believing that the hospital had declined from being excellent to one that was regarded by the star system as poor, but that was the effect of the trust's missing Government targets relating to finance, cancer, and accident and emergency.

Missing targets is extremely demoralising for staff. I know that, because I was admitted to A and E in the hospital last year for a minor operation, and I had the chance to talk to staff. It has a knock-on effect, which was referred to by my hon. Friend, and it is not happening in a financial vacuum. Buckinghamshire Hospitals NHS trust forecasts an overspend of £4.7 million and the mental health trust an overspend of £3.6 million. The total overspend in the county could be almost £14 million, when the acute trust has to restructure and all hospitals are having to cope with the impact of the working time directive.

Hospital trusts, mental health trusts and PCTs have an obligation to manage their budgets efficiently and effectively. However, the star system and the target regime make things worse rather than better because of their inflexibility. As a knock-on, the PCT is affected if the trust misses targets and therefore loses stars. For example, Wycombe PCT has targets relating to smoking cessation and to acute care. That seems reasonable. However, the targets are given the same weight—the PCT can incur serious financial loss if it misses the smoking cessation target—and it is less obvious why that should be so.

It is not just Conservative Members or Buckinghamshire MPs who think that the star system is too rigid. Oliver Wright, health correspondent of *The Times,* had an article published on Monday headed "Hospital star ratings to be scrapped". It said:

"The controversial system of star ratings to assess hospital performance is to be abolished in one of Labour's biggest U-turns. Ministers, stung by criticism that the scheme is politically manipulated and does not reflect patient care, have agreed to bring it to an end within two years . . . Instead, there will be a much looser assessment scheme that will no longer pit trust against trust. Hospitals would no longer have to meet key waiting times targets, which many doctors claim skew clinical priorities, as much more emphasis is placed on quality of care and overall clinical outcomes. The Commission for Healthcare Audit and Inspection, the independent body that will take responsibility for assessing NHS performance from April, is also likely to end the existing regime of regular hospital inspections. In future hospitals would be inspected only when specific problems arose. The changes mean that there will have to be new measures to decide which hospitals are good enough to achieve foundation status . . .

The move came after intense pressure from Sir Ian Kennedy, the commission chairman, who has made little secret of his distaste for star ratings. He had pressed for them to be abolished immediately, but the Government resisted and a compromise was reached to end the assessments in 2006."

We are used to reading Government announcements in the newspapers before we hear about them in the House, but I would be grateful if the Minister either confirmed or denied that story, which appears to be extremely well briefed. Hon. Members might share my view that it would be pleasant to learn of any such changes from Ministers directly, rather than from the columns of *The Times.*

My second theme relates to what my hon. Friend said about Haleacre. There is concern about movement of services in my area, with its particular needs, to the

centre and north of the county. Marlow day hospital was a facility in which a day nurse gave rehabilitation treatment to patients over 60. Recently, it closed. The patients are to be transferred to the Hayward unit in Wycombe hospital and to the Drake day hospital, which is based in Amersham hospital. I acknowledge that slots in Marlow day hospital were under-used and that all health organisations now want to provide more flexible care. I also acknowledge that the number of patients who, for one reason or another, do not want to avail themselves of transport to High Wycombe or Amersham is small to date. However, it is striking that no notice was given. That caused great stress and upset to my constituents in Marlow. No audit of social benefits provided by the hospital took place. As my hon. Friend said, people in Buckinghamshire—people everywhere—feel emotion about their local health institutions and want to be sure that their feelings are taken into account.

Above all, we cannot be sure that vulnerable people in need of treatment will not simply slip through any gaps in the system. As the director of operations at Wycombe hospital said:

"Saving cash was part of the trust's decision",

so we return to the point about the shortage of money in the area.

There is a similar problem at Riversdale hospital, which until recently had a respite unit to care for patients with early-onset dementia. That has now closed. I acknowledge that not all the patients who used Riversdale came from Buckinghamshire and that there were long-running staffing problems at Riversdale. Again, I also acknowledge that all health organisations now want to provide more flexible care. However, once again no notice was given. Patients were not consulted until after the decision had been made and we cannot be sure that vulnerable people in need of treatment will not simply slip away without getting the treatment that would have been available to them previously.

That is an especially serious problem for carers. I know from consulting South Bucks Carers Association—to whose work I pay tribute—that one of the most pressing needs that carers have is simply that for a break from time to time. Caring for someone full-time, no matter how much one loves them, can grind even the most dedicated carer down. Once again, we are faced with a problem in the Wycombe area, in the south of the county, where relatively immobile and vulnerable people have to go to the centre or north of the county for treatment.

I do not intend to repeat everything that my hon. Friend said about the possible closure of Haleacre. There is the possibility that patients will be sent to the Tindal unit in Aylesbury or to an entirely new mental hospital at Stoke Mandeville, which will deal with the needs of the entire county. Again, we have the problem of a relatively vulnerable section of the population having to go to the centre of the county, from the rest of the county, for treatment. The fact remains that a large number of patients with mental health needs will be from Wycombe, which is the biggest conurbation in the county outside Milton Keynes. There is a strong case for keeping Haleacre open, or even siting a new facility in Wycombe.

When my hon. Friends and I recently spoke with representatives of the mental health trust, I was struck by the fact that, right from the moment when the curtains were rolled back at the start to reveal the trust, it was in deficit. No one can claim that the trust is in deficit because it has managed its finances badly or maladroitly—there has been a problem from the start, which is why we are looking to the Government to provide a solution.

My hon. Friend the Member for Chesham and Amersham said that she was hoping for the Minister to apologise and take out his cheque book. I am not absolutely confident that we will get an apology but, although I cannot speak for her, I would be willing to pass that up if I was absolutely sure that the cheque book would come out. Now that she and I have painted a convincing picture, backed up by fact, of the health needs in Buckinghamshire—I am sure my hon. Friend the Member for Beaconsfield (Mr. Grieve) will do the same—I cannot see any reason why our funding should continue to be 18 per cent. below the average, given that our demand is not. We look to the Minister for some answers.

10.7 am

Mr. Dominic Grieve (Beaconsfield) (Con): I am very pleased that my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) was able to secure this debate, which raises a number of important issues, and I am delighted to participate in it. I hope to amplify some points that have been made without necessarily simply repeating what has already been said. I heard nothing from either her or my hon. Friend the Member for Wycombe (Mr. Goodman) with which I disagree.

Members of Parliament are of course in a rather strange position. Unless we make them our specialist area of study, the impression we tend to form of health services is in large measure dictated by those who come to see us with health care problems. I am the first to accept that this can sometimes be misleading. I am quite satisfied that in many areas a very high standard and quality of service is maintained in south Buckinghamshire. The chairman of my Conservative association, having suffered injury and spent some time in Wycombe hospital, came out with nothing but praise for the quality and standard of care that he received. Although the national papers may frequently comment on problems within the NHS, I have very little doubt that, once one is into the system and receiving care, the standard is very good indeed.

However, there remains a problem: there are plenty of examples from my constituents that, certainly in south Buckinghamshire, some people are unable to get the care for considerable periods, and sometimes simply do not get it at all. I will give the Minister some illustrations. A family came to see me with a young child who was showing clear signs of serious psychological problems. He was no longer able to attend school. This was not just a question of truancy or bad behaviour—there was clearly a serious issue. I was horrified by the fact that he was unable to go back to school at the start of the term in January, having missed a great deal of school the previous term, and by July, when his desperate parents came to see me, notwithstanding the fact that they consulted their GP at an early stage, he had still been unable to obtain the full services of the Amersham family and adolescent unit. This was not because the unit had thought their case unworthy of

[Mr. Dominic Grieve]

attention, but because it was short-staffed. One of the consultants was off sick and there were no substitutes or replacements who could be brought in. By the time I wrote to the Minister to point out my concerns, a child was in a situation that urgently needed intervention, but there had been no intervention for one whole school year. That was at a critical time in that child's life. I am sure that the Minister will agree that that is neither a happy nor an acceptable state of affairs.

We must face up to the fact that, in primary care terms, the local community's perception is that the standard of services is declining. Until two years ago, one of the surgeries in Iver provided a wide range of services, such as physiotherapy, in addition to its GP service. Just before the primary care trust was set up, it was decided that it would no longer be possible to continue with those additional services. I received a letter on the matter, which illustrates the problem:

"You are quite right that the previous physiotherapy service at the Iver Medical Centre was reduced. This was a decision of the then South Bucks Primary Care Group—the responsible body to which this Primary Care Trust is a successor. The Primary Care Group was responding directly to concerns raised by other patients and professionals that the spread of physiotherapy services was uneven and unfair. For this reason, it commissioned a service that was of similar levels for each practice in the area. As the Iver Medical Centre had a higher level of service than others, it experienced a reduced service once revisions had been put into effect. It is unfortunate that, for the Iver Medical Centre patients this resulted in a 'levelling down' of service but I hope you will appreciate this was for the good of the overall service."

I made inquiries, but I could not track anyone who felt that any other surgery in the area had benefited from that levelling-down process. Instead, a centre of excellence that had previously been a fundholding practice had its services reduced. The public perception in the locality was not that anyone local had benefited elsewhere.

In addition to those two examples, I face another local problem: my constituency lies at the very bottom of the county, so it is necessary that some of my constituents cross into other health authority areas for treatment from time to time, one of which is Berkshire, which is part of the new strategic health authority. Notwithstanding that fact, we continue to have what I can only describe as the reverse of a turf war: it is no longer, "Get off my turf," but, "Please come on to my turf and take over the services, which I have difficulty supplying." We see the same thing—the Minister smiles—between the county council and the NHS over the provision of social services. All those examples illustrate the serious underfunding that pervades the entire system.

I have another letter about the provision of adequate mental health care in the area. I do not wish to repeat my hon. Friends' comments on that, but the shortfall in funding in Buckinghamshire, and the problems related to that, mean that mental health is of particular concern to us. The letter concerns a family with a young adult son who has serious mental health problems. He has tried to commit suicide several times, and he clearly has psychotic delusions and needs careful management. Because he lives right down on the border with Berkshire, the family must get those services from Berkshire, but no one has the money to pay for them.

The letter illustrates the problem:

"My understanding from recent discussions is that the services in the overlap area include the full range of provision, now including assertive outreach and the Chiltern & South Bucks PCT have recently included that in the Berkshire Trust Local Delivery Plan (LDP) agreement. I will copy this letter to the Chiltern & South Bucks PCT to alert them to the possible confusion about provision you have highlighted and I'm sure they would welcome contact directly from you".

The letter, of August last year, continues:

"You will also probably know that negotiations are currently ongoing between the Berkshire Trust, Chiltern and South Bucks PCT and ourselves with a view to getting the services in the overlap area included in the service agreements we have as a whole Bucks provider. My Trust Board has agreed in principle to take on the responsibility for the area"—

the following is highlighted—

"once the appropriate resources and service transfer arrangements have been agreed.

Unfortunately, these negotiations remain to be completed because there is still no collective agreement over the resources that need to be available, if we are to ensure safe, appropriate and sustainable services are provided under the responsibility of my Trust."

That letter was from the director of strategic planning of Buckinghamshire NHS trust. That is an unsatisfactory state of affairs. Repeatedly, everyone is ducking and diving, inevitably trying to find ways to turn a circle into a square, when that is simply not possible. Ultimately, the background problem is that the funding is not available.

To turn from those particular examples to more general points, which bear repeating, I would be grateful if the Minister clarified whether I am right in saying that per capita expenditure on health care in Buckinghamshire is £405 per annum. In Liverpool, the figure is £900 per annum, while in Scotland I think that the figure is £1,200 per annum, although you may know more about that than I do, Miss Begg. Those are pretty stark figures and they illustrate the absolutely central issue, which is why today's debate is taking place. We are faced with a system that has been devised over time by a Government who have decided that areas such as Buckinghamshire require much lower health expenditure than other areas. The figure for Scotland is distorted by the fact that, overall, Scotland gets a block grant, which it can spend as it likes, that is 24 per cent. higher than the total per capita in the rest of the United Kingdom. For Liverpool, however, the difference is due to a perfectly straightforward governmental choice.

The Minister will of course say that the difference is based on the Government's assessment of need. I do not disagree with that rationale. However, as every consultant in Buckinghamshire with whom I speak points out, need is not demand. Indeed, I understand that there is ample evidence—perhaps the Minister can confirm this—that there are high levels of demand in areas such as Buckinghamshire. That is not because my constituents have all suddenly become hypochondriacs who want either to clutter up their GPs' surgeries or to receive services that they ought not to try to obtain. Rather, the community is articulate.

As my hon. Friend the Member for Chesham and Amersham said, people there pay high levels of tax, they are pretty much aware of the medical services that ought

to be available and they inquire after the availability of those services. Some people want beta interferon, because they suffer from multiple sclerosis, while others want to make use of more specialist services in the NHS. The principle behind the NHS—this has been the Government's ambition—is not that it is need-driven, but that it is demand-driven by all those who have a need. The Government are creating a situation in which there is a growing gap between the requirements created by the demand and the money that they are making available.

I have always accepted the principle that we cannot operate in a united country without the richer areas paying for the poorer. That is how every sovereign state operates, whether it be the United States, which sends huge sums from California to Arkansas, or the United Kingdom, which sends huge sums of public money from the pockets of the wealth producers in the south-east to disadvantaged areas.

However, we also have areas of disadvantage. My constituency has the 13th most deprived ward in the south-east, as well as the money. I am sure that my constituents are willing to dig into their pockets to raise standards and the level of service for others living in more disadvantaged conditions to the same as theirs, but I do not think that they see it as part of the deal that others should have a higher standard of service, which is what they are getting.

Some may slip off into the private health care system, and to some extent successive Governments have encouraged them to do so, although it is worth pointing out that when there was serious bed blocking at Wycombe hospital during the winter of 1998, the then chief executive said that he was satisfied that one of the reasons was that the Government had removed the incentive for the elderly to have private health care. That was an own goal of monumental proportions in terms of the crisis that it created.

There are other oddities, and I would be grateful to hear more about them from the Minister. It was pointed out to me at a recent meeting with consultants that some current funding measures operating within the NHS are bizarre. As diagnostic and treatment centres develop, the going rate of £262 will be paid for each case seen and diagnosis made. They range from a procedure such as a skin tag being taken, which takes 15 seconds, to a three-hour complete diagnostic assessment. One of the consequences of that bizarre funding system—I hope that the Minister will be able to respond to this—is that there will be cherry-picking as the centres develop, and inevitably hospitals will receive fewer and fewer resources and less income for carrying out the major procedures that others do not want to cherry-pick. By depriving the hospitals of volume, we shall create a system whereby the funding crisis for those that buy into services within hospital trusts will become more difficult.

I would be grateful for the Minister's response, because if that is the route that we pursue, the funding crisis that we are experiencing will get worse. What I want is not an apology, but to know what will happen next. I only have to look ahead to see that our problems will get worse. In the primary care trust allocations for Buckinghamshire, the percentage term increase for children in south Buckinghamshire at 29.2 per cent. is below the national average of 30.8 per cent., so the Government do not seem to have cottoned on to the fact that there are long-term funding difficulties, although I accept that in Wycombe the relevant figure is fractionally above the national average, as it is in the vale of Aylesbury, but that will not benefit my constituents.

I would also like to know from the Minister how he will deal with the problem of attracting suitably qualified staff. I realise that there is a problem, but he cannot get away from the fact that Buckinghamshire is a high-cost area. How will recruitment be done? Specialist consultants make the point again and again that the specialist nurses on whom they depend for providing services are leaving to live in London, where the weighting is better, or in lower-cost areas. That simply reflects a difficulty that we have had with virtually all forms of public service provision, including the police. Can he explain the Government's thinking in relation to tackling that problem?

Although each case concerns individual human beings, at the end of the day the issue relates to money. If the national average of overall expenditure were being received I have little doubt that the problems that beset each of the health trusts would simply disappear. I want the Minister to explain not just the short-term future but the Government's thinking in the longer term. We are getting to a point where public tolerance of such disparities will erode. Unless he heeds our comments, there will come a time in Buckinghamshire and other areas of the country when there will be growing resistance in respect of how people perceive themselves to be disadvantaged by the Government's funding formulae.

I am mindful of the Government's problems. They can examine areas of high need and decide that those are where the money should be targeted, but they should be mindful of the consequences for the people who provide the motor force for wealth generation, without whom the Government could not provide such services.

10.26 am

Sarah Teather (Brent, East) (LD): I, too, congratulate the hon. Member for Chesham and Amersham (Mrs. Gillan) on securing this important debate. I am pleased that she and the hon. Member for Wycombe (Mr. Goodman) made a point of paying tribute to NHS staff. When we consider such important issues, there is a danger that we overlook their hard work. This is my maiden speech in this place and my first outing as Liberal Democrat health spokesperson, so I am pleased that it concerns the issue of health funding.

Liberal Democrat colleagues on Milton Keynes council are concerned about health funding in Buckinghamshire. Milton Keynes has the fastest growing population anywhere in the country. Under the Deputy Prime Minister's communities plan, it will gain 34,000 new homes by 2016. Even without that growth, the Office for National Statistics seems to have grossly underestimated the population of Milton Keynes. My colleagues on Milton Keynes council have been working very hard with the PCT to redress that balance. Added to that problem is the question of how NHS funding is allocated. On a three-year basis, estimates based on the population in year one may be grossly out of proportion to the eventual population if there is dramatic population growth. There are existing pressures on that health service.

[Sarah Teather]

The accident and emergency service in Milton Keynes was expected to serve 16,000 patients a year, but it treats 65,000. The PCT in Milton Keynes has a projected overspend of £1.8 million, but if that figure is combined with other factors, such as the projected deficit for Milton Keynes general hospital, it may be much higher. That creates real dangers for local services.

The hon. Member for Chesham and Amersham said that her area is funded at a level 18 per cent. lower than the national average. The hon. Member for Wycombe said that poverty levels in his constituency are unrecognised. Perhaps it is a case not so much of changing the formula, but of handing political control to local people. At the moment, the only accountability in the system is a change of Government. If we were to hand over political control and the ability to raise money for local services to local people, political control would exist at a level where people could see that they were making a difference. That would provide real flexibility. Changing the formula will always leave someone disadvantaged and unhappy.

Thames Valley strategic health authority is likely to have an overspend of £11.4 million by the end of the year, but it is not alone. Latest estimates predict that the North West London SHA—the SHA for my constituency—will have a projected overspend of £15.5 million, Hampshire and the Isle of Wight SHA will have an overspend of £27.9 million, and Surrey and Sussex SHA an overspend of £21 million, which is projected to double by the end of the year. There are severe problems throughout the south of England. As the hon. Member for Chesham and Amersham said, it appears that almost half of strategic health authorities in the south are very unconfident or quite unconfident about meeting their financial targets. That is a particular problem within acute trusts and mental health trusts. There is a difficulty with undiagnosed mental health problems. I have seen people in my own surgery with such problems. Not only is that not unique to Thames Valley SHA, but it is not new. That is what is most depressing.

Looking back to January 2003, I found an article in *The Guardian*, based on a leaked memo, saying that hospitals and clinics in the south-east of England would have to find savings of £60 million by the end of March. That included the SHA that covers Buckinghamshire. We are in the same position a year later. Each year we seem to go through the same cycle of bulimic funding and cutting. It is a nonsense and the enemy of sustainability. Worse, we do not know the extent of deficits within the national health service because there is no consistent reporting scale for financial deficits within the NHS.

The problem is about historic underfunding, and while I have no doubt about the sincerity of hon. Members, the Tories must take some responsibility for that, as must the Labour Government for sticking to the Tory spending plans. Each year we have the depressing cycle of fiddling figures and engaging in accounting sophistry to try to meet the end-of-year balance. The result is an NHS focused on meeting debt and political targets rather than on having the flexibility to innovate, which is what it really needs.

Mrs. Gillan: I think the hon. Lady will agree that the usual methods of tackling deficits are proving less successful this year than ever before. I know this is her first outing as health spokesperson, but surely six years after the Labour Government came into office, it is ridiculous to blame the underfunding in Buckinghamshire on the Conservative Governments of 1997 and earlier.

Sarah Teather: I thank the hon. Lady for her intervention, but part of the problem is that the Labour Government stuck to Tory spending plans, so both must share responsibility.

As we heard, five key issues are relevant to the financial pressures experienced by Thames Valley SHA this year. Recruitment and retention is a problem, particularly within the mental health trust in Buckinghamshire. Nationally, agency staff are predicted to cost the NHS £1.4 billion this year, which is £4 million a day—a tripling since Labour came to power. The Government's solution of an in-house agency seems to have had little effect. We need a long-term approach involving more flexible opportunities to pay more locally. That would allow extra payments for the cost-of-living factors within Buckinghamshire. We need to consider factors, such as inflexible shift patterns, which drive many people away from the NHS, as the Royal College of Nursing said.

Mr. Andrew Lansley (South Cambridgeshire) (Con): It is possible that the hon. Lady is still familiarising herself with her party's policies, but I had not understood that it was Liberal Democrat policy that local NHS bodies should have the discretion to pay outside the "Agenda for Change" flexibilities. Is she proposing that?

Sarah Teather: "Agenda for Change" does not come on line until later this year. It is our policy to have flexibility at a local level to pay more if circumstances allow.

Compensation payments, based on the ombudsman's ruling on continuing care, are also important but have not been mentioned. It is estimated that Thames Valley SHA could face a cost of £8 million. Would it not be much simpler to budget for care for the elderly in the first place and to pay for it rather than having this ridiculous fiasco now?

Another important factor is the drugs bill. About 70 per cent. of prescribing is done on a generic basis. I want the NHS to use its power as a major purchaser to drive down the cost of drugs within the NHS. There are interesting models in New Zealand, to do with reference pricing.

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): Will the hon. Lady comment on the scale of the New Zealand pharmaceutical industry and how much it spends on research compared with the pharmaceutical industry in this country?

Sarah Teather: It is true that the New Zealand industry is much smaller, but that does not necessarily

mean that the lessons learned there are not relevant here. A conservative estimate is that we could drive down the cost of drugs by 3 per cent., whereas New Zealand has driven them down by about 9 per cent.

Perhaps most worrying is that Thames Valley SHA has not taken into account a problem that has been identified as a major financial pressure—the delay in implementing the consultant contract, which may cost as much as £5 million. Even when the contract is implemented, it will still be difficult to assess its impact on the health service. At the moment, we count doctors' heads, not whole-time equivalents, so it will be difficult to judge whether the contract will drive down hours.

The last issue of concern is the increased use of accident and emergency facilities, which was mentioned in Milton Keynes. A spokesperson for the Milton Keynes General Hospital NHS Trust said that there was a straight choice between treating patients and meeting financial targets. Ironically, an article in the *Health Service Journal* last month said that the Government's attempt to make GPs more accessible had made the problem worse because the 48-hour access target had made it more, rather than less, difficult for people to book appointments with GPs.

Buckinghamshire has a variety of financial pressures as a result of historic underfunding and the inflexibility of the funding formula. It is time that we moved away from cyclical debates and considered methods of preventing disease, which would cut the cost of expensive hospital treatments. We should move health care closer to home and hand real control to local government. That would allow a radical integration of health, social services, housing and environment. We could then consider the real causes of ill health and have a national health service—not a national illness service—that would be responsive to local needs.

10.37 am

Mr. Andrew Lansley (South Cambridgeshire) (Con): I share in congratulating my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) not only on securing this debate but on the manner in which she introduced it. She demonstrated her concern for her constituents and her awareness of their experience of the NHS, both positive and negative. I emphasise in particular the positive support that they give to those who work in the NHS in her constituency. We must understand not only what our constituents are experiencing, but the organisational and financial context in which NHS employees work. Indeed, my hon. Friends the Members for Wycombe (Mr. Goodman) and for Beaconsfield (Mr. Grieve) also addressed that issue, and I, too, wish to touch on it.

A long time ago, and more recently, I became aware of the quality of service delivered by those who work in Buckinghamshire's health services. Nearly 20 years ago, during the winter of 1984, I stayed in Buckinghamshire for some months while Margaret and Norman Tebbit were in Stoke Mandeville hospital. At that time, after the Brighton bomb, we had every reason to be grateful for the remarkable work that the staff did, and continue to do, at that hospital. Three weeks ago, I visited Milton Keynes general hospital and primary care trust, which I shall return to in the context of what the hon. Member for Brent, East (Sarah Teather) said about Milton Keynes.

My hon. Friend the Member for Chesham and Amersham set out an interesting context for the problems in Buckinghamshire. It is clear that there is red ink right across the Buckinghamshire trusts, from the Buckinghamshire Mental Health NHS Trust, to which she made particular reference, to Buckinghamshire hospitals in general. The Milton Keynes PCT and Milton Keynes general hospital forecast deficits. Something is going on and it is clear that much of it is to do with the relative formula spending share for Buckinghamshire as against need.

We do not need to look far for the solution. I suspect that my hon. Friend already knows that there is hope in our policies because, with respect to the hon. Member for Brent, East, converting the calculation of health spending to a local body and setting up local taxation is not the answer. Inevitably, resource allocation and equalisation measures will distort every effort to achieve that. Putting control in the hands of patients, as our patient's passport intends to do, is the only way to make a difference.

Sarah Teather: Do the Tories have a funding plan for the patient's passport? I believe that it will cost about £900 million in the beginning.

Mr. Lansley: The hon. Lady will have to be patient; she will have to wait only a few days for the plan to become clear.

The patient's passport will put control in the hands of patients, benefiting them through engagement—

Dr. Ladyman: Will the hon. Gentleman give way?

Mr. Lansley: I will when I have finished my sentence.

Patients themselves will be able to engage. The Wanless report says that the engagement of the public with their health care is very important. Such engagement also discloses need rather than relying on formula share, which is especially important where long-term medical conditions such as epilepsy or mental health are concerned.

My hon. Friend the Member for Wycombe mentioned the long-term illnesses experienced by some of the ethnic minority population in his constituency. Those conditions are precisely where direct payment and the ability to control one's health care can empower people. Resource allocation begins to replace formula allocations with disclosed need.

Dr. Ladyman: We cannot allow the hon. Gentleman to get away with fobbing off the question asked by the hon. Member for Brent, East. Whether the figure is £900 million, as she believes, or £2 billion, as I believe, is it not true that the hon. Gentleman's party will put that money, which could have gone into the national health service, into the private sector?

Mr. Lansley: The Minister will also have to be patient. His belief that the figure will be £2 billion is based on a complete misrepresentation of the patient passport. If the scheme has any impact on the resources allocated to the NHS and the private sector, it will simply be to allow what I imagine to be a reduced number of people in the long term to exercise choice outside the NHS in a way

[Mr. Lansley]

that does not incur additional costs to the NHS. He makes a different calculation based on the whole cost of the plan and on an exaggerated number of people involved. I will not go down that path.

Sarah Teather: Will the hon. Gentleman give way?

Mr. Lansley: No, because I want to say a few other things.

My hon. Friend the Member for Wycombe raised a couple of important issues. The Minister is keen on asking questions, but he will have to answer some. One question relates to star ratings. Depending on the newspaper that one reads, the Secretary of State is either about to confirm that star ratings will be abolished or about to defend them and announce that they will be maintained. He cannot do both, but it will be interesting to hear the Minister explain the position.

We have made it clear that star ratings should go because they are a crude measure that provides a partial reflection of the situation. It is clear that the loss of some star ratings reflects organisational and financial factors and has nothing to do with clinical quality. As the hon. Member for Milton Keynes, South-West (Dr. Starkey) made clear in the main Chamber, she does not believe that the star rating for Milton Keynes general hospital is an accurate reflection of its clinical quality.

I want to say a word about Milton Keynes, which I visited not so long ago, because its services are trying very hard. I am not sure to whom the hon. Member for Brent, East spoke, but when I talked to people in the accident and emergency department at Milton Keynes it was clear that they had taken exemplary measures over the past few months to deliver what the Government's targets require them to deliver. More to the point, however, they were delivering what they regarded as a better standard of health care for those entering accident and emergency. They did that by innovating. For example, they established a clinical decisions unit at Milton Keynes general hospital. If the staff have one point to get across, as the hon. Lady said, it is that their accident and emergency unit was designed for a fraction of the number of people who are now coming to it.

We cannot explain precisely why the increase in the number of accident and emergency referrals is rising so dramatically, but the capacity of the NHS in Milton Keynes especially—although it illustrates the situation for Buckinghamshire as a whole—in no sense reflects the population and the rising demand. In response to what I heard in Milton Keynes, I said that it is vital that we revisit the whole issue of formula spending shares and how they reflect not only disclosed need in the NHS, but also population changes and characteristics. Staff in Milton Keynes are deeply concerned that although it is possible to go to developers and use the planning system to get money for roads, schools and, to some extent, GPs' surgeries, very rarely does one get money for new hospitals and still less recurrent resources for hospitals. Also, the time lag involved in the work carried out on the 2001 census data means that places such as Milton Keynes are deeply in the red as they try to manage the capacity consequences of existing arrangements.

My hon. Friends, in particular my hon. Friend the Member for Beaconsfield, who talked about patient experiences, have illustrated what my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) said yesterday in a speech on the NHS: too often, first-rate medicine is trapped in a second-rate system. We see a lot of that in Buckinghamshire: a second-rate system that is not providing the resources, the capacity or the ability to respond to patients' health needs and disclosed wishes. This issue is not simply about being more efficient with the money available—it was made clear that reference costs, for example at the Royal Buckinghamshire hospital, are below average—but about the ability to reflect the needs of the population. In the short run, it is about that being part of the formula share. In the longer run, it is about shifting to a system, as we propose, that genuinely reflects need and some deprivation indicators when allocating public health budgets. In that way, we can move towards a system that is fairer across the country as a consequence.

I am very grateful to all my hon. Friends and their absent colleagues for their work. I am happy that we have also added something in respect of the problems as they relate to Milton Keynes.

10.48 am

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): I congratulate the hon. Member for Chesham and Amersham (Mrs. Gillan) on securing this Adjournment debate. She and her hon. Friends who represent Buckinghamshire are doing what they ought to do by championing the cause of their constituencies. They make up in enthusiasm for what they lack in accuracy and perspective.

I congratulate the hon. Member for Brent, East (Sarah Teather) on her new Front-Bench responsibilities. I am not convinced that scrapping national pay bargaining and basing the pharmaceutical price regulation scheme on the New Zealand model will be vote winners for the Liberal Democrats, but if she believes that they will be, she is welcome to take that to the country any time she likes.

Sarah Teather: I did not talk about scrapping pay bargaining; I said that there would have to be local flexibility.

Dr. Ladyman: That means scrapping national pay bargaining. That is the opposite of the argument that the hon. Lady and her colleagues deployed a few weeks ago when we debated foundation hospitals. Then, she said that foundation hospitals would pay more and create a two-tier service. She can either hunt with the hounds or run with the fox, but she needs to rethink that.

From the hon. Member for South Cambridgeshire (Mr. Lansley) we heard the first of the new Tory leadership's tax and spend commitments. Whichever way he paints it, the patient passport will transfer money from the national health service to the private sector. I

assure him that the Government and the country will fight that tooth and nail, and we shall have some enjoyable debates.

Mr. Lansley: Are the Government therefore against spending NHS money in the private sector, at an average of 43 per cent. more than they pay the NHS for the same treatment?

Dr. Ladyman: The difference between the Government and the Opposition is that at all times we adhere to the principle that treatment in the national health service should be free at the point of need. We are perfectly happy for the national health service to buy advice services from the private sector to deliver to everybody in the community, but we are against the system that the hon. Gentleman would introduce, as a result of which many older people would have to spend thousands of pounds of their hard-earned money, with the help of a little extra from their patient passport, to get the treatment they need. If he wants to go down that route, we in the Government are delighted, because it clearly divides the two parties, and at the next election the public will know exactly what they are getting.

Before I focus on Buckinghamshire, I want to establish the general principle that we at the centre do not try to micro-manage the country's health economies. We pass the majority of national health service funding to primary care trusts, which we allow to decide how money is allocated in their areas and how services are commissioned. Therefore, local people are making decisions about the way in which services are configured and money is spent on the different aspects of service. That includes the commissioning of acute services and mental health services. If the balance in Buckinghamshire is wrong, it is in the hands of local people and local PCTs to put it right.

Mr. Grieve: I understand the Minister's point, but I hope that he will be able to deal with the funding disparities nationally, which undermine the argument that similar sums of money per head of population are handed to PCTs to spend as they wish.

Dr. Ladyman: I never implied that similar sums of money were handed to PCTs to spend as they wish. We allocate the money using what we believe is a fair formula. Let me give the hon. Gentleman some examples of the factors that the formula takes into account. If he wishes to intervene and tell me that he disagrees with any of them, he can do so.

The factors include the local population's health need and its level of deprivation; the number of people and the public sector costs in the area; and the rurality of the area, because services must be more disparate in rural areas. The impact on Buckinghamshire of the south-east effect is positive, too. All those factors are taken into account when we allocate funds, and have been when we have allocated funds to Buckinghamshire.

I notice that no Opposition Members are leaping up to say that any of that is wrong. However, the hon. Member for Beaconsfield (Mr. Grieve) had the unusual idea, which I should have thought the hon. Member for Brent, East would have screamed and shouted about, that somehow we should allocate money according not to need but demand; because his constituents are more eloquent and more motivated, and therefore demand more services, the Government should hand over more money to them.

Mr. Grieve: Will the Minister give way?

Dr. Ladyman: Let me finish, and then I will give way.

I suspect that the hon. Member for Brent, East has Bangladeshi communities in her constituency. Infant mortality rates in those communities will be nine times that in Buckinghamshire. Is the hon. Gentleman honestly suggesting that, because people in Buckinghamshire are demanding more services, we should be taking money away from deprived communities and giving it to their county? That is a preposterous notion.

Mr. Grieve: I note the tone of the Minister's remarks. I made it clear in an intervention that I fully understand what he says about the question of need. However, I suggest that the Government's formula on need may be missing the point. I have come to the conclusion that there is no correlation between need and demand. If we are not meeting the demand but there is a need for that demand, we will not meet the need in Buckinghamshire.

Dr. Ladyman: The hon. Gentleman makes the same point again. If he has objective reasons for disagreeing with the formula, he should cite them. The hon. Member for South Cambridgeshire, speaking on behalf of the Conservative party, should propose a new formula that could be used by a Conservative Government to distribute money around the country. We would be delighted to look at it—but if it does not take account of need, if it takes no account of poverty and if it does not recognise fairly that many areas have poor health outcomes, we will be delighted to point that out to the public at the next general election.

I shall put the health economy of Buckinghamshire into context. Of the wards in the Thames Valley area, 81 per cent. are in the fourth and fifth least deprived quintiles of the country. Wards in the area of the Wycombe PCT are rated 8,411 in the deprivation indices; the least deprived in the country is rated 8,414. I agree with the hon. Member for Wycombe (Mr. Goodman) that affluence can hide pockets of deprivation. Indeed, 4 per cent. of the wards in Wycombe are in the most deprived category. That is why we need to give the money to local PCTs, which can decide where the need is; they can then ensure that they target the needs of deprived communities.

Mrs. Gillan: I acknowledge the intellectual position from which the Minister approaches the argument. However, he is telling people in Buckinghamshire that they are worth less than half the spending on health care per head than people in Liverpool. I am sorry, but the people of Buckinghamshire are not going to accept that logic. Frankly, the Minister should be interested in levelling up the service, not levelling it down—which is what he is doing by depriving the people of Buckinghamshire of the money that should rightfully be spent on their health.

Dr. Ladyman: I am told that we should be levelling up, and that is exactly what the Government intend doing.

[Dr. Ladyman]

That is what the formula will achieve. I point out to the Opposition that that is in the context of huge increases in spending in Buckinghamshire. Spending might not be increasing as fast as in some deprived areas, but it is increasing a heck of a lot faster than the Conservative Government would have allowed—and a heck of a lot faster than a prospective Conservative Government would allow.

As a result of the current spending round, Buckinghamshire will see a 30 per cent. increase in spending this year, next year and the following year. An extra £150 million will be going to Buckinghamshire as a result of the Government's spending plans. However the Opposition paint it, vastly more money per head is spent on health in Buckinghamshire now than in 1997.

Mrs. Gillan: It is obvious that the Minister is not going to deal with the detailed points that I and my hon. Friends have raised today. I ask him to read our speeches in *Hansard* and address each and every point that we and Members who are now absent have made, and to respond fully in writing.

Dr. Ladyman: I am happy to go through *Hansard* and answer the specific points raised by the Opposition. I am sorry that I have not had time to deal with them all in detail this morning, but—unfortunately—I was limited to 10 minutes.

The important principle that needs to be established is that Buckinghamshire's health economy is receiving huge extra investment. There is no doubt that the challenge is to decide how that funding is to be distributed and managed.

Cannabis Reclassification

11 am

Mr. Nigel Evans (Ribble Valley) (Con): I am extremely grateful for this opportunity to have the first debate about cannabis, post-reclassification. Many of the things that I shall say may not be popular, especially among certain groups. I remember debating the issue with the journalist Melanie Phillips and Keith Hellawell, the old drugs tsar, at the Oxford Union a few years ago. Needless to say, our side lost the vote, but the argument about the dangers of cannabis continues post-reclassification.

Reclassification has meant that, instead of being clubbed together with amphetamines, or speed, and barbiturates, cannabis is classed with tranquillisers and steroids. The Government state that they wish to concentrate their war on class A drugs, but cannabis was never a class A drug, and was always distinguished from crack and heroin. It was always seen, mistakenly in my view, as a soft drug.

"Cannabis is unquestionably harmful, and the dangers associated with its use should be widely known".

Those are not my words, but those of Professor Michael Rawlins, the chairman of the Advisory Council on the Misuse of Drugs, in the council's report recommending reclassification. A document more based on uncertainties and confusion I have yet to read.

Cannabis use has increased over the past 20 years, and there are now roughly 1.5 million users among those aged 16 to 24. The report talks of the acute effects of cannabis use on the brain and the heart and lungs, as well as on other organs. Cannabis constricts blood vessels, leading to higher blood pressure, an increased rate of fainting and an increased heart rate, and can worsen asthma. Cannabis intoxication can lead to panic attacks, paranoia and confused feelings, and in some cases can produce a psychotic state that may continue for some time. Such incidents may, in a few cases, be the start of a long-lasting psychotic illness, usually schizophrenia. Smoking cannabis presents a real health risk, with an increased incidence of bronchitis, asthma and lung cancer, as well as disorders of the heart and circulation. Smoking cannabis may be more dangerous than smoking tobacco, since it has a higher concentration of certain carcinogens. Some severe cases of lung damage have been reported in young people who are heavy users.

Since cannabis use has become commonplace only in the past 30 years, there may be worse news to come. Further research is required, coupled with a public health education programme. Cannabis dependence is reflected in an increasing reliance on the drug and symptoms of withdrawal when users reduce consumption or try to stop altogether. Cannabis dependence was once contested, but has now been established as a genuine problem for which people may seek help.

Unbelievably, everything that I have just said comes from the report that recommended reclassification. I wonder what the report would have had to say for cannabis to have stayed a class B drug. The report is happy to say that the gateway theory is too difficult to state one way or the other, and that the user of cannabis could move on to class A drugs because of peer pressure

or social deprivation, which I accept. Unbelievably, the report concludes that if people are so well informed about other substances in the class B category, they could go on to those, thinking that they are as harmless or harmful as cannabis. I am amazed at such skewed logic.

I hope that the British Lung Foundation's findings may be a bit more persuasive. The foundation prepared a report on 11 November 2002, "The impact of cannabis smoking on respiratory health". Studies comparing the clinical effects on habitual cannabis smokers with those on non-smokers demonstrate a significantly higher prevalence of chronic and acute respiratory symptoms such as chronic cough and sputum production, wheeze and acute bronchitis episodes. Three to four cannabis cigarettes a day are associated with the same incidence of acute and chronic bronchitis and the same amount of damage to the bronchial mucus membrane as 20 or more tobacco cigarettes a day.

The cannabis smoked today is more potent than the cannabis smoked in the 1960s, when the average content of THC, or tetrahydrocannabinol, was 10 mg. Today the figure is 150 mg, which means that the longitudinal studies carried out in the 1960s and 1970s may not be indicative of the effects of cannabis smoked today. Cannabis tends to be smoked in a way that increases the puff volume by two thirds and the depth of inhalation by one third. There is an average fourfold longer breath holding time with cannabis than with tobacco. That means that there is a greater respiratory burden of carbon monoxide and smoking particulates such as tar than when smoking a similar amount of tobacco.

Cannabis smoking is likely to weaken the immune system. Infections of the lung are due to a combination of smoking-related damage to the cells lining the bronchial passage and the impairment of the principal immune cells in the small air sacs caused by cannabis.

The British Lung Foundation recommends a public health education campaign aimed at young people to ensure that they are fully aware of the increased risks of pulmonary infections and respiratory cancers associated with cannabis smoking. It also recommends that further research is undertaken to take account of the increased potency of today's cannabis and to establish what link, if any, there is between chronic obstructive pulmonary disease and cannabis smoking. I applaud both those recommendations.

I turn to the *British Medical Journal*. One toxicologist, Professor John A. Henry, talks about the increased THC, but then states:

"Tetrahydrocannabinol has cardiovascular effects, and sudden deaths have been attributed to smoking cannabis. Myocardial infarction is 4.2 times more likely to occur within an hour of smoking cannabis".

He adds:

"More studies of the cardiovascular and pulmonary effects of cannabis are essential".

I back that statement. He has extrapolated a figure from tobacco deaths of 30,000 for cannabis smokers, but chillingly adds:

"Even if the number of deaths attributable to cannabis turned out to be a fraction of that figure, smoking cannabis would still be a major public health hazard. However, when the likely mental health burden is added to the potential for morbidity and premature death from cardiopulmonary disease, these signals cannot be ignored".

He says:

"A recent comment said that prevention and cessation are the two principal strategies in the battle against tobacco. At present, there is no battle against cannabis and no clear public health message".

Paul Flynn (Newport, West) (Lab): I hope that the hon. Gentleman is so convinced by his own argument against smoking that from today he stops selling cigarettes from the convenience store in Swansea in which he has an interest—that he will stop his own drug pushing. If he believes that the change in the law was not beneficial, why is it that after 20 years of regulated, policed, licensed decriminalisation of cannabis in the Netherlands, there is less use of cannabis in all age groups and it is often used there in safer ways by ingesting it in ways other than smoking?

Mr. Evans: I am extremely grateful that the crusader on behalf of decriminalisation of, I suspect, any drug has been able to make it to this debate. He always adds the little gibe about the fact that I own a tobacconist's in Swansea. If he is arguing with his own Government that they should ban tobacco as well, at least let him be brave enough to say so. I would recommend to people that, although tobacco is a legal product, they do not smoke, because of the dangers that I have mentioned.

From what the British Lung Foundation and the *BMJ* have said, I hope the hon. Gentleman understands that this product is different from tobacco. I know that it is thrown in with tobacco and alcohol, but it is not the same. I hope that what I am going to say later will reinforce that argument but also contest some of his arguments about what is happening in the Netherlands. I will let him intervene later if he so wishes.

In November 2002, the *BMJ* said:

"The link between cannabis and psychosis is well established, and recent studies have found a link between use of marijuana and depression . . . a three year follow up of a Dutch cohort of 4045 people free of psychosis and 59 with a baseline diagnosis of psychotic disorder showed a strong association between use of cannabis and psychosis. Length of exposure to use of cannabis predicted the severity of the psychosis, which likewise was not explained by use of other drugs . . .

"A 15 year follow up of an adult community sample of 1920 participants in the United States showed that use of cannabis increased the risk of major depression at follow up fourfold . . . .

"The shown dose-response relation for both schizophrenia and depression highlights the importance of reducing the use of cannabis in people who use it. It was estimated that lack of exposure to cannabis would have reduced the incidence of psychosis requiring treatment by as much as 50% in the Dutch cohort, and is similarly reflected in the Swedish cohort, showing that the use of cannabis increased the risk of schizophrenia by 30%. This large effect is surprising and not yet reflected in an increased incidence of schizophrenia in the population. If true, the use of cannabis will contribute to more episodes or new cases of the illness—food for thought for both clinicians and legislators."

The journalist Melanie Phillips has recently written about the fact that much of what I have just said, and all the studies that point to the mental as well as other ill effects of smoking cannabis, are just being ignored. Sir Michael Rawlins and his committee either did not read all those studies or came at the issue with preconceived judgments that no studies would have altered.

I understand that the Home Secretary agonised over his decision to reclassify cannabis. I hope that he did more than just agonise. In its 1997 manifesto, his party said:

[Mr. Evans]

"The vicious circle of drugs and crime wrecks lives and threatens communities. Labour will appoint an anti-drugs supremo to co-ordinate our battle against drugs across all government departments. The 'drug czar' will be a symbol of our commitment to tackle the modern menace of drugs in our communities."

Sadly, the drugs tsar did not last long. He was sacked, and we have not had a proper annual report for more than three years. I cannot remember when we had a full debate on drugs in general, and not just on reclassification—a debate that we had not so long ago. Keith Hellawell, the former drugs tsar, said that reclassification has produced "a muddle" and undermined police powers in the field.

"Cannabis arrests have been steadily coming down within the confines of the existing law. Why change it, why cause a problem, why cause confusion, and why—I am sad to say—encourage in some respect greater drug taking, particularly by young people, who don't know where they stand?"

He added:

"The real issue is that the Government has given a message that cannabis is less dangerous than it was perceived to be, and they have given that message at a time when every medical institution is saying 'we are worried about the dangers, we don't know sufficient about it, and we believe the dangers are even greater than we perceive them to be at the moment.'"

The Police Federation chairman, Jan Berry, said:

"I am deeply worried that many people will see the reclassification of cannabis today as decriminalisation and we will see a rise in the number of users finding themselves drawn into a life of drugs and crime.

I would rather have seen the time and energy given to reclassify cannabis used more effectively for education and treatment programmes."

The Metropolitan police chief, Sir John Stevens, said:

"I think there is a massive amount of muddle about where we are on cannabis."

He said that he regretted the Brixton experiment. The hon. Member for Vauxhall (Kate Hoey) stated that the experiment in Lambeth led to drug dealers pushing harder drugs into the area, using their cannabis client base.

The Liberal Democrat MEP, Chris Davies, recently said that he wanted people to be able to grow cannabis in their own homes. The front page headline of the *Lancashire Evening Telegraph* read, "Let's have a cannabis plant in every front room—MEP". Chris Davies really is the most stupidest politician I have ever come across. He is the wackiest by a mile. It is totally irresponsible of him to say that. Youngsters will listen to people like him and think, "Oh, if a senior politician says it's okay, it must be okay."

Stories in recent articles by Melanie Phillips should send a shudder down anyone's spine. They are about the effects of cannabis use, and how it leads to suicides, depression, ruined lives and deaths. She goes through all the science, and like her, I am mystified about why the science is being ignored. I know that many people operating in the drugs field have always been pushing for reclassification. Some, such as Mike Trace, the former drugs tsar's deputy, and Roger Howard, believe that the harm reduction method and a softening of the approach are the right way forward. Melanie Phillips points to the fact that the use of cannabis has doubled among Dutch schoolchildren—so that experiment is failing. I know that the hon. Member for Newport, West (Paul Flynn) has different figures, but Melanie Phillips contests what he believes and says that the use of cannabis among Dutch schoolchildren is on the rise.

Kate Hoey (Vauxhall) (Lab): I congratulate the hon. Gentleman on raising the issue. I think that we, as a Government, will live to regret what we have done. Will he comment on the difference between the Swedish approach and the Dutch style? In Sweden, people start off with the clear view that they want a drug-free society. The combination of prevention and education, plus the criminal aspects, has meant that fewer people in Sweden are involved in any drug taking than in Holland and this country.

Mr. Evans: There is the attitude that Sweden is permissive on this, but it is not. Surely we want a completely drugs-free zone and policy in this country, too. It is important to get the right balance. Using the law without education is completely pointless. We are relaxing the law, but we have not quite got the education in place either. That will lead to further problems. We should get both right together. If cannabis is as dangerous as all the experts are saying, surely to reclassify it and place it in the same class as slimming tablets and antidepressants is wholly mistaken, and raises the question why the Government embarked, panic-stricken, on a £1 million campaign saying, "Hold on, cannabis is still illegal," when the message had already gone out. It is ironic, even perverse, that the Government can spend £6.5 million, which they did last year, on anti-smoking advertisements, yet they can find £1 million for a campaign on cannabis.

Paul Flynn: It is a shame that the hon. drug pusher cannot provide anything better than a journalist from the *Daily Mail* to argue against the recommendations of the Wootton report and the reports of the Select Committee on Home Affairs, the House of Lords Science and Technology Committee and the Advisory Council on the Misuse of Drugs. A range of reports have been published in which the science goes against what he is saying. We now have evidence from the European Monitoring Centre for Drugs and Drug Addiction and from the Council of Europe, saying that the result of the action taken in the Netherlands in separating soft drugs from hard has been the reduction of cannabis use in all sections of society and a reduction in the number of deaths from the use of hard drugs.

Mr. Evans: I thought that the vast majority of my speech was based on science. I referred to the science produced by experts from the British Lung Foundation and toxicologists writing in the *British Medical Journal*, who are drawing on the Dutch experiment, the New Zealand experiment and the United States experiment. I understand that the hon. Gentleman has a different point of view, but whatever the science on which he and I are relying, surely the right thing to do is to carry out yet more research, which is what the British Lung Foundation and the *BMJ* want, before we draw conclusions. He is citing contestable science, as I am, but instead of trying to work through the issue and get more research done, the Government have decided to reclassify.

Surely we need more research and more education. It has been proved that smoking cannabis is much more damaging to the lungs and the heart and carries a greater risk of cancer than cigarettes, yet the Government have just spent £6.5 million asking people not to smoke cigarettes. I find it bizarre that they should reclassify cannabis and send out all the wrong signals. Their drugs policy is a shambles. In my time, it has lurched from strong to weak, from bold to bland, from coherent to confused, and from determined to downright dangerous. We need more research, not woolly thinking. We need to carry out research into the current level of experimentation, not increase that level.

The Government have got it wrong, and the consequences are frightening. Even now, they should have the guts to send out a fresh signal that we will revert to the old policy until all the research has been properly analysed and a fresh committee of experts has reconsidered the issue. Agonising over the wrong decision is simply not good enough. Turning our backs on the science, and therefore on a generation of youngsters, is totally unforgivable.

11.19 am

The Parliamentary Under-Secretary of State for the Home Department (Caroline Flint): I thank the hon. Member for Ribble Valley (Mr. Evans) for securing the debate. Adjournment debates are a good opportunity to discuss a wide range of issues that hon. Members do not necessarily get the time to discuss on the Floor of the House.

In many respects, the hon. Gentleman may be surprised that the Government agree with some of his concerns about cannabis and its effect on health. There are health issues surrounding cannabis, as there around all the class A, B or C drugs that we control. As was mentioned today, there are also issues relating to tobacco, and alcohol could be mentioned in the same breath. In some respects, the reclassification of cannabis has given us the opportunity to discuss the relative harm caused by different drugs, which has been a useful exercise.

One of the reasons why we wanted to address the issue was that before reclassification, cannabis, as a class B drug, was in the same category as amphetamines. Amphetamines are stimulants, and it is scientifically proven that they are more addictive than cannabis and more likely to be linked to psychotic episodes, they cause aggressive behaviour, they are more harmful to the heart, in that they raise blood pressure, and an overdose can be fatal. In addition, they can be injected, and there are many harm issues associated with that. How could we categorise cannabis with amphetamines—suggesting that they do equal harm—and then have a meaningful and credible discussion with those who might be using or thinking of using cannabis, given that it is clear that the harmful effects of amphetamines far exceed those of cannabis?

The Advisory Council on the Misuse of Drugs considered in depth a range of issues. Professor Robin Murray has been very involved in recent weeks in heightening awareness of the link between people who have had mental illness and drug abuse and drug taking—there is concern not just about cannabis, but about the use by people with mental illnesses of other drugs, illegal and legal. When I was involved in an interview in which Professor Murray took part he was asked whether, regardless of everything he had said about the dangers of cannabis, he supported reclassification. I think that I am right in saying that his answer was yes. We are discussing the relative harm that drugs can do, and we have never said that cannabis is not a harmful drug. However, our classification has to have substance and signify the relative dangers of different drugs. It must communicate to everybody—to young people in particular—the impact of those drugs.

The advisory council considered the issue in some depth in relation to mental illness. Although it concluded that there is little significant evidence of a causal link between cannabis use and the development of mental illness, particularly schizophrenia, undoubtedly cannabis use can worsen a mental illness that already exists. It is clear that heavy cannabis use can produce a psychotic state, although that is, in most cases, short-lived. Amphetamines can create that state as well, with far more serious long-term consequences.

Kate Hoey: The Minister mentioned Robin Murray. Is she aware that Robin Murray said that the drugs advisory group had nobody on it with expertise in psychosis? It is not addiction but the link with psychosis that is the problem. She has quoted Professor Murray in one context. Will she accept that he criticised the make-up of the committee?

Caroline Flint: A number of people were involved in the discussion, including psychiatrists and psychopharmacologists, and evidence was given by a number of people. There was significant expert input, both from those on the committee and from those who gave evidence to it. As has been mentioned by my hon. Friend the Member for Newport, West (Paul Flynn), the Home Affairs Committee also took evidence on the issue in some depth. Professor Murray, while drawing attention to the relative harm of cannabis for those with mental illness, stood by the view that we need to make the public, in particular those who might habitually use cannabis, aware of the situation. For many, it might be a one-off, or something that does not lead to a regular habit, but there are significant health issues for those for whom the use of cannabis, often mixed with other drugs, is habitual. He stood by what he said, which was that reclassification is the right way forward.

Sir Michael Rawlins, in a letter published in *The Times* on 23 January, said:

> "The Advisory Council ... concluded that there is little significant evidence of a causal link, particularly with schizophrenia."

Most of Professor Robin Murray's research was known to the advisory council when it was producing its cannabis report, and it is of the view that any new evidence produced since does not affect the overall weight of evidence, or its conclusions about health risks. That is not to say that we do not continually watch this area. The council examines the evidence for all drugs in all categories.

Mr. Evans: Can the Minister confirm or deny what Melanie Phillips wrote—that Customs and Excise is now not bothered about proactively searching for

[Mr. Evans]

cannabis, that it is interested only in the class A stuff and that it seizes cannabis only when it is looking for other drugs?

Caroline Flint: I cannot comment specifically on that, but I can write to the hon. Gentleman on that point. There have been operations that have resulted in large amounts of cannabis being seized, but he is quite right—often in those situations there may be cannabis as well as other drugs. He may be aware of the announcement yesterday of our intention to set up the Serious Organised Crime Agency. Combating drug trafficking will be an important part of its work. He will be well aware that the maximum penalty for dealing in or supplying cannabis remains 14 years, despite reclassification—another message that we have been keen to get across.

Paul Flynn: My hon. Friend has brought a new voice and new thinking to this issue. Was she as moved as I was by the evidence given to the Home Affairs Committee by Mr. Fergus Gillespie and other parents of young people who have died as the result of the use of heroin? Mr. Gillespie said that the false and exaggerated messages about the danger of cannabis meant that his son and others did not believe the message about hard drugs, and so progressed to them from soft drugs. He was in favour of reform of the kind that the Government have just implemented.

Caroline Flint: Addiction has a terrible effect on a family. Not only do class A drugs damage individuals and families, but many young people are involved in crime to fuel their drug habit. Our criminal justice interventions programme tries to stop the revolving door of people committing crimes to feed their habit, getting into prison and coming out the other side. Whatever different views on cannabis might be expressed in this Chamber today, this Government are spending more money than ever before, to tackle not only treatment issues but the criminal justice issues in this area, which were forgotten by Governments before 1997. That is a welcome change, which has added to more public discussion than ever before on the connection between treatment, prison, charging and tackling crime in our communities with those affected by it in an open and positive way. That is the right way forward.

The hon. Member for Ribble Valley mentioned the strength of cannabis. We do monitor that. These issues are dealt with by the Forensic Science Service. There have been reports of levels up to 20 times stronger than 20 years ago, but that is not borne out by the evidence. The data collected by the Forensic Science Service indicates that some new products on the market have THC levels two or three times greater than those of other cannabis products, particularly the home-grown variety, but that is not a matter of course.

Sir John Stevens said that there was muddle. Of course, before any law change there is going to be uncertainty about how it will operate. That is why the Government and police need to communicate the changes effectively, both to the public and to front-line officers, which is what we have done. In the final part of his interview on LBC, he was asked whether he supported reclassification, and he said that he did.

Any change in the law means that we must consider what information we give out. The £1 million that we spent on this campaign was partly to pay for radio and newspaper advertising. That is the cost of some of these public information campaigns, although I have said to the media that if they would like to give us those spots for free we would be very grateful. We must have a credible discussion with people about these different drugs, and in particular we must give young people opportunities to access services. It is important with this reclassification that we talk to those under 18, to find out whether there are other issues that we need to attend to to stop them moving on to other drugs.

This debate over the past few weeks has been very important, because probably more has been said about cannabis than ever before, and that is welcome for public debate and democracy.

11.30 am

Sitting suspended until Two o'clock.

Strategic Waste Authority

2 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): Historically, dealing with waste was relatively simple. People put whatever they produced into their dustbin, a man came and collected it and took it away. The same principle applied to industrial waste, by and large, and the main concern for local authorities was to find a new tip when the old one was full. I think that it is fair to say that no recycling to speak of took place except for the marginal effects of totting at tips. I imagine that that is why we still place some 78 per cent. of household waste and some 50 per cent. of our industrial waste in landfill—the modern name for the tip. Frankly, we love our tips, and we are far more addicted to putting waste in them than any other country in Europe.

Over the past few years, waste has become far less simple. We now know that those landfills, and especially completed landfills that have been covered over, give rise to 25 per cent. of the methane produced in this country. Methane is a global warming gas that is four times as potent as CO_2. In the tips that produce that methane lies thoughtlessly discarded rotting waste that could, by and large, have been recycled, recovered or reused.

We also know that the ability of the local authority to find another tip, as it would have done in previous years, is seriously constrained. In short, we are running out of holes. The Environment Agency recently estimated that we have about 10 years' worth of conceivable landfill left in London, and perhaps as little as five years' worth in the north-west. Meanwhile, of course, we continue to produce more and more of the stuff. Although the increase has abated a little in recent years, waste arisings are increasing by about 2.5 per cent. a year. Incidentally, that means that even though, as a result of increased recycling, we have marginally reduced the percentage of waste going into landfill each year, the amount of waste going into landfill continues to go up, because of the overall annual increase in waste produced.

As a country, we have so far completely failed to do what we have successfully started to do with energy consumption—decouple increased industrial and consumer activity from waste generation. Since the early 1970s, our primary energy consumption has remained roughly stable, while our gross domestic product has doubled. Waste, on the other hand, has faithfully tracked the increase in GDP all the way. Although we are having some success in recycling waste, there are few, if any, signs that we are about to produce less of it.

Among other things, our inability to deal strategically with the growth in waste makes us slow to respond to and implement the other recent phenomenon in terms of waste: the plethora of European Union directives that have arisen over the past three or four years. In 2001, there was the EU waste packaging directive, followed by the UK waste packaging regulations. In 2002, there was the so-called WEEE directive—the waste electrical and electronic equipment directive—and we followed earlier EU regulations by introducing our own end of life vehicles regulations. In the past year, there was the hazardous waste regulation, the EU ban on whole tyres going to landfill and the introduction of producer responsibility obligations for direct mail. In the next year, there will be producer responsibility obligations for batteries and a ban on co-disposal. In 2005, there will be pre-treatment requirements for all waste going to landfill. In 2006, there will be a ban on abandoned shredded tyres going to landfill, and there will be targets for organic waste disposal. The changes from the EU that require the UK to implement waste regulations are all far-reaching, and some overlap.

Mr. David Drew (Stroud) (Lab/Co-op): My hon. Friend will know that the Select Committee on Environment, Food and Rural Affairs is about to bring out a report on the end of life vehicles and waste electrical and electronic equipment directives. I will not go into detail, but it was obvious, from the evidence that we received, that there is some doubt in the industry about whether the Government can deliver what was signed up to, because of the difference between objectives and action. Does he agree, and if so, what would he do about it?

Dr. Whitehead: I thank my hon. Friend for making that important point. There are overlaps between some forthcoming directives and there is a problem with clarity. On the subject of where one directive stops and another starts, a representative of the Environment Agency, who gave evidence to the Environment, Food and Rural Affairs Committee, on which my hon. Friend sits, said:

> "The battery in the vehicle: is it caught by the End-of-Life Vehicles Directive? Is it caught by the forthcoming Waste Electrical and Electronic Equipment Directive? Is it caught by the Batteries Directive? Or is it caught by the Hazardous Waste Directive?"

One criticism introduced by a Select Committee from another place, which the Environment, Food and Rural Affairs Committee may be considering, is that the Government's participation in the early stages of the formation of those directives was, by and large, reactive rather than proactive, and that sometimes they considered the consequences only when the process was too far down the line.

The UK's record of transposing EU directives is far from spectacular. There are five cases against the UK outstanding in the European courts for failing to implement waste-related directives on time. Sometimes we implement directives, but do not spot the implications—the recent fridge mountain is a living testament to that—but I am confident that that will not be repeated with the forthcoming directives on end of life vehicles and on tyres. However, there is a general feeling that various Departments are not as co-ordinated as they might be when dealing with the representations necessary to introduce those directives in the EU and implement them in the UK.

Non-implementation means fines: we may well end up being fined about £180 million a year if we do not make the landfill directive work. If we are to avoid that fine, we must rapidly reduce the amount of waste going to landfill. The Waste and Emissions Trading Act 2003 established a cap on the amount of waste allowed in landfill, and there is now a trading mechanism between those local authorities that are ahead of their targets and those behind them. There is also a rapid escalation of the landfill levy in sight after 2005.

[Dr. Whitehead]

Although those measures will make a significant change, we will still have the problem of what to do with the waste that has not then gone into landfill. I produced some research a while ago suggesting that, as things stand, it is likely that most of the diverted waste will be incinerated—an outcome, as we know, only just above landfill itself in the waste hierarchy.

If we do not incinerate that diverted waste, a large number of waste handling facilities will have to be established over the next few years. The European Environment Agency estimates that, if we are to meet the requirements of the landfill directive, some 27 million tonnes of biodegradable municipal waste will have to be diverted from landfill by 2016. That means that one new management facility able to process 40,000 tonnes of waste will have to be built every week for the next 14 years. To put it mildly, there are legitimate doubts about whether the planning process can accommodate such a programme.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I am not against incineration as long as it is a balanced part of waste treatment. However, given that on average it takes eight years to get planning permission for an incinerator, are we not in danger of moving to mechanical biological treatment? In most places, this treatment has been thrown to one side—they no longer do it in Sweden, because it is ineffective. These are no answers to the crisis we face.

Dr. Whitehead: My hon. Friend underlines my point. Either we incinerate or we use alternative measures. The incineration process will take quite a while to come to maturity, given the likely development span of the planning process and the resistance in various parts of the country to new incinerators. If we go down a different path—for example, a larger number of smaller plants—the planning process will last for a similar period.

My central point is that we must decouple ourselves from our historic insistence on burying almost all the waste we produce. The consequence of doing so, and of dealing effectively with the waste directive, is that we face a difficult future as we try to reach our targets and produce a different pattern of waste management nationally. For example, my hon. Friend the Member for Huddersfield (Mr. Sheerman) is a substantial expert in the reuse, reclaiming and recycling of materials, which is one of the routes we need to take. We will have to escalate how we do all that at a local level, so that we can take that element of the waste out of the waste stream and away from landfill.

Mr. Drew: When we talk about "recycle and reuse", we often leave out "reclaim". Does my hon. Friend agree that the Government should put reclamation at least on a level footing with reuse and recycling? For example, when any building is taken down, the bricks, wood and any other material should all be made available for use. That material ends up in landfill. If we were to move in that direction, that could only help.

Dr. Whitehead: Indeed, my hon. Friend makes an important point. We normally talk about domestic waste, but it makes up only some 7 per cent. of the waste stream. The rest is made up of various industrial and commercial wastes, a substantial part of which are materials arising from activities such as digging up roads and knocking down buildings. Some materials are already systematically reclaimed for reuse—for example, hardcore is recycled for foundations and road building. Ensuring that such material is systematically made available for reuse and that it is put high up the hierarchy begin to make a difference.

Mr. Sheerman: If there is no focus, no leadership and no strategy, we will again miss opportunities. Wembley stadium was knocked down and destroyed, and all of it went into traditional holes in the ground. The Minister is shaking his head, but that information came from the contractor, who said that the remit was to get rid of it.

Dr. Whitehead: My hon. Friend anticipates what I am coming to. He also emphasises the fact that the way in which we have historically dealt with our waste hangs over into an era in which we know that we must deal with it differently. This is not just a question of changing public recognition of what we do with domestic waste. The public can no longer simply put the rubbish in the bin outside the front door and go back into the house thinking that that is the end of the matter. So also with industrial and commercial practices, someone can no longer decide that a building can simply be demolished, as Wembley stadium was, and the whole of it sent to a hole in the ground.

Sue Doughty (Guildford) (LD): It gets even worse. It is right to reuse such material, preferably as close as possible to the place of generation, but when virgin plywood is used in shuttering and fencing at the Home Office building in Marsham street, not only are we failing to handle what we have, but we are importing wood from dubious sources just to ruin it and throw it away again.

Dr. Whitehead: The hon. Lady makes an important point about the other end of the process. When we have put everything into a hole, too often, with a new building, we then replace what we have put in a hole with material that we need not source as new. We tend to have systems in place that encourage us to do that and discourage us from doing otherwise. Indeed, the point made by my hon. Friend the Member for Huddersfield about the extent to which building material should be available should be underscored with the idea that, just as we consider the percentage of recycled material in products generally, we should consider the extent of regulated recycled materials in new building as part of the building regulations. Again, the way forward may be a method of co-ordinating such matters.

Miss Anne McIntosh (Vale of York) (Con): If the hon. Gentleman accepts that the recycling and recovery of waste costs more than landfill, will he put pressure on the Government? Five years after his Government signed up to the landfill directive, they have still not set the standard for treating hazardous waste. Is it not fair to provide a lead to businesses on what standards will apply, to enable them to make the resources and investment available to meet those standards?

Dr. Whitehead: The hon. Lady exhibits psychic powers, because it says here in my notes that there is

a similar issue with hazardous waste. As she said, hazardous waste must now be separated from non-hazardous waste on disposal sites. Some 450 sites accept hazardous waste, but, depending on the estimate, that will shrink to between 25 and 30 as the directive is implemented. As things stand, we shall probably need urgently to re-provide receiving facilities for hazardous waste that are separate from traditional disposal sites. It is not clear whether a market in which companies invest and open new receiving sites will be enough to bring this change about. The Government will have to consider urgently the need to review the progress of separating out the disposal of hazardous and non-hazardous waste by taking a market lead and through structured change, rather than assuming that the market will fill the gap, as it becomes apparent that those sites are unlikely to be available in the near future.

Local authorities continue to be in the front line of the need for rapid change in dealing with municipal waste. Outside the big cities, they are divided into waste collection authorities and waste disposal authorities. There are many examples of good practice among consortiums of waste management authorities, and many more examples of partnerships between waste management authorities and waste collection authorities. They are, however, often the result of happy accident rather than design. Members who sat on the Committee that considered the Waste and Emissions Trading Bill may recall the problems that arose when trying to write into legislation a requirement that the collection agency should separate out waste in a way that would allow the waste disposal authority to deal with it in the optimum manner.

I hope that I have described the increasing complexity of issues relating to waste and the urgency with which we need to address them. The question is how we deal with the emerging palette of problems and possible solutions, which will require careful planning and a great deal of collaboration and partnership, as well as a rapid increase in momentum over a relatively short period. Currently, we deal with them through various Government bodies nationally and locally. The Department for Environment, Food and Rural Affairs takes the lead on domestic waste, the Department of Trade and Industry deals with elements of the management of commercial and industrial waste, and the Office of the Deputy Prime Minister is responsible for funding local government and relations with it, and for planning waste management. The Treasury has a substantial hand in providing push and pull incentives for waste diversion and minimisation through green tax initiatives. The Environment Agency has a substantial role in the regulation of waste and in the development of hazardous waste inspection and disposal. As I said, various Departments have the role of discussing, negotiating and co-determining European Union directives.

In recent years, there have been substantial Government initiatives on waste, from the establishment of the national waste plan in 2000 onwards. The landfill tax credit scheme was reformed in proportion to the funding. Every year, almost £100 million is redirected to a new sustainable waste management programme. A new waste implementation programme—WIP—will be run by DEFRA. It has similar funding behind it, and it will undertake a package of strategic measures that were recommended by the strategy unit's investigation, "Waste Not, Want Not". For some time, we have had the waste recycling action programme—WRAP—which examines the ways in which markets might be provided for waste so that the supply and demand for new products from waste can match up in the future. In addition, there are several local authority programmes and a new delivery team and steering group. A review of the health and environmental effects of waste management and disposal, particularly of incinerators, is also under way.

Positive steps are being taken, but we still do not have targets for minimisation, which is imperative, or a realistic chance of meeting our other national targets for recycling and reuse. Unless we start at the top of the hierarchy in relation to minimisation in the near future, even if we have a better chance of meeting the other targets, we will simply be recycling and reusing it and diverting more waste from the larger arisings as they continue to mount up. Under those circumstances, we would not be able to adapt quickly enough to the changes required by the landfill levy, as my hon. Friends the Members for Stroud (Mr. Drew) and for Huddersfield mentioned.

Therefore, in my view, we need to be able to focus and co-ordinate in a way that we have hitherto failed to do. That is why I believe that the time has come to consider seriously the establishment of a strategic waste authority. The strategy unit report recommended that such co-ordination is necessary:

> "A review should be undertaken to assess the merits of focusing all waste policy in one Department".

In their response to the report, the Government accepted that recommendation. They agreed that there should be a review on the merits of focusing the waste policy, and asked the Cabinet Office to carry one out. At the time of the response to the strategy unit report, the review was stated to be due for completion by the end of 2003. We are a little beyond that date—not far, but I anticipate the arrival of the report on that recommendation at a fairly early stage.

I do not envisage that a strategic waste authority would be a vast new quango. It would not require huge new offices, substantial new staff or large amounts of new equipment. It could recruit its staff from existing personnel. It would comprise technical specialists within the Environment Agency policy team, plus appropriate waste specialists from DEFRA. It would have a number of key strategic requirements and perhaps be responsible for the development of a national data reporting infrastructure. We need data to understand where we are now in order to plan effectively for the future, and we certainly do not have them in any way at the level we require.

The strategic waste authority would investigate and improve proprietary technologies in line with best practice and with emission criteria decided by the Environment Agency. It might develop operating standards for those technologies that cover organic and inorganic material processing through gasification as well as mechanical and chemical means. It might develop improved communication infrastructures with

[Dr. Whitehead]

the Office of the Deputy Prime Minister with specific reference to developing and implementing the introduction of those various technologies in the UK regions, working with established specialists in the planning system to see how that system might accommodate the substantial changes that need to be implemented in waste management systems.

The authority would certainly have a role in agreeing acceptance dates for EU directives, looking at those EU directives early on and considering the implementation timetables in directorate-general XI. It would therefore have a clear strategic function. In doing that, it would not need to second-guess or remove local functions and initiatives. If we are to make the progress that we need to make in changing the nature of waste management, we need local initiative to flourish. Contrary to the view that a strategic waste authority would remove that initiative, having a clear way forward housed under one roof and co-ordinated between Departments would surely encourage it.

Miss McIntosh: Does the hon. Gentleman imagine that such an agency would be housed within DEFRA and act as the interlocutor with other Departments? He appears simply to be recommending that we should have another structure, whereas the message coming from industry appears to be that there is a lack of political leadership. How does his proposal overcome that?

Dr. Whitehead: I disagree with the hon. Lady. The issue that I am attempting to focus on is beyond even political leadership—and I emphasise that there has been rising awareness in the Government of the urgent need to change the nature of waste management in this country. There have been substantial political initiatives. Part of the problem is that the delivery of political initiatives—whatever is decided on, however strong that political will is—tends to be dissipated by the way in which the management of waste is organised. I would envisage that a strategic waste authority would be sited within DEFRA, but would bring together the fractured nature of waste management at a national and strategic level. That is the case I have tried to make today, from what is apparent. The authority would work with the Environment Agency and with DEFRA, but would have a single focus of activity at the centre of the Government, to bring that political will to bear on making the changes with the rapidity that is needed.

No change in our waste management strategy condemns us to a gradually more unmanageable and failing waste system. Eventually, slowly but surely, we will become engulfed in the rubbish we create. We are changing, but too slowly. A strategic waste authority is not in itself a solution—it would not make the change in its own right—but as a method of driving change forward, quickening the pace and ensuring that the changes made work to the best result, I think we need it. I hope that the Government review agrees. If the review does not agree, perhaps the Government themselves will, having listened to the logic and the compelling case that I have laid before them today.

2.32 pm

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I am delighted to be here to participate in this debate, as I had a speaking engagement in Cardiff this morning and did not think that I could get back in time.

I shall try to be brief. I want to reinforce some of the arguments of my hon. Friend the Member for Southampton, Test (Dr. Whitehead), because he is also one of the small band, at least three of whose members are in this Room, which may be in danger of getting a rather quirky reputation in the House, because we are so interested in waste. A key element of environmental policy should be dealing intelligently with the waste products in our society. I am of a more practical bent than a blue or green skies person. Our old Etonian friend Jonathan Porritt should get on with the blue-sky thinking while we get on with the more practical stuff that can help save our environment and do something about global warming and much else.

Waste is a very complicated matter that goes to the heart of our environmental concerns. One serious worry is that environmental concerns have slipped down the polls every year in terms of public perception and of their priority in the hierarchy of issues in which the population are most interested. Environmental concerns have slipped down, but I can guarantee that, like all these things, they will come back into fashion. The environment will return as a much greater public concern, and the waste sector will increasingly lead into that concern.

I have several interests to declare. I am chairman of Urban Mines Ltd., a not-for-profit organisation that sees the waste flowing from our towns and cities as a new raw material that we mine for new processes to obviate the need to dig holes in the earth's crust and take virgin material. I started the organisation in 1995. It now employs 28 people and is recognised as a leading authority in this area. We help in starting small businesses that use waste as a raw material. I also helped in the plot to establish the parliamentary sustainable waste management group and am a member of Lord Lewis's Onyx environmental watchdog panel, of which he is chairman. We keep an eye on how environmentally sound major waste management companies are.

I know a bit about this issue. In respect of the "joined-upness" that several hon. Members have mentioned, the complexity is amazing. One of the problems with DEFRA is that it has never taken waste seriously enough. Personnel change too fast, so people are not kept in the Department and on the job long enough. When I take my experts into DEFRA, we are lucky to see the same people twice. Indeed, because of the policy of keeping people in a job only so long once they get the knowledge that it can give, they are moved on. DEFRA therefore has a central weakness in understanding waste issues, and I worry when my hon. Friend the Member for Southampton, Test says that the strategic waste authority may be based solely in DEFRA.

Sue Doughty: Does the hon. Gentleman share my frustration about the following issue? What happened to the knowledge in the old Department of the Environment, Transport and the Regions and all the work that it was doing on such things as hazardous

waste? Where did that knowledge go? Surely it did not fall down a crevasse, because that team moved across to DEFRA, but there has been no continuity.

Mr. Sheerman: I agree with a great deal of that. DEFRA must take the waste sector much more seriously. It is no excuse to keep spinning off back-office operations such as WIP and WRAP—there are many other acronyms—because we know that they are less accountable than DEFRA when they are spun off. If a strategic waste authority is to emerge from the current process of policy making and consultation, we must ensure that it is properly accountable to Parliament.

The DTI plays a major role in how we manufacture things, provide services and products and use raw materials, and in why we cannot use standardised, reworked raw materials instead of taking virgin material. What standards can we lay down for the industry to ensure that alternative raw materials are seen as reliable and as good as what they replace? The DTI has its fingerprints all over waste, and it has often not taken that role seriously enough or been innovative enough when talking to the private sector. Since the European directives have begun to hit, however, the private sector has been far more effective in reducing the percentage of waste going to landfill than local authorities and others. It is the domestic waste stream that has not performed well. Given the right incentives and communications, and of course the tax incentives, industry has responded pretty fast.

The regional development agencies are now very much involved in waste. Because the DTI is largely their agency, every RDA to which one talks is involved. Some do not rank the environmental sector or environmental clusters high enough, but they are involved. The Environment Agency is intimately involved. When it was formed by the previous Administration, many good people in waste left for pastures new because they could see that the agency's priority would be the rivers and that side of the environment. There is no doubt that there was an exodus. Again, valuable people who knew about the waste sector left it.

The Office of Deputy Prime Minister is also involved. If you only knew, Mr. Hurst, how complex it becomes when every so often, in looking for the resolution of a particular waste problem, we have to go to the Office of Deputy Prime Minister and look into the planning process. I shall give an example. This is a Government who want to build new housing in the London gateway as part of a massive expansion of housing in the south-east. One of the people who gave me that information is the head of one of the biggest land banking operations in the country, a company that is part of another business, but has a large amount of property, much of which is unfilled. When the hazardous waste regulations are introduced, it will no longer be possible to put contaminated soil into landfill. It does not take much imagination to agree with my private sector expert that only 20 per cent. of landfill in our country has the capacity to take the material that will now be designated hazardous—contaminated soil. That will mean one of two things: either the development in the London gateway will not be possible or the contaminated soil will be stored throughout the country in goodness knows what condition. The problem is serious and affects many of the major developments that the Government are keen to see, such as the London gateway.

As I said, it takes seven or eight years to receive planning permission for an incinerator. The Government were brave and bold in their first couple of years in office, and they had a Minister who said that we needed 170 incinerators to get the balance right—a figure that has moved around a bit. They then saw that incineration might not be so popular with the great British public and retreated from that position as fast as they could, or they were, at least, told to do so. There is an incinerator in the heart of my constituency and I believe that incineration is not an environmental or health problem when it is conducted in accordance with modern standards and European regulations. As part of the solution, incineration is a good answer.

The Office of the Deputy Prime Minister is at the heart of the process and is involved in upgrading the planning regulations that touch on such matters. We cannot ignore the links between planning and the strategic waste authority or between what happens in DEFRA and other Departments, because those things are joined at the hip. Even the Department for Education and Skills is involved. I am concerned with that Department as part of my day job, because I am Chairman of the Select Committee on Education and Skills. Both the high-tech answers to the problem of replacing old plastics with new and the new techniques for dealing with waste will, like any other innovation, come from the research programmes and efforts of our universities.

Such programmes will be conducted in partnership with the private sector—there is the rub. There is so little profit in the waste sector at the moment that many companies are selling out or being taken over. The will to remain is not as strong as one would think. There are some good people in the waste management sector—my hon. Friend the Member for Southampton, Test and I know them well—but they are pretty demoralised because of the ruthless logic that they face.

There is no certainty because of the European regulations. People are asking, "When are they coming in? How fast will they be? How seriously will the Environment Agency implement them? How rigorous will they be? Is DEFRA going to derogate at some stage? What are the rules of competition?" Not only do people not know what to invest in or when to invest, but their bankers will not lend them the money. The problem is easy to identify but much more difficult to solve. The waste sector will not make capital investments in sophisticated equipment, whether it is a materials recycling facility, biological or mechanical treatment methods or anything else, because there is no certainty that such investments will ever make a profit. That goes to the heart of the problem.

I was clocking up the things that my hon. Friend mentioned, and I think that he left out Customs and Excise, which is also intimately involved in this issue. The landfill tax is increasing by £3 per tonne, thank goodness, although we all heard on the bush telegraph that the increase was going to be £5. The Treasury was quite keen on the increase, as was DEFRA, but the CBI went to the Department of Trade and Industry, which

[Mr. Sheerman]

said in turn that the CBI would not wear that rate. I have never understood the logic of that position, but down the rate came to £3. That is not enough, but it is still better than under the previous regime.

A great deal of money is flowing in from the landfill tax, and the amount will get bigger each year. We can do something creative with that resource, but we will not solve any problems if we fritter it away on small, back-office operations such WIP and WRAP. We must do something much more dramatic. Customs and Excise has a hand in the matter, as does the Treasury. The people who will have to make the decisions are the Chancellor's advisers. To get to the heart of the matter, one has only to go to the Treasury and to talk to Ed Balls about what he considers the proper regime for environmental taxation, the level of landfill tax and much else. Indeed, the Economic Secretary to the Treasury actually knows something about the subject. I have seen the eyes of Ministers responsible for the environment and environmental taxation glazing over when I have mentioned such things, but this Minister understands it and I have great respect for him.

I was disappointed by No.10's policy discussion paper, which was not what any of us had been hoping for. However, No. 10 knows about the issue and has its sticky fingers on it. As a member of the Liaison Committee, I said to the Prime Minister last Tuesday that whenever the Government get into difficulties in delivering policy, we can see that the weakest link is the sharing of responsibility across many Departments. The Education and Skills Committee knows how complex it is to assess the skills deficiency, as skills are covered not only by the Department for Education and Skills, but by the Department for Work and Pensions, because it has a responsibility for Jobcentre Plus, the new deal, intermediate labour markets and so on. Furthermore, the Department of Health is involved in a massive amount of training, the DTI has a great role in skills and so on.

It is difficult to deliver co-ordinated and focused policy on skills, but waste is an even more difficult matter. That is why my hon. Friend is absolutely right to say that we need a strategic waste authority. We have been saying that for some years and nobody has listened, so I am heartened to learn that the proposal is being seriously considered. I would like a big, free-standing strategic waste authority with real powers to be based in a proper part of the country—in Huddersfield, in my constituency. That would be much better than locating it in Banbury. What on earth is WRAP doing there? The same applies in Guildford, which does not need the authority as much as we do.

Sue Doughty: While I do not support the proposal for a strategic waste authority, I point out that, if one were established, Guildford would be an interesting location for it, given that people there want a waste strategy. We might disagree about incineration, but we do not disagree about the need for a strategy.

Mr. Sheerman: I am reminded that, during Prime Minister's questions, the hon. Lady's predecessor used to talk about "inner-city Guildford". I used to scratch my head and think that that was an interesting concept.

As well as a strategic waste authority, we need some refreshing, joined-up government. It must be joined up, because the problem will otherwise get worse. We do not need derogation, which would be awful, and we know that the motor for change is in Europe. If we expected local authorities to be at the cutting edge of progressive and innovative methods of dealing with waste, we would wait for results for a very long time. A few take recycling rates seriously and adopt innovative approaches to waste strategy, but the former chief executive of a major metropolitan authority has told me that when groups of chief executives in some regions get together, waste is at the bottom of the agenda. It is not sexy or interesting and it is not taken seriously. The people recruited by local authorities to deliver policy in that area are not often the most exciting on the management team. A crisis is waiting to happen, and the situation is getting worse all the time. I think that the Minister knows how bad it is. As a pragmatic, open-minded chap, he will also know that something dramatic must be done to tackle the problem.

The last issue that I want to raise is the Environment Agency. Although it plays a tremendous role, it could play a much bigger one and it needs to be freed up. In Sir John Harman, my old council leader in Kirklees and Huddersfield, the agency has a great leader and chief executive, and he has a really good team. I can imagine a re-energised DEFRA and a liberated Environment Agency with a bit more independence from the Department. Why on earth can the Minister not cut the agency free so that it is much more independent and can give the Government a bit more grief? I can also imagine a strategic waste authority working closely with its partners. If such arrangements existed, we could get rid of all the bits and bobs that have been created over time to put a sticking plaster on the problem. All the evidence suggests that a joined-up solution requires joined-up government, and a strategic waste authority is the appropriate answer.

2.51 pm

Sue Doughty (Guildford) (LD): I congratulate the hon. Member for Southampton, Test (Dr. Whitehead) on obtaining the debate. The issue greatly exercises those hon. Members present and, I think, much of the public, who ask what we are doing about waste and how we decide what to do. Although I do not agree with his solution, his analysis is absolutely right: no change is not an option. This is a matter of urgency and we must deal with some grave issues.

The proposal was, I think, born out of frustration, and the speeches that we have heard so far have been characterised by frustration. By implication, if DEFRA, as the Department that holds the ring on the issue, were doing its job properly, there would be no need to call for a strategic waste authority. However, I cannot buy into the idea of setting up another quango, whether or not it is part of DEFRA. In any case, quangos eventually split off and disperse. What we need is political leadership.

In its May 2003 inquiry on the future of waste management, the Select Committee on Environment, Food and Rural Affairs said:

"We are concerned that Defra still appears to lack the capacity, the vision, the sense of urgency and the political will to break the mould and bring about truly sustainable waste management."

Setting up a strategic waste authority would cause more delay and give the Government something to hide behind. Hazardous waste has been mentioned. One of the big problems faced by members of the Environmental Audit Committee when we asked the Secretary of State for Environment, Food and Rural Affairs about that before Christmas was her incredible complacency. As I said, we need leadership, not another body to carry out the necessary tasks.

The hon. Member for Huddersfield (Mr. Sheerman) mentioned the Liaison Committee. When the Prime Minister was asked about the environment, he parried the question and moved on to the next one—the issue is not on his agenda. That remains the case and setting up an alternative organisation will not change that.

The point about the dead hand of the Treasury was eloquently made, and I, too, would have raised it. Setting up a new agency will not remove that dead hand. We can have report after report, difficulty after difficulty, but if the Treasury will not pay, nothing will happen. The problem is the lack of co-ordination. One of the key roles of DEFRA and, to an extent, the Department of Trade and Industry is to implement EU directives and regulatory measures, such as the WEEE directive. Indeed, progress towards sustainable waste management has been driven by the EU. Usually, EU measures come through, we change a few words, call them Bills and implement them, but at the same time we duck the opportunity to introduce a proper waste Bill.

The Environmental Services Association said in evidence to the House of Lords European Union Committee that the UK's implementation of European waste law has occasionally been chaotic. I cannot disagree. We learned from an answer given on 2 February 2004 that the Department for Environment, Food and Rural Affairs has met only seven of the 55 transposition deadlines for an EU directive. I am not sure that a separate strategy unit would change what is going wrong with regard to waste-related failures and the four-year derogations that we are having to use for the landfill directive targets. Fortunately, the Minister was not in post at the time of the refrigerator fiasco, so we can quickly move on from fridges to other things, such as hazardous waste.

I have been bidding for a separate debate on hazardous waste for several weeks. It would take a full hour and a half to debate that subject. As we still have not seen a draft proposal, industry is not able to invest in new sites and facilities. Indeed, the final regulations on what business should be doing to manage the problem will not be finalised until after they are supposed to have been implemented. The final regulations will come into effect in September 2004, yet the provisions are required to be implemented by July.

The Minister says that every now and then we can build a cell in a landfill site. I understand that the only time it was ever tried it was so expensive and difficult, and so impossible to run, that no one wants to do it again. Shanks has looked into the problem, but it has no intention of putting cells into landfill sites to take hazardous waste.

Another problem is that such a solution would allow only for non-reactive waste. The Government do not know how much hazardous waste is non-reactive. I was told this in a written answer:

"The Special Waste Regulations 1996 (as amended) do not require producers of special or hazardous waste to record whether or not waste being produced or disposed of is non-reactive."—[*Official Report*, 6 January 2004; Vol. 416, c. 265W.]

However, we have solutions that are supposed to deal with that.

We need a clear legal framework, with long-term regulatory certainty, before we can invest in the sites and the necessary technologies. Is DEFRA going to review its approach to the implementation of EU directives to ensure that industry has sufficient lead time? We are chewing the carpet and not getting anywhere because of DEFRA's lack of strategy.

As the hon. Member for Huddersfield said, there is a lack of co-ordination between Departments. How much is being done to ensure that producers design waste out of their products and processes? The Department of Trade and Industry had to be told by the strategy unit that it needed to look at the British Standards Institution standards on recyclates because the standards supported by the DTI worked against their use. The Department also failed to co-ordinate with the Environment Agency on the WEEE directive, which led to unacceptable delays in producing the information needed for businesses to plan and implement their strategy. Another problem was the failure to co-ordinate with the ODPM on planning reform, although I shall not say much about that because it has been well covered and the point well made. We need clear guidance and we want it to balance local interests with the need for communities to take responsibility for their own waste. Those are also problems for us to address.

On green taxes, why did it take so long for the landfill tax escalator to be speeded up? Why did it take so long to reform it so that the income could be directed to sustainable waste projects? Why do we not have an incineration tax? Those are Treasury questions, and something should be done about them.

The failure to ensure sufficient and secure funding for the waste management sector is another problem. Again, I doubt whether a strategy group or an agency would achieve that. We need to double the money that we spend on domestic waste to levels similar to those in other European Union countries. It is no wonder that we fail. We do not invest to succeed; we underinvest to fail. Then, irony of ironies, we have to pay the fines when we fail and we waste money.

There is a funding gap. The Environmental Services Association believes that we need to double the money spent on the management of domestic waste. Do the Government accept, however, that they need to increase funding? If they think that is wrong, what do they think should be happening? Those are leadership issues, not necessarily agency issues. Have they made a real estimate of the number of facilities needed? We get some answers but we need to meet those commitments. We have already got to the concept of waste management and discussed the number of facilities, the different types of facility and whether they are for fridges, clinical waste or hazardous waste, but where is the money coming from?

Local government and the Environmental Services Association would again favour a permissive power for local authorities to use direct charging for waste services. When combined with the variable charges for

[Sue Doughty]

the amount or content of waste, that could be a valuable driver for recycling and waste minimisation. We must find out whether it could work. There were plans for a pilot scheme, but what has happened to it? We want to know why local government cannot be trusted to make decisions on the matter. There are stoppers in the system. Innovative local authorities say, "Could we do this?", but they are not getting the support.

We do not see much progress on waste. The items that have been introduced have not explained the lack of progress. I do not understand how a strategic waste authority would solve the problems when leadership is so absent. I am not against DEFRA; my husband worked for it in a senior position until just before I was elected. I know some of its people very well and I want the Department to be allowed to succeed and get on with what it should be doing.

For a long time we have had excuses, such as the loss of expertise when the Environment Agency was set up. However, it has been established for nine years and the Government are only now recruiting staff to DEFRA to deal with the problems that it has been unable to tackle. The hon. Member for Southampton, Test suggested that staff need to be recruited. If it is true that there is a shortage of staff and that people poach each other's staff, I should like DEFRA to be given the opportunity to train, develop, promote and recruit good staff to strengthen its team so that it can move forward instead of remaining inert.

When a quango is set up, there is a new body, chief executive, premises, including newly rented premises from some other organisation, new letterheads and a pension scheme. DEFRA has too many quangos and I cannot understand how one more is a good idea.

Mr. Sheerman: Perhaps the hon. Lady misunderstands the point that my hon. Friend the Member for Southampton, Test and I made. We want to get rid of some existing quangos and replace them with something effective.

Sue Doughty: I thank the hon. Gentleman for that. If we could identify the quangos that should go and those that should take schemes under their wing, there would be a case for some responsibilities going to them. I am not convinced that they would solve some other problems within the Government, however. I take his point that there need not necessarily be a new organisation, but a reformed one. Similarly, some duties could be passed on to the Environment Agency.

Tribute was paid to the agency and its management. I share in that tribute. At its inception, it could have been a weak organisation that concentrated mainly on rivers, water and sewage. It has grown in ability and expertise and has gained the respect of us all over the years. It is one of the few non-governmental organisations about which I would say, "Let it grow more," because of the quality of its work in placing checks and balances on the Government, business and the community and its leadership.

DEFRA needs to be run much better. The House of Lords European Union Committee examined the development of waste policy in Europe. Its report said:

"The UK has a poor record of influencing EU waste policy. It needs to operate at a more strategic level."

It went on to call for a

"far greater level of collective working within Government, overseen and co-ordinated by a dedicated unit at the centre with the task of ensuring clear accountability to successes and failures."

I agree with that. DEFRA must be responsible for co-ordination. It is not in dispute that more integrated co-ordination across the Government is required.

Britain fails to negotiate European directives on the one hand and then fails to implement them on the other. Somehow we must find the energy to go back and negotiate with the European Union. We must develop single points of information for stakeholders. The Office of the Deputy Prime Minister seems to communicate with councils and others effectively. Any council that has received a letter about potential capping of the council tax knows how quick off the mark the ODPM is on such matters. The quality of communication and publications from DEFRA and the Department of Trade and Industry—for example, the WEEE directive—could be improved. A common approach is needed and the Government must work cross-departmentally. Another agency would well and truly guarantee that the Government will lose the plot, if they have not already done so.

3.6 pm

Miss Anne McIntosh (Vale of York) (Con): I congratulate the hon. Member for Southampton, Test (Dr. Whitehead) not just on securing the debate but on securing it at a timely juncture. However, I ask him and the Government to look cautiously at the model that he outlined, given that the Government are studying another agency, the Strategic Rail Authority, most carefully. That agency, which was set up by the Labour Government, has fragmented the industry even further and may be disbanded. My starting point is to ask why he wants to create a new agency when the Government are probably considering streamlining existing agencies in other areas.

Mr. Sheerman *rose—*

Mr. Alan Hurst (in the Chair): Order. The hon. Lady is not giving way.

Miss McIntosh: Thank you, Mr. Hurst. I was most interested in the comments of the hon. Member for Huddersfield (Mr. Sheerman) and would like to respond to some of them later.

The industry makes a clear point—the hon. Member for Guildford (Sue Doughty) touched on this—that the Government, and the Departments that were identified in the contribution of the hon. Member for Huddersfield, are not demonstrating joined-up government or political will and leadership. Why would the Government consider a new authority now? How would they pay for it? I understand that £1.5 million has been suggested for the first year, presumably to set up the agency. Where would the money come from? Would it involve additional funds for the Environment Agency or would it be taken from its budget or DEFRA's? Several hon. Members spoke at great length about the role of the Environment Agency. From its website, it

appears that the additional responsibilities should lie with it, working as it does under DEFRA's umbrella. The website states clearly that the agency's role is to regulate waste management through a system of licences.

Waste is material that people discard at home or at work because it is no longer needed. I was struck by the answer on tonnage given by the Minister for the Environment. In a recent reply, he stated:

"According to the most recent Municipal Waste Management Survey, about 28.8 million tonnes of municipal waste were collected in 2001–02. Of this, about 22.3 million tonnes were disposed of to landfill, 2.5 million tonnes were incinerated, and 3.9 million tonnes were recycled."—[*Official Report*, 4 February 2004; Vol. 417, c. 906W.]

The Government have a dilemma, as there is an increasing gap between the amount of waste sent to landfill and the amount allowed under the landfill directive. The Minister will have picked up on that concern, which was expressed by several hon. Members.

My first question to the Minister is, why is there a need for a new waste authority? I want to know why we cannot strengthen the waste unit, as I would prefer, possibly under the Environment Agency. What would the additional cost of £1.5 million cover? Would it cover purely the introduction of additional bureaucrats, or would some of the bureaucrats be officials brought in from other Departments? Where will the money come from—an increase in the budget for DEFRA, or its existing resources? In the latter case, funds would be diverted from other projects.

The hon. Member for Huddersfield identified a very confused situation. Let me focus on some agencies. DEFRA leads with the responsibility for waste policy in England, and has residual responsibility for co-ordination across the UK. The Treasury leads on fiscal instruments. The DTI leads on producer responsibility and policy relating to industry. The Office of the Deputy Prime Minister leads on planning issues in relation to land use and local government. Not many colleagues have focused on the role of local authorities, but they are the key delivery partners when it comes to making a success of the Government's waste strategy, and they face a confusing array of policies and funding streams.

Will the Minister respond to what he understands the concerns of the industry to be? I understand that it has identified three. It wants more regulatory certainty and a greater lead-in time, so that it can make the required investment that we have identified. It also needs more funding. That funding has to come from central Government and the industry itself. Finally, it needs a less complicated and more streamlined planning process. That would allow UK waste companies to invest in the thousands of new facilities that will be required.

Is the Minister aware that the European institutions are about to agree the amended directive on packaging and packaging waste? By 31 December 2008 at the latest, the UK will be required to recover a minimum of 60 per cent. of waste, in terms of waste volume, or to incinerate it in incineration plants with energy capability. Between a minimum of 55 per cent. and maximum of 80 per cent. of waste, by weight, should be recycled. In relation to incineration, we might have regard to what is happening so successfully in countries such as Sweden and Denmark. They have a deservedly high reputation for being committed to green environmental policies, and they incinerate large quantities of their waste. I understand that most of the incineration is smokeless and that most of the incinerated waste benefits the local community through distance warming. Has the Minister's Department given some thought to that? The lead-in, in terms of planning policy, to what would presumably be a new style of plants in the UK would be substantial.

The hon. Member for Southampton, Test is a brave man. He is the only person to date who has recommended a specific strategic waste authority. In evidence from the Environment Agency that was included in the report by the Environmental Audit Committee, it was stated that the strategic waste authority

"could be a single body",

or that there could be

"provision for enhanced roles for one or more existing organisations."

Neither the Environment, Food and Rural Affairs Committee nor the Environmental Audit Committee recommended the establishment of a single strategic waste authority. I agree with all those who have expressed their concerns about the plethora of legislation coming from the European Union, and the implications for the waste industry and waste management when it comes to recycling, incineration and landfill.

On the debate on Wembley, I was led to believe at my local tip that wood is the single most difficult product to dispose of. It cannot easily be recycled and used in other buildings.

I reiterate that what is lacking is strong political leadership, and it is far more important to develop that than to focus on restructuring. That is precisely the viewpoint expressed by the industry. The model of the strategic waste authority may not necessarily be the best; we could beef up a separate unit within DEFRA or, more specifically, within the Environment Agency. We look to the Minister to demonstrate that the Government have the necessary political will.

3.15 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): I congratulate my hon. Friend the Member for Southampton, Test (Dr. Whitehead) on securing the debate and apologise that my hon. Friend the Minister for the Environment could not be here to reply. As I am sure hon. Members are aware, he is the Minister responsible for waste, but he is otherwise engaged in a debate in the Chamber on an Opposition day on the environment in general. He sends his apologies.

I am afraid that I am not sighted on some detailed questions, and in particular those from the hon. Member for Vale of York (Miss McIntosh). I will ensure that my hon. Friend writes to her with answers to those questions and those of other hon. Members which, having had a very short time in which to brief myself on the subject, I am not in a position to answer.

My hon. Friend the Member for Huddersfield (Mr. Sheerman) rather unkindly suggested that people concerned with waste are quirky. He may feel quirky, but this is a serious subject. Having listened to the

[Mr. Ben Bradshaw]

debate it is obvious that it is not only serious but complex, as one or two other hon. Members have said. That came through in the fact that there are a number of different ideas on the way forward—an indication of the difficulties that would face any Government trying to get to grips with this important environmental problem.

I would like to outline where the Government have made some advances, on which my hon. Friend the Member for Southampton, Test was generous enough to touch. We have made waste one of our Department's six key priorities. One of the most exciting areas where progress is being made is in the increase in recycling figures. We are finally beginning to see the fruits of those policies, not only in the hard work of local authorities but in Government action. Initial estimates suggest that England had a recycling and composting rate of 15 per cent. in 2002–03, with an increase of about 2 per cent. on 2001–02. That means that we have broken the 1 per cent. increase barrier for the first time, which is very encouraging. With a similar increase in 2003–04 we will meet our target of 17 per cent. for that year.

Although we still have a challenging target to meet in the next couple of years, my officials were confident this morning that it is achievable. Some local authorities are already achieving it, and we anticipate an increased rate of improvement in the coming year once the benefit of some recent and new initiatives is realised. They include, as Members have said, the national waste minimisation recycling fund and the waste implementation programme, about which I shall say more in a moment.

The landfill directive targets on the horizon also present a test. However, we are making good progress in developing the landfill allowance trading scheme. Building effective working relationships is an essential part of that work. Hon. Members touched on where responsibility for waste lies. Currently, the strategic lead lies with DEFRA, with the DTI leading on some producer responsibility initiatives. The Environment Agency, sponsored by DEFRA, is responsible for regulating waste management facilities and other bodies, including the ODPM, the Treasury and of course local authorities, are all important in the development of policies.

My hon. Friend the Member for Huddersfield complained that this is a classic example of where many Departments are responsible for a particular issue. It is not unique: yesterday we were discussing a number of complex issues involving the tragic circumstances in Morecambe bay and the practices of gangmasters. I know from the experience within our Department that making progress on those issues is not always straightforward because the questions involve and impinge on the responsibilities of a number of Departments.

The Waste and Emissions Trading Act 2003, which was granted Royal Assent in November, provides for a unique system of tradable landfill allowances for waste disposal authorities across the UK. The system, known as the landfill allowance trading scheme, is intended to help England to meet the targets set by the 1999 landfill directive to reduce the amount of biodegradable municipal waste we send to landfill. This is one element of DEFRA's waste implementation programme, which is rolling out a number of initiatives recommended in the strategy unit report. Others include waste minimisation programmes and the expansion of home composting.

We are also providing support to develop new infrastructure for recycling and associated education programmes. We are improving our data and carrying out research on waste management to provide a sound evidence base for policy development, implementation and monitoring. We are introducing incentives to encourage the take-up of alternative technologies for waste treatment. The programme team is working with local authorities and stakeholders across the whole supply chain. A high-level steering board, which brings together senior figures from industry, local government and central Government, and retailers, has also been established to drive forward the implementation of the programme.

Further measures announced in the Government's response to the strategy unit report include a commitment to raise landfill tax by £3 per tonne in 2005–06, and at least £3 per tonne in each year thereafter, up to £35 per tonne. The Government have established a hazardous waste forum, and we are introducing regulations under the EU animal by-products regulation, setting out rules for composting catering waste. As hon. Members will be aware, the Government have increased the environment, protective and cultural services block funding to local authorities, part of which is for waste management. The increase announced at the last spending review was 1.3 per cent. per year, in real terms.

Miss McIntosh: We are all most grateful that the Minister has been able to respond to this debate. Is he able to give us a global view on what the Government's priorities are? Do they intend to show the political will to respond to the industry's needs, to comply with the EU directives, or rather set up another quango and more bureaucracy?

Mr. Bradshaw: I shall get on to that in a moment. The Government are interested in policies and structures that work and that contribute to the amelioration of this very serious problem. The fact that we have made it one of our six strategic objectives is significant, as is the fact that we are investing ever more extra resources in this issue. I shall come on to the structural question shortly.

The Government also recently announced a £20 million extra grant for 2004–05 to help with some spending pressures arising from waste management for local authorities. Linked to these central-local government relationships is DEFRA's work with the ODPM, including work on the development of the planning system. Enabling adequate and timely provision of waste management facilities will become even more important as the demand for such facilities increases. My Department is closely involved in the revision of PPG10—the planning policy guidance note that sets out national planning policy on waste management. The revision is part of the Government's drive to streamline planning policy to give greater clarity in terms of the outcomes to be achieved. The ODPM expects to consult on a draft of the new planning policy statement in the first half of this year.

The DTI, which leads on the implementation of the waste electrical and electronic equipment and end of life vehicles directives, and DEFRA, which works with it on the implementation of these directives, are committed to a more cross-Whitehall project team approach. Both have dedicated project teams and interdepartmental advisory groups, with the body of best practice starting to grow.

I turn now to the question of the overall responsibility for waste, in response to the strategy unit report. The Cabinet Office was commissioned by DEFRA to carry out an internal review of existing arrangements and consider the scope for improving the co-ordination of interdepartmental responsibilities for waste policy. A limited consultation was undertaken with interested parties, and the review will consider the views of all the respondents. That means not just a single person—quite a lot of respondents made the same point as my hon. Friend the Member for Southampton, Test. The strategic waste forum's proposals for a strategic waste authority will be considered, alongside all the other responses. The review began in December, is well under way and will conclude in the spring. I am not sure of the reasons for the delay, but I will happily find out and inform my hon. Friend.

Mr. Sheerman: It is very important that we also get the planning guidance. What is the ETA on that?

Mr. Bradshaw: I am afraid I do not know, but again, I will find out and write to my hon. Friend.

I listened with interest to the vision outlined by my hon. Friend the Member for Southampton, Test detailing how he envisages such a strategic body would work. As he explained that, I was thinking about the review going on within and outside our Department, under Lord Haskins, and the recommendations he has made. Some points that he made about the value of separating policy from delivery and having a single strategic body consider a particular policy had considerable weight. As I said at the beginning of the debate, I am not an expert on the matter, but I shall certainly take those points back to my hon. Friend the Minister for the Environment, who leads on the issue.

The hon. Member for Vale of York slightly jumped the gun by assuming that there are already plans to set up such an authority. She even talked about an amount of money. We have not got that far yet. We are still waiting for the report on the work of the Cabinet Office committee—perhaps she knows more than I do.

Miss McIntosh: To satisfy the hon. Gentleman's curiosity, the source of the figure is the excellent House of Commons Library note, in which I discovered that the Government have confirmed that the amount of £1.5 million will be available. Perhaps it illustrates lack of joined-up government if his Department does not know where that is coming from.

Mr. Bradshaw: The Cabinet Office is reviewing the responsibilities for waste generally. It is considering proposals from others as part of its review. The £1.5 million referred to is the additional administrative resource that DEFRA is contributing to the establishment of the waste implementation programme to help local authorities to meet their landfill directive targets. I hope that that is helpful to the hon. Lady.

Dr. Whitehead: Will my hon. Friend underline the fact that if a strategic waste authority came into being it is precisely such programmes that would be subsumed within it, rather than it being an additional expense, with new staff and costs?

Mr. Bradshaw: I take that point, but I was going on to say that whatever the view one takes of my hon. Friend's suggestion for a strategic waste authority—my hon. Friend the Minister for the Environment is open to persuasion on the matter—there would still have to be an interface with other Departments, devolved Administrations and external stakeholders.

It is often difficult to know where the boundary lies between products and waste, and the priority for our Department is to ensure that these relationships are forged and reinforced now and maintained in the future. The way in which we work could, without exaggeration, be described as already acting as a virtual strategic waste authority. It may not work perfectly, as several hon. Members have said—*[Interruption.]* My hon. Friend the Member for Huddersfield is laughing at the notion of a virtual authority, but I think he is being unkind.

I would also suggest that the significant increase in resources that my Department has dedicated to waste is one element helping to ensure that relationships are improved. I am grateful to my hon. Friend the Member for Southampton, Test for raising the topic for debate. We have sympathy in the Department for the aims of his proposal, and we await the outcome of the Cabinet Office review with great interest.

Duchenne Muscular Dystrophy

3.28 pm

Kevin Brennan (Cardiff, West) (Lab): This is the second time that I have secured an Adjournment debate on the issue of research into treatments and a possible cure for Duchenne muscular dystrophy, but I make no apology for returning to the subject for a second time in the Chamber. I do so not only because this is a terrible disease of which people know little, and which many have never heard of, although it is of a similar prevalence to better known conditions such as cystic fibrosis, but because I believe, as do many of the young people and parents who are affected by the disease, that for the first time in many years there is genuine hope of an effective treatment, and perhaps even a cure. More importantly, that belief is shared by many eminent scientists working in the field, to the extent that they are setting aside their traditional differences and, in many cases, their individual pursuits, to pull together and to pool their efforts to find a treatment and perhaps eventually a cure for Duchenne muscular dystrophy. Perhaps the only thing that they lack is adequate resources for undertaking the necessary research to unlock the prize of a treatment and eventual cure for the disease.

Duchenne muscular dystrophy is the result of a gene defect that causes the body not to produce a vital substance called dystrophin. Without that substance, muscle cells become weaker and gradually waste away. The condition is regarded, wrongly, as relatively rare. In fact, it affects about one in every 3,000 boys throughout the world, although there is some dispute about the exact figure. In other words, every Member is likely to have constituents who are affected by this disease. I certainly have such constituents. This is a very cruel disease—if it is appropriate to attribute a human trait to the result of a genetic lottery.

Most parents who are affected believe that they have a healthy baby son, as any normal parent would, until the symptoms begin to emerge when the child is a toddler. I say "most" because a test, which is now carried out routinely in Wales, can inform parents of the presence of the disease while the child is still an infant. That can be very important, because parents may want that information if they are planning to have more children. The test may help them to take decisions about their family in future.

Whenever the diagnosis is made, the result is the same. Boys with Duchenne muscular dystrophy can expect to be wheelchair-bound by the age of 11 and to become progressively more disabled throughout their teens as their muscles gradually waste away. At this stage of their lives, the availability of the latest high-tech wheelchairs can have a huge impact. Many of these boys are high achievers in school and do very well in their studies if they have the right support. According to parents to whom I have spoken, however, the availability of such wheelchairs varies greatly throughout the country. I ask the Minister to look into that issue.

In their final years, young men with Duchenne muscular dystrophy will require 24-hour care, night-time ventilation and feeding support. Although improved ventilation helps to extend life, the disease is fatal. Young adults are likely to die in their early 20s as a result of heart or lung failure as the vital organs become too weak to sustain life.

The disease is often hereditary, but it can also occur by spontaneous mutation, so even very careful genetic screening could not eradicate it completely. My interest in the disease arose when my constituents, Nick and Janet Caplin, brought their son Saul to my surgery a couple of years ago. It was very hard to believe that the lively toddler whom they brought to see me had, as they put it, a death sentence on his head. Nevertheless, he had been diagnosed with the disease, and Nick and Janet helped to set up a charity, Parent Project UK, to campaign with other parents and families affected by the disease for even more research into treatments and eventually a cure. They have now moved out of Cardiff, West, and it is a testimony to both the closeness of the parental network of Duchenne muscular dystrophy sufferers and its prevalence, which makes my point that the disease is not that rare, that their home was bought by another couple from Cardiff, West, Lisa and Gareth, whose son Ioan also has Duchenne muscular dystrophy. This is an extremely poignant week for that family, because it is the first anniversary of Ioan's diagnosis, which was made through the screening to which I have referred.

No one could fail to be moved and inspired by the courage and humanity of couples such as Nick and Janet and Lisa and Gareth, and of many other families whom I have met through my interest in this terrible disease. Sympathy is not enough, particularly now that the scientists are telling us that new developments offer hope for sufferers of Duchenne muscular dystrophy. Since the previous debate on the subject, Parent Project UK, the Muscular Dystrophy Campaign and the Duchenne Family Support Group, the three main charities with an interest in the condition, have got their act together and joined forces to act as a catalyst for more research to be undertaken into the disease. It is highly commendable that they have pulled together to try to make progress and to maximise the synergy that they can obtain from working together.

Last September, a group of us met Lord Warner at the Department of Health. I went along as chair of the all-party group on muscular dystrophy, which was set up as a result of my meeting with Nick and Janet. It was a fruitful meeting and an exciting research proposal was put together. There was a fairly stiff deadline, and I pay particular tribute to Jenny Versnel of the Muscular Dystrophy Campaign for her work in burning the midnight oil to submit the proposal by the deadline. The proposal was put together to bid for £2.5 million of funds that were set aside and earmarked in the Department of Health's commendable genetics White Paper, which was published last year. It is also commendable that the money was set aside specifically for research into single-gene disorders such as Duchenne muscular dystrophy.

I understand that the bid is under consideration and that it is going through peer review, so the Minister is probably limited in what he can say about it at this time because it will be considered with all the other bids for that money. Before a final decision is taken, I want to emphasise to him what a successful bid would mean to the morale of families affected by Duchenne muscular

dystrophy, as well as of the scientists who formed the consortium, joining together centres of excellence from around the United Kingdom.

Let me illustrate the calibre of some of the people involved who are champing at the bit to get on with the research project. The project will be overseen and managed by the highly regarded Professor Kay Davies at the university of Oxford, and individual parts of the research will be undertaken by Professor Francesco Muntoni at Hammersmith hospital; Professor Kate Bushby at Newcastle medical centre; Dr. Qi Lu at Imperial college, London, who is a tenured member of the research staff of the Medical Research Council; Dr. Dominic Wells, reader at Imperial college, London; Professor George Dickon at Royal Holloway college, London, with Dr. Ian Graham of the same institution; Dr. Matthew Wood, also at the university of Oxford; and Jenny Versnel, whom I mentioned earlier, the head of research at the Muscular Dystrophy Campaign. Many of those eminent researchers came to a conference organised by Parent Project UK and the Muscular Dystrophy Campaign in the autumn, which I attended.

Recently, Professor Terry Partridge of Imperial college, who is also part of the consortium, came to the House of Commons to address the all-party muscular dystrophy group. At that meeting, at which many parents of boys affected by Duchenne were present, he said that he was usually extremely cautious about raising hope, particularly with regard to something like Duchenne muscular dystrophy, because it would be cruel to raise anybody's hope about a certain piece of research. However, he saw real promise in the approach suggested in this research proposal, perhaps for the first time ever.

I want to outline what the research proposal involves. In recent years, studies undertaken in mice and on human cells in the laboratory have shown that it is possible to produce a sort of molecular patch that could enable dystrophin to be produced in muscle cells, which would modify the form of muscular dystrophy suffered by the boys. If the technique were successful—all the evidence from the laboratory and the experiments involving mice suggest that it could work and is promising—it would modify Duchenne muscular dystrophy into the much less serious Becker form, which would considerably lessen the symptoms, because in the Becker form of muscular dystrophy some dystrophin is produced. The quality and length of life of boys suffering from Duchenne muscular dystrophy would therefore be greatly enhanced. The scientists believe that up to 60 per cent. of Duchenne muscular dystrophy sufferers could benefit from the treatment.

The principle has been established, but the scientists need the financial support to advance the research to human trials. The project submitted to the Department of Health would do the following: first, it would improve the design of the molecular patches; secondly, it would find the best delivery techniques to the muscles; thirdly, it would do further tests in animals and Duchenne muscular dystrophy human cells in the laboratory; and, fourthly, it would carry out the first human safety trials and see whether functional dystrophin is produced by that technique.

For those involved in Duchenne muscular dystrophy, including parents and researchers, this is the first flicker of light at the end of a long and dark tunnel. The possibilities of genetic research to do good, correctly identified in the Government's White Paper last year and too often overshadowed by media scare stories about cloning and so on, give hope where before there was only despair, but I cannot emphasise enough the need for that hope to be kindled.

To giant pharmaceutical companies, Duchenne muscular dystrophy is a rare disease, because their definition of rarity is anything that is unlikely to yield an easy profit. That is why it is so vital that the Government, through Department of Health White Paper money and the Medical Research Council, support this vital work. The scientists to whom I have spoken are convinced that the project will have spin-offs in other areas and for other genetic disorders.

This is not the only line of research. We believe that £20 million should be spent over the next few years to support other promising research projects in this area too. However, this £2.5 million is on the shelf, ready to run, and it is backed up by all the charities and the all-party group, and has 18 of the nation's top scientists ready to carry it out. I believe that it deserves to be funded in full.

Finally, I hope that the Minister will ask the Secretary of State to make time in the near future to meet the families of boys with Duchenne muscular dystrophy, as his colleague Lord Warner did last September, so that he can hear their stories, listen to their concerns, understand their plight and, most importantly, do whatever he can to help them.

3.45 pm

The Parliamentary Under-Secretary of State for Health (Dr. Stephen Ladyman): I begin, as always, by commending my hon. Friend the Member for Cardiff, West (Kevin Brennan) on securing the debate. Those congratulations are well deserved. As he said, he has raised the subject before, has remained close to it in recent years and continues to work hard to press the Government on it. I welcome the opportunity to bring him up to date on the state of the issues raised.

My hon. Friend asked whether the Secretary of State would meet the families of children with Duchenne muscular dystrophy. I have no doubt that he would be happy to do so. He meets people who suffer from all manner of long-term conditions. However, he needs no convincing of the importance of the issue. That is why he was so enthusiastic about launching the Government's genetics White Paper. He is committed to doing everything that we can to deliver aid, support and, where possible, cures for such distressing illnesses. This is a distressing condition. As my hon. Friend said, boys with this genetic disorder have a very limited life span.

Voluntary organisations active in the area, such as the Muscular Dystrophy Campaign, Parent Project UK and the Duchenne Family Support Group, should also be congratulated on their work. It is important to raise public awareness of that dreadful disease and I hope that initiatives such as "The Right to Survive" will help to achieve that objective. I know that my hon. Friend will continue to do everything he can to ensure that people are aware of the issues involved.

As my hon. Friend said, Duchenne muscular dystrophy is an inherited severe and progressive muscle wasting disease. It is estimated that about 100 boys with

[Dr. Stephen Ladyman]

Duchenne muscular dystrophy are born in the United Kingdom each year and that about 1,500 known boys with the disorder are living in the UK at any one time. It affects around one in 3,500 male births every year. It is caused by a genetic disorder characterised by progressive weakness and degeneration of the skeletal or voluntary muscles that control movement. Most boys with the disease will be in a wheelchair by the age of 10.

My hon. Friend will be pleased to know that among other things in my portfolio is responsibility for community equipment, including the wheelchair service. I heard what he said and am aware of the patchiness of the wheelchair service around the country. I assure him that I am already looking into that and trying to devise ways to improve it. I hope that he will pass that message back to the parents and the boys themselves.

Tragically, there is no effective cure or treatment for Duchenne. I understand, therefore, why the families of patients with Duchenne muscular dystrophy call for a greater research effort to be applied. Indeed, the Government are committed to investing money in genetic research.

Genetics offers enormous potential to improve our health and health care. Increasing understanding of genetics will bring more accurate diagnosis, more personalised prediction of risk, and more targeted and effective use of existing drugs. It will give us new gene-based drugs and therapies as well as prevention and treatment regimes tailored according to a person's individual genetic profile.

Unfortunately, market forces tend to militate against industry funding trials for rare disorders and inherited disorders. None the less, there remains an unmet need for effective, less burdensome treatments, and an estimated 750,000 patients in the UK suffer from incurable single-gene disorders. Gene therapy offers hope for those people and, to address that, the Department of Health supports gene therapy research into single-gene disorders.

As with any medical research, it is not possible to predict accurately when such treatments might become available or which approaches will ultimately prove effective. That is the nature of research. However, I share the hopes of the many parents, carers and patients that gene therapy will become a viable treatment for inherited disorders such as DMD, although we should not build up expectations and must realistically expect those outcomes to be a decade or more away.

I am aware that researchers have submitted a bid for funding for Duchenne muscular dystrophy research, the bid that my hon. Friend so eloquently described. He is right; I am not in a position to announce whether that bid has been successful. All I can tell the House is that the commissioning group for gene therapy research has met and considered the proposals. The outcome of the commissioning group's deliberations must remain confidential until the funding for each successful applicant has been agreed, and that has not yet been achieved.

My hon. Friend will recall that in April 2001 we announced £30 million to develop specialised genetic services. We have made further funding available for this important area. In June 2003, the White Paper "Our Inheritance, Our Future—realising the potential of genetics in the NHS" set out the Government's commitment to developing genetics knowledge, skills and provision within the NHS by investing more than £50 million over the next three years.

Kevin Brennan: I understand that the Minister is unable to discuss the outcome of the deliberations on the applications, but is he able to give any idea when the announcement might be expected on the final outcome?

Dr. Ladyman: I cannot give a precise date, but it is relatively imminent—weeks rather than months.

The White Paper details the following commitments: £3.5 million to fund 90 new grade A trainees in laboratory genetics and the equivalent of 10 full-time trainer posts; up to £18 million capital to upgrade NHS laboratory facilities in England; up to £1 million in information technology for genetics laboratories in the genetics testing network; £2 million of start-up funding over three years for other initiatives to bring the benefits of genetics to mainstream clinical areas; up to £2 million of start-up funding over three years specifically for primary care genetics initiatives; £4 million to fund pharmacogenetic research on existing medicines; £500,000 to pilot near-patient genetic testing in the NHS; £1.5 million to fund a range of research projects in the area of genetics-based health services; £3 million to support gene therapy research on single-gene disorders; £2.5 million for cystic fibrosis gene therapy research; and £4 million to provide access to clinical grade gene therapy vectors.

The emphasis for Department of Health funding is "translational", which means bringing the benefits of research to the clinic. Our vision is for the NHS to lead the world in taking maximum advantage of the safe, effective and ethical application of the new genetic knowledge and technologies for all patients as soon as they become available. In time, we should be able to assess the risk that an individual has of developing disease not just for single-gene disorders such as DMD and cystic fibrosis, but for our country's biggest killers—cancer and coronary heart disease—as well as those, such as diabetes, that limit people's lives.

The potential in genetic research is immense. While genetics will never mean a disease-free existence, greater understanding of genetics is one of our best allies in the war against disease. I hope that, over time, research will provide a breakthrough in the understanding and treatment of genetic diseases such as DMD.

The main agency through which the Government support medical and clinical research is the Medical Research Council. That independent body receives its grant-in-aid from the Office of Science and Technology. It is, however, a long-standing and important principle of successive Governments that they do not prescribe to individual research councils how they should distribute resources between competing priorities. That is best decided by researchers and research users.

The MRC spend relevant to DMD research for 2001–02 was around £2 million. That included two major groups of researchers: those of Professor Kay Davies at the MRC functional genetics unit in Oxford and Professor Terry Partridge at the MRC clinical

sciences centre based at Imperial college in Hammersmith. Research projects are also being carried out on muscular dystrophy and basic underpinning work that could apply to all forms of the disease. The MRC does not, as a rule, earmark funds for particular topics; research proposals in all areas compete for funding. When appropriate, high-quality research in the areas that we are promoting may be given priority in competition for funds, but research excellence and importance to health will continue to be the primary considerations in funding decisions. In addition, it is important to note that while prevalence of a particular condition is one important factor, the MRC's funding decisions are set largely on the scientific opportunity and the likelihood of significant development.

There are, of course, other lines of research that may help in the future, especially with long-term conditions. The report by the chief medical officer's expert group, "Stem Cell Research: Medical Progress with Responsibility", was published in 2000. This recognised that the early research on stem cells is exciting and provides a real hope of new treatments becoming available in a few years for people with chronic diseases.

The Government are investing an additional £40 million in stem cell research in 2004 to 2006. We believe that stem cell research offers enormous potential to deliver new treatments for many diseases for which there are no effective cures. The Government are therefore funding the creation of a national stem cell bank. The first of its kind in the world, it will hold all types of stem cell as a resource for researchers. The Science and Technology Committee, in its recent report on the work of the Medical Research Council, welcomed the stem cell bank and called it

"a world leading venture that we wholeheartedly support."

The Government want research to use all sources of stem cells, including embryonic stem cells. It is far too early to know where useful results will come from. That position is supported by published scientific findings. Any activity that involves the use or creation of an embryo outside the body—be it for treatment of infertility or for research—is permitted in the UK only under a strict system of licensing by the Human Fertilisation and Embryology Authority.

In February 2001 we announced the development of a national service framework for long-term conditions. NSFs are set out in the White Paper, "The new NHS". They are intended to set national standards and define service models for particular services or care groups. This NSF will have a particular focus on the needs of people with neurological conditions and brain and spinal injury. We are also clear, however, about the fact that it must tackle some generic issues that affect a wide range of people with long-term conditions and their families and carers. We hope that work to establish standards for neurological conditions will provide patterns of service provision that have wider application and will also benefit people with non-neurological conditions.

I hope that my hon. Friend agrees that the Government are sympathetic to the needs of patients with Duchenne muscular dystrophy and other long-term conditions and that we are backing that sympathy with real effort and resource. There has been progress since we last debated the subject. The initiatives I have described—the genetics strategy, the important work under way in the research field, developments in stem cell research and the national service framework—will help to make life better for patients with Duchenne muscular dystrophy, their families and their carers.

I am sorry that I cannot give my hon. Friend the answers that he wants on the the exciting research project that he described, but I hope that we have them for him soon. I certainly assure him, the parents and all sufferers with Duchenne muscular dystrophy that the Government have every sympathy and want to do everything they can to help them, both with the services that make their lives better and with the research to ensure that there are effective therapies in the not too distant future.

Media Intellectual Property Rights

3.58 pm

Tom Brake (Carshalton and Wallington) (LD): I am aware that in the next minute or so we are due to have a Division, so I hesitate to embark on the meat of what I am here to say. I welcome the opportunity for this debate. What was most interesting as I drafted my speech was the fact that though I have held many debates in Westminster Hall over the past seven years on a whole range of constituency issues—local train services, local hospital provision and so on—no issue has ever seen me receive as many approaches from different organisations as this one. The issue is clearly of interest to the media, so one would expect them to pick up on it and contact hon. Members seeking to raise it in Parliament. However, intellectual property rights are also a hot topic for the industry as a whole, which is why I have been contacted.

I told the Minister that the main purpose of this debate is to raise an issue that a constituent has brought to my attention. However, because a number of organisations that are concerned about such matters as counterfeiting have made approaches to me, I seek to raise some more general industry issues. I apologise if he has not had much notice of that and shall quite understand if he needs to respond to me in writing on those issues at a later date.

4.1 pm

Sitting suspended for a Division in the House.

4.14 pm

On resuming—

Tom Brake: There are a number of general issues that I shall raise, but in the first part of what I say I shall focus on one constituent's case. I am going to describe it as Alan Brunwin v. Chatsworth Television's "Busy Buses" children's programme. In 1988–89, my constituent wrote a series of children's stories called "Hoppy the Hopper Bus". He sent his work to, he estimates, about 40 television production companies to try to get it animated for television. He also let a number of local people—myself included—see copies of it, with copies of the bus characters that he had devised for the proposed animation. One of the people to whom he had shown his stories told him in February last year that they were being screened on Living TV under the name "Busy Buses".

Having seen pictures on Chatsworth's website and compared them with pictures that Mr. Brunwin has drawn of his bus characters, I can say that there are clear similarities. He says that a large number of people in the media knew of his work, given that he had circulated it widely. On learning that it was being broadcast on Living TV, he wrote to the channel immediately, and it replied saying that the stories had nothing to do with it, and that he should talk to Chatsworth TV about the matter, which he did the following day.

Mr. Swan, who is Chatsworth Television's solicitor, made contact with Mr. Brunwin allegedly saying that he did not represent Mr. Terry Ward, who is the writer and creator of the "Busy Buses" programme and a company director of Chatsworth Television. The solicitor asked my constituent to send him proof that Chatsworth Television had copied his work. Apparently, three hours after this contact was made, Mr. Ward made contact with my constituent and informed him that the solicitor had contacted him, and he then told my constituent that he had no more to say on the matter. The solicitor told my constituent in that initial contact that he had no relationship with Mr. Ward, but within a matter of hours it was confirmed that he did. Because of that fact, my constituent does not feel able to trust that company.

Subsequently, Mr. Brunwin sent a number of e-mails demonstrating what he believes to be sufficient proof that he had the idea several years ago, and that there are clear similarities between his work and that of the "Busy Buses" programme. He received frequent replies from Mr. Swan, but they stressed that there was insufficient evidence and that the only point at which the company would engage in further discussions with my constituent would be if he employed a solicitor to take up his case—something that he is not in a position to do. Mr. Swan and Chatsworth Television then told him that they would have no further contact with him.

Mr. Brunwin also had concerns about the BBC's involvement in the case, stating that one of the 40 recipients of his proposal was a BBC producer, but the BBC said that it had no knowledge of the proposal. However, he has found that BBC Worldwide sells "Busy Buses" books and DVDs all over the world. He raised the matter with the then director-general, Greg Dyke, in August 2003, and was apparently told that an investigation would be carried out into his claims, but apart from a telephone call from the director-general's office asking whether the BBC had been in touch with him—to which the answer was no—there has been no further progress on that matter. No doubt that will be one of the tasks that the new director-general will have to take on.

My constituent has tried to initiate contact with Chatsworth Television, but it seems his e-mails are going into a black hole. He has set up a website called "Justice for Hoppy", in which he sets out his version of events and challenges the company to take issue with it if it disagrees with the content. It is worth noting that it is alleged that last year Mr. Ward, the director of "Busy Buses", sent him an e-mail, saying:

"I hope we can sort this matter out amicably."

My constituent has interpreted that as a concession on Chatsworth TV's part that it had prior knowledge. Otherwise, why would it respond in that way, given that most of the contact had been simply to rebuff him?

It is clear from the description that I have given that this case can be resolved only in court, as there are allegations and counter-allegations. I believe that my constituent would welcome that, because he feels that it is the only way in which the matter can be sorted out.

What options are available to ensure that such altercations do not arise, and that if people develop an idea, they maintain rights over it? I want to quote, first, from issue 8 of *Media Magazine*. I am indebted to Sean Egan, the writer, who has set out what actions he thinks writers can take to ensure that they maintain rights over an idea that they have developed. My constituent's case seems to fall neatly into the description that he gives of an

"aggrieved writer, having submitted material to a broadcaster or producer on a speculative basis and having heard nothing or been rejected, finds that a television show is broadcast by the same company"—

there is a problem about being able to make a clear link between Chatsworth TV and the material sent out by my constituent, but a link could possibly be made through third parties—

"which is similar to, or at least bears a strong resemblance to, the writer's original material."

There follow a number of tips that people should seriously consider, such as registering the material in one form or another or putting their name on the cover page. Mr. Egan also suggests that they should try to enter into a confidentiality agreement when they enter into correspondence with possible broadcasters or producers. If they cannot do that, letters should be clearly marked "In confidence". They should keep an accurate record of when the material was started, when it was sent out and whom it was sent out to, and should ensure that it is as detailed as possible. There are measures that people can take to reduce the risk of such disputes occurring, although it is not clear whether they would be sufficient to stop a dispute of this kind.

That is the main focus of what I want to say, but as I said before the Division, other industry issues involving intellectual property rights have been drawn to my attention that I want to touch on briefly, including counterfeiting, the ownership of formats and the power relationship between large corporations such as the BBC and small independent producers. In some ways that last point mirrors what my constituent alleges happened to him, where someone with more clout took over his idea. That is what independent producers say happens in relation to the BBC.

Those issues may have been addressed by the Communications Act 2003, and I should be grateful if the Minister said today or later whether he believes that the core principles of the code of practice are working well. They include

"(a) that a reasonable timetable is applied to negotiations ...

(b) that there is sufficient clarity ... about the different categories of rights to broadcast ...

(c) that there is sufficient transparency about the amounts to be paid in respect of each category of rights".

There are a number of matters running from (a) to (g) in the code of practice that need to be addressed. We need to know whether the feedback that the Minister is getting from the industry confirms whether the code is up and running and working well.

It could be argued that the idea proposed by my constituent might fall into the category of a format. Typically, however, programmes such as "I'm a Celebrity, Get Me out of Here!", which are described as format programmes, can be transferred to another country in a very similar format or production. It would be interesting to find out the Government's thinking on the issue, particularly as the UK industry producing such programmes is very strong. The matter clearly has very significant financial implications for the industry.

Others have looked at the matter. The Minister may be aware of a speech given by Dr. Miriam Meckel, Permanent Under-Secretary for Europe, International Affairs and Media in the state of North Rhine-Westphalia in Germany. I will forgive him if he is not. In her speech, she gave a definition of a format as

"the core idea of a programme, the main framework and structure and all the characteristic features that make a show what it is."

She believes that the way to solve the problem is to

"hand the matter over to the European Union. This would ensure both that the issue was finally addressed and a solution found, and that the legislation would be uniform across Europe. Individual reforms in each country would only lead to an array of different rules and regulations which could leave some countries at a serious disadvantage."

I hope that the Minister will be able to clarify whether her strategy is a way forward for formats.

The idea of Europe as the way forward is not necessarily a commonly held view in the industry. One of the organisations that contacted me prior to the debate was the Alliance Against Counterfeiting and Piracy. It is quite concerned about the negotiations of the draft EU copyright enforcement directive, about which I knew nothing until about 12 hours ago. It is particularly concerned that the directive will leave UK businesses exposed and that it will impact negatively on their ability to protect intellectual property.

The alliance has three specific concerns: the proposals will hamper the ability of UK businesses to take appropriate action against intermediaries found to be infringing intellectual property rights; the proposal for intermediaries to be entitled to claim for compensation is an issue, given that that is already permitted under civil procedure rules; and the proposal to eliminate a rights holder's ability to seek double damages from an infringer seems dubious. Its view is that the penalties for counterfeiting are not sufficient and must be made much tougher, but it is worried that they will not be. Its concerns are exacerbated by the 12 accession states, which may not have the same regard for intellectual property rights as the existing EU members. I would appreciate either a written or a verbal response to those concerns.

There is no doubt that copyright law needs to catch up with the 21st century. A lot of business is about ideas rather than concrete designs and new inventions. To promote potential UK creative talent, we must clarify copyright law and we must safeguard and enforce intellectual property rights. In that way we could avoid controversies such as those generated by the "Busy Buses" programme. I hope that the Minister will be able to explain how that can be done.

4.30 pm

The Minister for Energy, E-Commerce and Postal Services (Mr. Stephen Timms): I congratulate the hon. Member for Carshalton and Wallington (Tom Brake) on securing the debate, which raises some important issues and the particular concern of his constituent, as he explained. The Government are acutely aware of the need for effective protection of intellectual property rights in material created for and exploited in the media nationally and internationally.

It is also important that that protection should be balanced with the interests of others in society, whether from the perspective of freedom for users of protected

[Mr. Stephen Timms]

material to make reasonable use of it for purposes of reporting, education, study and so on, or from that of enabling legitimate competition, or for other reasons. That balance has to be maintained in the Government's approach.

The most important form of protection in relation to the media is copyright. There are ever more challenges to the protection of intellectual property with the advances in digital technology in recent years, particularly through the internet. The hon. Gentleman is right to draw attention to the scale of the new issues that arise as a result of its spread, but provided that intellectual property protection keeps pace with technology development, the new and emerging environments also provide new opportunities for creators and producers to exploit and benefit from their material.

UK copyright law, as enshrined in the Copyright, Designs and Patents Act 1988, was already relatively well adapted to meet many of the challenges of technology. Of course, much has changed since 1988 and it is now the case—as the hon. Gentleman mentioned—that UK copyright law, like that elsewhere in the European Union, is strongly influenced by EU legislation. Since 1992 there have been seven directives in this field.

The most recent directive on copyright in the information society was implemented in the UK last October. It strengthens the protection of copyright in the digital environment. In particular, although the original UK legislation already gave rights owners extensive rights to control electronic dissemination of their material, the directive has required an amendment to the law to make those rights more clear and comprehensive.

The internet and services that deliver material on demand to consumers are important. The directive means that rights owners now have greater legal redress against those who seek to defeat technological measures such as copy-preventing devices. Rights owners need to be able to use such devices to protect their property, given the possibilities for unlimited copying and dissemination that modern technology affords.

The directive also provides for a number of exceptions to rights in areas where limited use of copyright material without permission should be permissible. The need for an essential balance between the interests of rights holders and the users of copyright material has been recognised for a long time in UK law. We have welcomed the recognition of that balance in the copyright directive and as far as possible we have preserved existing exceptions in the new regulations.

Last year we brought into force two new exceptions to copyright specifically designed to benefit visually impaired people who have difficulty reading copyright material in the form in which it is produced. Those new exceptions mean that difficulties and delays in obtaining copyright clearances will no longer be a bar to the production of much-needed alternative formats of copyright material, such as Braille or audiotape, by organisations such as the Royal National Institute of the Blind and the National Library for the Blind.

I do not make those points because they are specifically relevant to the case of the hon. Gentleman's constituent, but it is useful to place those concerns in the context of the recent changes to the law, because they illustrate our commitment to ensuring that rights are kept up to date, that they are enforceable and that their scope is balanced against the interests of others in society. That is particularly relevant in ensuring that copyright law continues to be balanced against the need to permit appropriate competition.

On the case that has been drawn to hon. Members' attention today, I need to make the point that copyright does not protect ideas as such. Such protection could be seriously anti-competitive. Many of the new programmes on television, and new ways of presenting material more generally in the media, might not have been possible if copyright protection had extended to an idea. For example, the idea of a cartoon based around characters of a certain broad type is not protected by rights that would prevent others from producing a different cartoon based around the same type of characters, and in our view it should not be so protected. The idea of a children's cartoon involving buses with faces is not protected by copyright any more than the idea of a book about trains with faces is protected by copyright.

Were copyright to protect such ideas, we probably would not have been able to enjoy both Warners' Daffy Duck and Disney's Donald Duck, or Warners' Sylvester and MGM's Tom. Creativity has always been inspired by what has gone before, and always will be. The cycle ultimately benefits us all by leading to a richer range of new media and other creative products, as those examples amply illustrate.

Tom Brake: My constituent's allegation is not so much that he had an idea, but that he had story lines, pictures and characters, and therefore that he had something with much more content to it than an idea.

Mr. Timms: I accept that point entirely. Copyright certainly does provide protection for sufficiently elaborated original expressions of ideas. A fully developed cartoon involving buses with faces that has not been copied from someone else is likely to be a copyright work that attracts all the rights granted to copyright owners, which enable the owner to act against those who copy that protected work without permission.

Copyright is infringed only if one person has copied from another's work. It is perfectly possible for two people working completely independently to create very similar cartoons. In that case, both could attract copyright protection and the creation of neither one would infringe the rights relating to the other. In the case that we have been considering this afternoon, it would be necessary to show that the cartoon known as "Busy Buses" copies at least a substantial part of the "Hoppy the Hopper Bus" series. Not only is it necessary to show that "Busy Buses" incorporates material that is the same as at least a substantial part of "Hoppy the Hopper Bus", but it has to be shown that that is the result of copying rather than independent creation. It is for the person alleging infringement of copyright to prove both those things. As the hon. Gentleman said,

that would need to be done in the courts, where the burden of proof is that the evidence must show those things to be true on the balance of probabilities.

I have explained that copyright protection for media ideas is not appropriate, given the anti-competitive effect, but when someone has come up with a new idea that is not yet in the public domain, it is possible—the hon. Gentleman mentioned this point—to use the protection arising from the law of confidence to have a right of action against those who pass the idea on to others without permission. In this case, I think that it is too late, but it may be helpful for others to be reminded that they could agree non-disclosure on the ground of confidentiality with those to whom they disclose their new idea, when the idea is not yet in the public domain. A breach of that agreement could be pursued as a breach of confidence.

The hon. Gentleman raised more general issues. He is absolutely right that the dramatic and spectacular growth in use of the internet, which is continuing, poses new challenges for copyright law, and that we must ensure that the law keeps pace with the changes. Many companies already trade online successfully. We welcome very much the enthusiasm with which media companies use the internet to disseminate information widely and quickly. The UK's creative computer games industry is one of the strongest anywhere. The internet offers many opportunities for the content industry, and those opportunities will certainly develop further as broadband is increasingly used.

There are also threats to content industries from the development of the internet. A mature debate is needed about both the opportunities and the threats. I am aware of some issues that the hon. Gentleman raised—for example, the concerns about the EC draft directive on enforcement of intellectual property rights raised by the Alliance Against Counterfeiting and Piracy. Those concerns have informed our recent approach to negotiations on that proposal. We hope that an acceptable and workable solution on intermediaries and damages can be achieved as a result of those discussions. On the relationship between the BBC and independent producers, we hope that acceptable voluntary solutions can be found. We keep that matter closely under review.

The protection of formats is a difficult issue that has been examined in the past. It is not clear at this stage that further protection beyond that already available is needed. Again, we do not want to introduce legislation that would be seriously anti-competitive. However, we recognise that that issue also must be kept under review.

All content industries, including media interests, are concerned about illegal use of their material online. We are committed to effective enforcement of intellectual property rights and have taken several steps on that in recent years, including as part of the UK implementation of the copyright directive to which I referred improving the structure for enforcing rights. The protection given by intellectual property rights is an important part of the framework to encourage innovation and wealth creation, but rights that cannot be enforced are of no value.

Enforcement of rights must be pursued differently, depending on the circumstances. Lumping together commercial piracy on the one hand and private copying on the other is unlikely to be helpful in the longer term. Private downloading of material that has been put on the internet illegally is an infringement of rights, but it does not constitute a criminal offence. Efforts to increase the understanding of and respect for intellectual property rights, particularly copyright, is not helped by branding illegal downloaders as pirates. We must educate consumers about the downside of sharing copyright works over the internet, but we must not accuse them all of being criminals.

It being sixteen minutes to Five o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Wednesday 11 February 2004

[MR. EDWARD O'HARA *in the Chair*]

Manufacturing

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Jim Murphy.]*

9.30 am

Mrs. Claire Curtis-Thomas (Crosby) (Lab): It is a great pleasure to be here this morning to talk about a subject that I thoroughly love and enjoy. It is a particular delight to see my hon. Friend the Minister for Small Business and Enterprise sitting next to me. I was at a dinner last night at which his face was beamed in—it was 12 ft wide; it was fantastic. The forelocks of his face radiated over the fantastic event organised by the Electrical Contractors Association. The general comments made were, "Great guy", "A huge enthusiast for the construction industry", and, "It's marvellous to have Ministers who are on side." I thought that I would start by saying that because it is the truth of it.

Mr. Henry Bellingham (North-West Norfolk) (Con): I agree.

Mrs. Curtis-Thomas: Oh, excellent; there is agreement all round—super.

Let us talk about manufacturing, which has endured a hard few years. I wish that I had a lifetime to talk to hon. Members about that marvellous industry and the people who work in it. It is a roller-coaster of a sector, and I think that manufacturing is the industrial equivalent of the chameleon because it must adapt continuously to survive. Manufacturing today is nothing like it was 100 or 10 years ago—or even, some would say, last week. Many innovative technologies wash over the immensely diverse sector daily. What it took 100 men—unfortunately, it was only men—to produce at the start of my lifetime in engineering takes only one man or woman today, and why not? If we do not lead in the area of process efficiency, other countries will take our business over. The greatest trick that we must realise, and the greatest challenge faced by my colleagues in manufacturing, is finding new lucrative ways to utilise and employ the hugely creative potential of people in the manufacturing world.

Given that I have only a few moments rather than a lifetime in which to talk, I shall concentrate my efforts on four areas of concern: economic policy and investment in the manufacturing sector; the involvement of women in manufacturing and the promotion of science engineering and technology to the public at large; skills and education levels; and the changing nature of the manufacturing sector. My hon. Friend the Member for Norwich, North (Dr. Gibson), the Chairman of the Select Committee on Science and Technology is in the Chamber, and I hope that he will have the opportunity to talk to us about nanotechnology, a subject close to his heart.

I begin by setting my remarks in the context of my experiences. I hope that hon. Members are aware that I am a chartered engineer—I am proud to be so. I am a fellow of the Institution of Mechanical Engineers, the Institution of Electrical Engineers and the City and Guilds of London Institute. Last year, much to my delight, I was made president of the Institution of Engineering Designers. However, I started as an apprentice on the docks down in Portsmouth in a machine tool company that made expensive products for the industry. It offered a limited number of apprenticeships, and I was the only woman whom it had ever employed. Two women started apprenticeships after me, but they both left after a short time. It was an exceptionally hard place in which to work. I was sent to Coventry for a long time after being assaulted by someone at work, who was subsequently suspended. Having no one to talk to for a long time at work at least focuses one's observational skills, and the only time I got to speak to people was when I went to night school.

I learned a great deal at night school and realised that what was happening at work was a long way from where technology stood at that time. It was totally obvious that the managers at my factory simply had no idea about the innovations that were taking place in their industry, and the company went into terminal decline because they failed to adopt those innovations, as did many thousands of other companies in the United Kingdom at the time. It was a desperately sad time for the shipping, steel, textile and coal industries. Thousands of gifted and highly skilled men and women walked out of work into wretched unemployment. The then Government's position was, "Let the market prevail"—well, it did. Within 10 years, the country had lost product intelligence that took millions of man hours to achieve.

No one in government at that time troubled themselves to discover the value of the skills and experience that walked away from thousands of factory gates year after year during the 1970s and 1980s. Everyone knew the cost of everything, but the value of nothing. There was no assistance available at all—it was every man for himself. On reflection, four areas of systemic weakness were evident at the time. Factories failed to implement process and product improvement, so processes were outdated and products did not match market need. Poor management was endemic—from where I stood, the problem was not all about the unions but poor management. The variable economic climate and associated fiscal policy militated against any long-term investment in British industry. Welfare and employment measures were punitive and existed in an environment in which unemployment was considered to be an unavoidable fate. Anyone over the age of 50 was considered to be absolutely obsolete. I was told that women should be at home tied to the kitchen sink and that although families naturally existed, they should have no impact on a man's ability to go to work.

In the 20 intervening years, I regret to say that every measure brought before the House to address the problems faced by British industry and ordinary working people was routinely objected to by the Conservative party. The Conservatives never wavered from their market-led position, and if they were in charge today, unemployment would continue to blight

[Mrs. Curtis-Thomas]

our society and families for generations. The people who are capable of taking us to the leading edge of highly profitable industries would lack the means to do so.

I know that many hon. Members will talk about the collapse of the number of people employed in manufacturing, but judging the success of the sector by the total number of people in work is immensely misleading. We cannot ignore the fact that we live in a global village and that we are one of the richest countries in the world. We could employ more people in manufacturing, but only if we matched the low wages on offer elsewhere in the world, which would be totally unacceptable. Our efforts must be channelled into finding and developing manufacturing activity that reaps substantial rewards for shareholders and employees alike.

What are the Government doing to help those who want to survive and grow in the incredibly diverse and creative world of manufacturing, and what else needs to be done now? Are we doing all that we can to reach out and talk to companies, large and small alike, and not only those that want to get on that come looking for help, but those in a heads-down, struggling-to-survive mode? What are we doing for that group? Last year, in my capacity as chair of the registrants' panel, which is the engineers' panel within the Engineering and Technology Board, I visited the manufacturing advisory service in Manchester with other members of the panel. It is led by a dynamic and enthusiastic woman, and I was utterly impressed. The Government have invested £15 million in the service, which has been match funded by regional development agencies. When people ask what is happening to their taxes, we can tell them that they are going into regional advisory services for manufacturing. We have put £15 million into that service and got back £28 million so far. Whatever way one looks at it, that means jobs for a sector that underpins a vast amount of our economy.

I am sure that hon. Members have heard of the Engineering Employers Federation, which is led by Martin Temple. It campaigns and works hard for the tens of thousands of companies that it represents. When I looked for a user's guide to the manufacturing advisory service, I looked to Martin, because if it was not working, he would say so loud and clear. However, he says:

> "The true measure of any successful programme is for good practical advice to quickly translate into tangible benefits. MAS is delivering on this, and EEF, through a number of our regional Associations, is delighted to be playing a part in its success."

The service did not exist before 1997, although there were other services that I used. The quality of advice was poor, and one was never sure whether one was getting value for money. The manufacturing advisory service is quality controlled, led and has an ethos of excellence.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): What my hon. Friend has said so far is music to my ears. However, has not the engineering industry failed over a long period as an employer to make the necessary investment in skills? We now have a more stable situation, and 1.7 million people are still working in the sector, but mainly for small and medium-sized enterprises. If the manufacturing advisory service is to work, it must reach not just big companies but down to SMEs.

Mrs. Curtis-Thomas: My hon. Friend is absolutely right. Good companies will go looking for help; there is no problem. They will come knocking on the door. The manufacturing advisory service, particularly up in Manchester—I cannot speak for elsewhere—has had hundreds of companies knocking at the door. Nevertheless, my hon. Friend's point is valid. A company of five people that is trying to work with six and seven people has to grab them and ask for help. There are a number of vehicles that would allow that. There is the business community, trade associations and all sorts of people who have to impress on companies that assistance and advice is available. I know that it is a huge struggle; I visit companies all the time and ask whether they have heard about such vehicles. They have not done so—not because enough effort is not being made, but because they are too busy to lift their heads out of work and relate to the services available. We must keep knocking on that door.

I turn to the measures that the Government have introduced that help companies generate more profit and encourage investment in new capital equipment and research and development. That touches on my hon. Friend's point about lack of investment. When companies are making enough money to cover only salaries, where do they find funds to invest in new product? Where do they find that huge capital up front and at reasonable rates that do not cripple the business? That is a problem for companies whose turnovers range from £100,000 to £100 million.

I want to refer particularly to, and applaud, the practical but easy measure that reduced corporation tax from 10 per cent. to zero in 2002. It seemed easy, but we had to pay for it—it came out of tax revenue. It made a huge difference and mattered to shareholders, whom we want to keep on board. What about companies that want to invest? I mentioned that, in Liverpool, we have had the benefit of regional venture capital funds, which give easy access to finance and are vital to business. We are not talking about pigeon feed; we are talking about £235 million going into our region—a fantastic amount of money.

I have had people coming to my surgeries such as an entrepreneur who wanted to set up a small catering company. He is now the largest producer of crispy duck on the planet. He is right in the middle of Sefton and we are delighted to have him. He got started with funding. Another man who wanted to invent and develop games on his own needed the money, technology and production capacity to do so, and he got it from such funds or from a venture capital trust. Venture capital trusts are an excellent innovation and are designed to ratchet in money from big public insurance companies, and it has worked. The trusts have delivered just over £1 billion. There have been gaps in the market, especially for very small companies that do not have the portfolio to attract venture capital funds regionally. So, the development of the small companies fund is excellent. I ask all my colleagues in the engineering world to take advantage of it.

Hon. Members may not remember the Chancellor announcing in his Budget—I think in 2000—the R and D tax credit. I think that I was the only person who

cheered at the time. Most people said, "What's that?" but it was absolutely huge; for little companies, it was a heaven-sent message. Little companies have no problem getting support for R—they can get support for research in universities; huge money is going to R—but what about D? There was no investment in D or money from the Government for it. We all know that to make money in business, one needs to go from R to D to manufacturing. When the Chancellor said, "We'll give it to you for R and D", that made a huge difference to many companies.

Mr. Sheerman: So much of what my hon. Friend is saying is good, but is she aware that a clause in last year's Finance Bill that was intended to address creative accounting inadvertently completely stopped small innovative partnerships in universities? There have been no joint projects between universities and companies for the past six months. Something serious has happened. In my capacity as Chairman of the Education and Skills Committee, I talked in the House last night to vice-chancellors, who are deeply worried. If something is not done, nothing on university campuses will move on joint partnership and research and development.

Mrs. Curtis-Thomas: Gosh, if the totality of that is true, that is bad news. I was also speaking last night to some colleagues who work in the business. I will turn later specifically to the construction industry; I cannot resist it with the construction Minister present. If what my hon. Friend says is true, the problem is serious.

I applaud the initiative that the Government have taken. We have a Government and a Chancellor who say, "We recognise the barriers to development and want to try to do something about them." Fantastic! I firmly believe that, if there is a problem, the Government are determined to do well by manufacturing, as it matters profoundly to this country's economy. I see my hon. Friend the Member for Norwich, North in his place, and I know that universities always want more money. We must examine the extent of the problem.

Dr. Ian Gibson (Norwich, North) (Lab): What about top-up fees?

Mrs. Curtis-Thomas: I will not talk about top-up fees today.

I want to address the fantastically massive investment that the Government have made in our science base, which is supported by the Wellcome Trust. That has provided £1.75 billion-worth of investment in science infrastructure. We have brilliant engineers working in universities, and want to keep more of them there. I know what an engineering department was like under the previous Administration because I was the dean of one. It was a desperately sad place. There was no talk about expanding the department; it was all about collapse. We talked about how many jobs the department would lose that year because there was no investment in the public sector and no pull on further education and other colleges to produce apprentices or engineers. What was the point of taking an engineering degree when there was no work at the end of it?

There has been a transformation since 1997. In order to conduct blue-sky research in universities, we needed massive investment. In walked the Wellcome Trust, and the Government grabbed it by the hand and said, "We'll join you." It has been a fantastic achievement that we in the UK have been able to retain the support of the Wellcome Trust, which could have gone to any other country or to our major competitors, but instead chose to come here where we still have some of the finest educational engineering facilities in the world.

Although researchers have benefited enormously from huge injections of funds, they do not get paid very much. My right hon. Friend the Secretary of State for Education and Skills announced not so long ago that researchers' salaries would be bumped up to £13,000. Frankly, that does not keep body and soul together. Research in engineering is done for the love of it, but we must find some way of recognising the enormous contribution that such people make down the line. They may not get into the manufacturing world, but they provide the products that engineers turn into fantastically fund-generating products.

Prior to Charles Clarke's intervention, research salaries

"haven't changed since the invention of the quill pen".

That is a direct quotation from one of my engineering colleagues who feels that he has been working in universities for that long and has struggled in very difficult times.

I turn to an issue that is specific to the construction industry, about which I know my hon. Friend the Minister will talk.Construction is not manufacturing, but the manufacturing industry underpins the products used in construction. The transfer of responsibility for construction from the former Department for Environment, Transport and the Regions to the Department of Trade and Industry may have a serious effect on the research and training community. The innovation review is focusing on major companies and technology departments at British universities. That is appropriate, as we want to work with the players and universities that are eager to set the agenda. However, that approach means that small process-driven companies and the fragmented sectors of the construction industry will have great difficulty in finding the industry muscle to compete for the available funds. My hon. Friend the Minister is aware of the problem, and he will know that it will result in a substantial loss of the funding that underpins much work that translates blue-sky research into usable codes and standards for a large part of the construction industry.

It was right to move responsibility for construction from the DETR to the DTI, but that must not be at the expense of organic and sustained improvement in the construction industry. Construction must not lose out as a result of that transfer. Construction is a major contributor of wealth creation in this country, and is said to produce up to 10 per cent. of our gross domestic product. However, we must recognise that innovation flows not just from university research and development, but from a plethora of small organisations. The DTI must examine the need to develop a package to support large numbers of small and medium-sized enterprises that have been disfranchised as a result of the focus of the innovation review. We want to ensure that small groups that have worked closely with small companies, which are difficult to reach, continue to do so and that that sector of the industry thrives.

[Mrs. Curtis-Thomas]

The good news is that I have almost concluded my speech, but before I do so, I shall touch on something that is close to my heart—apprenticeships and the involvement of women in the marvellous world of engineering and manufacturing. Apprenticeships, as we know, virtually collapsed in the 1990s and it took the Government a couple of years to focus their energies on the role of apprenticeships and the reason why they were necessary. In the 1990s, there was little for apprentices to do, particularly in the manufacturing and construction sector. However, that has changed, and there are now a variety of two-year and four-year apprenticeship programmes, which is music to my ears. I did a four-year apprenticeship—two years on the tools before learning a variety of other skills. I now meet young apprentices, and I find it extraordinary that they manage to do in two years what I managed to do in four. We have not lost the quality of the old apprenticeships—the programme works differently and is tailored to today's needs.

Mr. Sheerman: I agree with my hon. Friend, but only 38 or 39 per cent. of young people finish their modern apprenticeships. Something must be done, not in engineering or the manufacturing sector but in other sectors, to improve those figures. I hope that, like me, she supports the introduction of foundation degrees, which will complement modern apprenticeships. Modern apprenticeships will lead on to foundation degrees and even to university or practical employment.

Mrs. Curtis-Thomas: I am delighted that my hon. Friend came to support me this morning. I agree with him—I was going to say that the biggest problem for young people who choose to do an apprenticeship is finding an employer. That does not prevent them from going to college to do their apprenticeships, but if they cannot find an employer and the clock is ticking, they will surely quit. They know that there may be serious problems when they finish—who wants to employ an apprentice plumber or fitter who has never worked on a job? We do not want people with textbook knowledge but no practical skills.

We need to consider the quality of the courses on offer. I cannot comment in depth, but in my previous role as dean of an engineering faculty, I know that it is damned difficult to come up with a training product overnight. It is a huge exercise—we have to work with people who will use apprentices, and create courses and skills that will underpin businesses so that there is a ready market for students. If there is no such market, why would students want to remain at college? If people drop out, they may then go and work as an assistant, but they will end up working with bodgers—the lowest of the low who give qualified, skilled people a bad name.

One way in which to solve the apprenticeship problem is to establish better dialogue with employers. However, to return to my earlier comments, it is exceptionally difficult to reach out to some small businesses and encourage them to expand. When they are running here, there and everywhere, how can they focus on their future? Perhaps we should consider incentivising them, although I do not know how we would do so. In my day, companies were prepared to take a hit on the bottom line. When I was an apprentice, I was not producing anything profitable, but the company recognised that eventually I would be a contributor. We need to acknowledge that and allow employers to discuss the issue. We must be supportive—employers need apprentices, and we need them to grow their businesses.

I shall conclude by discussing the role of women in manufacturing and engineering. It gives me immense pleasure that a woman is serving as Secretary of State for Trade and Industry. There has been not just one woman in that post but two, which is great news. There are not many women working in engineering. We try hard to attract women, as engineering is immensely creative and accommodates people with a wide range of skills. People who are brilliant with their hands can find rewarding work in engineering, as can people with marvellous minds and naturally gifted artists. However, it is immensely important to try to diversify the engineering world—I am afraid that is still appears to be men wall-to-wall. I went to the Electrical Contractors Association dinner last night. If I were a single woman, it would have been a joy to behold about 1,000 men, mostly business men, who were all unaccompanied. A fair percentage of them must have been single—it is a fantastic business to be in. I do not believe that my engineering colleagues or the institutions have alighted on this, but perhaps we should think about speed-dating. A speed-dating agency could be attached to the Institution of Mechanical Engineers, God bless it, in Birdcage walk—such a service would be very popular. The Government have not yet alighted on such a measure, but we are innovative, so who knows?

In the absence of speed-dating, what are we doing to try to get more women into the male-dominated world of engineering? We have great role models in Patricia Hewitt, who is great, Margaret Beckett, and numerous other women. The DTI, recognising the seriousness of the problem and the fact that we will not realise the potential of the manufacturing sector unless we attract women and people from different ethnic backgrounds, has set up a number of groups. The Department continues to support the Women into Science and Engineering programme, which does a great deal of work in schools. That is important, as we need to reach young women and others when they are thinking about which career to pursue. I was involved in the inception of the WISE programme, which has been under way for 30 years. Its results are not momentous, but they are consistent, and it is a resource for women who are interested in science and engineering, as well as their parents and others who influence them.

David Sainsbury—

Mr. Bellingham: A marvellous man.

Mrs. Curtis-Thomas: Indeed, David Sainsbury is marvellous.

Mr. Edward O'Hara (in the Chair): Order. I hesitate to interrupt, but the hon. Lady has referred to Members of both Houses by name. She is well aware of the convention.

Mrs. Curtis-Thomas: Thank you, Mr. O'Hara. Then let me refer to Lord David Sainsbury as the Minister in

charge of the Office of Science and Technology. He has done an enormous amount, in his own way, to try to further the involvement of young people in science and engineering. He funded, through the Engineering and Technology Board, the science and engineering ambassadors scheme, which goes into schools and involves hundreds of people who are interested in engineering and want to promote it. The scheme needs more work, but it is delivering results.

Recognising that other Members wish to speak, but craving their indulgence—

Mr. Bellingham: The hon. Lady could go on for another hour.

Mrs. Curtis-Thomas: I could go on all day—there is such a lot of good stuff to talk about.

I know that I shall probably hear criticism of the Government's approach to manufacturing and of the fact that the number of people who are engaged in it may still be falling. However, Members of both Houses need to understand that there is something in people's blood that makes them cleave to manufacturing. This is a wonderful nation because its people have involved themselves in the production of goods since it began, and they are marvellous at it. The trick is to harness the creative ability and drive of people working in manufacturing and to develop the policies that maximise those great abilities. That requires constant effort. I ask the Minister to explain what more he intends to do to help the people out there, because if they are not there, we will not have the money that they make to spend on the betterment of others.

Mr. Edward O'Hara (in the Chair): Order. I remind Members that the wind-ups must start at 10.30.

10.1 am

Mr. John Randall (Uxbridge) (Con): Thank you, Mr. O'Hara. I shall try to keep my comments as brief as possible to try to ensure that other Members can catch your eye.

I thank the hon. Member for Crosby (Mrs. Curtis-Thomas) for introducing a debate on a subject to which she brings an undoubted expertise and enthusiasm that we all enjoyed. She talked about role models, but she is herself a good role model for many people.

I declare an interest—not a direct interest, Mr. O'Hara—in that since leaving university and before coming to this place, I worked in a retail outlet, a family business, which had close alliances with manufacturers, particularly furniture manufacturers. That is the nearest that I will ever get to Cabinet status.

When I came to this House nearly seven years ago, one could more or less stock a furniture department, both cabinet and upholstery, from British manufacturers. Sadly, that is no longer the case. I recently went to the national furniture exhibition at the national exhibition centre in Birmingham, had a look round and saw some people whom I had not seen for a few years to try to find out what was going on. I spoke to Roger Mason of British Furniture Manufacturers, a trade association with 7,000 members. Interestingly—I had not realised this—80 per cent. of its members have fewer than 10 employees. However, although we are talking about very small businesses, about 166,000 people work in the industry.

One of the reasons why British furniture manufacturing has been in decline is consumer driven. As with many other industries producing goods that we used to sell, such as cutlery from Sheffield or ceramics from the potteries in Stoke-on-Trent, British furniture has become too expensive for the average consumer now that people have other spending priorities. There is an influx of imported products, which, if we are honest, may not be nearly as good but are much more affordable. I am pleased that some manufacturers of furniture and other goods are being proactive by running advertising campaigns and trying to establish niche markets, with some success. However, as the hon. Member for Crosby outlined in relation to engineering, businesses sometimes find that they do not have the money to do what they want to do. We can all have lots of good ideas, but it is not always easy to carry them out. Some companies have been successful; others not so, but not necessarily because they are bad companies.

It is interesting that the decline has occurred pretty much equally all over the country. My great-grandfather started his furniture manufacturing business in High Wycombe, where there was a traditional industry, which has since declined, based on the beech woods of the Chilterns. According to the regional development agencies, the situation is more or less the same in every area. When the steel industry was in decline, many companies in south Wales started to manufacture furniture, and I remember that when I started in the furniture retail sector, we were a bit rude about their stuff, which was not of the highest quality because it was produced by steelworkers who had suddenly turned their hand to upholstery. That soon changed, as those skilled workers put their minds to new tasks and produced some very good things. Sadly, some of those jobs are now going.

What can the Government do about the problem? In fact, I do not think that Governments can do a great deal in a free market. I heard what the hon. Member for Crosby said about the previous Conservative Government. However, people often blame the Government without necessarily having a party political viewpoint. Many of my local manufacturers and small engineering companies in Uxbridge blame the Government for their problems—whatever the party, it is the Government who get it in the neck.

Manufacturers face many hurdles: that is by no means exclusive to the furniture sector. People often mention employers liability insurance, the compulsory nature of which means that it is impossible to negotiate with insurance brokers to get the price down. I am sure that many Members have heard complaints from business about the significant increase in insurance costs. Businesses face increasing amounts of legislation. No doubt, much of it is very worthy—only yesterday, I spoke in the debate on the environment, so I cannot knock environmental legislation other than to say that, proportionately, it affects smaller businesses more, because they cannot employ a person specifically to deal with health and safety or environmental issues, as can a large company.

[Mr. John Randall]

There is a feeling—some say that it is an urban myth, but I think that it is true—that businesses in this country do not have the level playing field that they want because other countries do not enforce legislation that comes from elsewhere as strictly as we do. When I was in business, the flammability of upholstery was a big issue, and Britain was at the forefront in addressing it. In fact, our flammability regulations were dumbed down when EU regulations were introduced, because they were not as good as ours. I have heard of cases, although I have no evidence, in which Customs and Excise, having received a tip-off, checked some goods that had come in from China—it could also be true of other EU countries—and found them to be sub-standard. It is simple to stick a label on a consignment of sofas or chairs without testing every one. Many British manufacturers feel that they are sticking firmly by the book while others are coming in round the side.

Many companies, particularly in my part of the country, find that when their lease comes up for renewal, the price has gone up considerably. In terms of property prices, location is everything. We have a tradition of small engineering companies in Uxbridge—I grew up with them. They are having to move out and their employees cannot find suitable employment without moving away from the area.

Mrs. Curtis-Thomas: Come to Liverpool.

Mr. Randall: However wonderful Liverpool is, the charms of rural Middlesex are also pretty good.

Brunel university's engineering department was famous for innovation. Although it remains famous, it is in decline and has problems, despite what the hon. Lady said. We have a science park where many interesting products are developed, but once a company reaches a specific size and is doing well, it cannot find another location.

I have outlined some of the problems and I hope that, through raising them today, we will manage to consider what to do about them.

10.10 am

Dr. Ian Gibson (Norwich, North) (Lab): I congratulate my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas) on instigating the debate. The word "manufacturing" appears to be rapidly disappearing from the dictionary. A few days ago, I heard the bad news that the last big manufacturing company in Norwich, Laurence, Scott and Electromotors Ltd. was to close. It once employed 2,000 people, but no longer. However, I guess that there are other jobs for 55-year-olds in a boom city.

At the same time as I heard the news, a document from the East of England Development Agency came through my letterbox and gave me hope when I first saw it. It is called "Sharing The Challenge—playing your part in reviewing the regional economic strategy". It purported to give us a vision of making

"the East of England a world-class economy, renowned for its knowledge base, the creativity and enterprise of its people and the quality of life of all who live and work here."

That is fine.

The document recognises that the east of England has good research and development arenas, high-profile headquarters and research establishments—for example, in Cambridge, Norwich and Ipswich—in advanced manufacturing, pharmaceuticals, biotechnology, information communications technology and so on. However, advanced "manufacturing" provides the only instance of the word in the main document. I went through it with a fine toothcomb and found that it also appears in appendix II, which points out the decline in manufacturing, including

"a 35 per cent. decline in employees working in manufacturing since 1985"

while

"the percentage of employees working in services has increased 30 per cent. over the same period."

Indeed, as other speakers have pointed out, the world is changing.

Britain could take a lead, however, and build up its manufacturing base in some arenas. For example, it is doing something but could do much more in nanotechnology, which is the big hope for the developing world in creating new jobs. I do not want to define nanotechnology or I shall end by fighting with His Royal Highness again about grey goo. It involves small particles, but has the potential for significant advances in health care, medicine, security, electronics, communications, computing and so on.

Let us consider one of the regional development agencies in the north, where my hon. Friend the Member for Crosby lives. The Office for National Statistics report on regional gross value added—GVA—points out:

"The manufacturing sector is the largest contributor to GVA in the NE region, but its fractional contribution is reducing."

However, it continues by stating that manufacturing

"remains much more important as a sector in the NE than for the UK as a whole, but it is now declining in line with the national average for the sector".

The challenge is therefore to take up the new technologies, push them into the industries and thereby keep the industries expanding in a modern way.

According to the document, the best way in which to increase the GVA in the large manufacturing sector is by using nanotechnology. There is therefore great hope for developing nanotechnology to help with an industry's problems. However, it is being commercialised mainly through small and medium-sized businesses. Large companies currently regard it as peripheral to the core technology. They expect it to have an impact on their future product performance, but have yet to formulate any nanotechnology research and development strategy. That is true of the East of England Development Agency.

That Government have put £90 million into nanotechnology in this country, but the document that fell through my letterbox—"Sharing The Challenge"—does not mention it. I have made that point in other places to try to make the East of England Development Agency move and use the new technologies. What more can a Government do but give money and ask the

regional development agencies to get on with it? There are brilliant people in the region, but they have to take action and develop the technology in the industries.

Germany is fourth biggest funder of nanotechnology after Japan, the United States of America and the European Union as whole. It intends to place its nanotechnology in the motor industry, pharmaceuticals, chemicals and optics. It is concentrating hard on that and it is currently ahead of the game. We have the potential but are being beaten back through lack of drive. I know that because the Select Committee on Science and Technology has considered nanotechnology and visited Germany. The chairman of the Development Agencies Network Collaboration for UK Micro and Nanotechnology told the Committee that recognising nanotechnology

"is vital to the future competitiveness of the industrial base of the UK and other regions . . . so there was a developing awareness of the importance of this field."

The professor who is director of the Cambridge Nanotechnology Interdisciplinary Research Unit, which is again well funded by Government, stated:

"I can only speak from my personal experience of the Eastern Regional Development Agency, clearly they have a lot of things which they have to work on within the RDA and in some cases the nano network is not high on their agenda and in some cases it is quite clear that they do not really understand the issue."

I rest my case that the technologies are there to develop, but we simply do not exploit and use them enough.

In our brave new world, we, like my hon. Friend the Member for Crosby, should be positive about product development and manufacture in the key areas of health care, pharmaceuticals, communications, environmental sensing, safety systems and so on. The world is opening up. An ink-jet printer has been developed in this country, creating a market of billions of pounds, as well as a blood analyser and other products that keep people in work and benefit the health and wealth of the nation.

We need an integrated approach and I ask the Minister to consider asking the development agencies what they have done with the money because, without the injection of cash into manufacturing industry, it will disappear and the word "manufacturing" will no longer be in the English dictionary.

10.17 am

Richard Burden (Birmingham, Northfield) (Lab): I congratulate my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas) on securing the debate and on the passion with which she presented her case. She was right to remind us of the dangers of turning the clock back to the dark days of the 1980s. In the west midlands, we know only too well the devastation that Government policies caused then. That is not to say that manufacturing does not continue to face a tough time and the hon. Member for Uxbridge (Mr. Randall) was right to mention employer's liability and insurance, which are a problem for many companies.

Manufacturing remains significant. In my region, it accounts for 20 per cent. of employment. My hon. Friend the Member for Crosby was right that we need to move up the value chain to become world class and fulfil the skills agenda. I have a specific interest in the automotive sector, where great work is going on, such as the creation of the automotive academy, which boosts skills and processes. I congratulate everyone who has been involved—in the Government, the learning and skills councils and the private sector.

We need to examine our development of the catalytic parts of engineering that can build and boost industry beyond its immediate area. My hon. Friend the Member for Norwich, North (Dr. Gibson) was right to mention nanotechnology in that context, and I draw attention to the high performance engineering and motor sports sector, the value of which the Government rightly recognise.

We should also emphasise the importance of Government influence in procurement and I am glad that that is being re-examined. I feel that acutely coming from Birmingham, where we are witnessing the end of 150 years of train manufacturing at Alstom. That should not happen, and we should exercise greater influence to prevent such occurrences in future.

I want to get something off my chest. When we consider manufacturing, there is sometimes a tendency to draw false distinctions. In the automotive industry, no manufacturing sector means no retail, car mechanics, repairs or sales sectors. When the Longbridge plant in my constituency was threatened in 2000, it was not simply a problem for those who worked there. For every job lost there, three or four others would be lost, including in the supply sector and even in the corner shop across the road. A link therefore exists all the way through.

The reason that I mention the point now is that over the last few days MG Rover has been in the news again, and I want to comment on that briefly. Once again, special investigations are appearing in the newspapers, which at first sight seem to be drawing the same conclusions as the special investigations undertaken about six months ago. There are whispers of at best corporate greed, and at worst asset-stripping at that plant. I have some criticisms of some of the decisions taken by the directors of Phoenix Venture Holdings, and I have told them to their face and put them on the public record. If there are serious questions to be asked, the company must be comprehensive and transparent in answering them. It may feel that it has answered those questions previously, and in many cases it has. It owes that to the people who helped it to save Longbridge back in 2000, however, and it owes it because without giving those answers, even if it has done so previously, the speculation will continue.

I also want to send a message to the newspapers and the "experts" who often make such allegations. My constituents just wish that when national newspapers publish these stories, they would show as much interest in the future of the company, the future of the people employed there and the future of car making at Longbridge as they appear to show in getting a good headline. Hardly an article is written without Rover being referred to as "the stricken car company" or "the troubled car maker", irrespective of whether sales are up or down, irrespective of whether new models are being brought out or not, and irrespective of whether those models have attracted praise or criticism. All those things hit confidence.

There may be some who are only too happy about that. There may be people who have an axe to grind, who wrote off Longbridge back in 2000 and who never

[Richard Burden]

forgave the employees there for rewriting the script and proving them wrong. They were told that they would be out of business in six months, a year, and then two years. Four years on, however, they are still there. What is the future? I do not know. There have been setbacks, and the company faces big challenges. Nothing is guaranteed. The business is very different from what it was in 2000, however. New models have been brought in over the past three years, and new models are on the way. Their success will be critical to the future of the company.

The analysts and the press should ask what questions they want, and the company should give open and transparent answers to those questions. I do not believe that it has anything to hide, and it needs to demonstrate that. However, the analysts and newspapers should not impose on this company and its employees expectations that they would not apply to other businesses of this size. They should give the employees of Longbridge the chance to do what they want to do—to let their cars do the talking.

10.22 am

Brian Cotter (Weston-super-Mare) (LD): First, I congratulate the hon. Member for Crosby (Mrs. Curtis-Thomas) on securing this debate. She clearly has great experience, and one might say that she is something of a fellow in many ways, certainly judging by her experiences with her many fellowships. She made a great double act with the hon. Member for Huddersfield (Mr. Sheerman), who has just left. I am sure that theirs, like many other double acts, will continue, as they related to each other very well and raised some serious issues.

It is important that we again debate manufacturing. The topic is relevant today because, once again, we have disappointing figures from the Office for National Statistics, which show a fall in manufacturing output in December. I shall refer briefly to an issue on which the hon. Member for Uxbridge (Mr. Randall) touched: insurance costs. I hope that the Minister will take account of the great burden that manufacturing has had to bear because of the increased costs of employer's liability. Despite warm words about those costs being brought under control, I know from having spoken to the industry that although the increases are being reduced, many concerns remain, for example, about notice of rates from insurance companies and other issues. I therefore thank the hon. Member for Uxbridge for his contribution.

Despite hopes that the sector is beginning to recover and evidence that manufacturers are confident about boosts to the volume of orders and business activity, recent figures make it clear that the sector is far from being out of the woods. December's output figures should be of great importance to us because of the vital role that manufacturing plays in our economy. Although the contribution of manufacturing to the economy has been diminishing for a long time, it still accounts for around 17 per cent. of gross domestic product.

While house prices boom and consumer spending spirals, manufacturing remains stagnant, and the economy continues to be fundamentally out of balance. December's fall in manufacturing output means that economic recovery could end up being based on consumer borrowing alone. British consumers are expected to have accumulated debts of £1 trillion by this summer, and it is clear that that is unsustainable in the long run. In addition, yesterday's announcement of the record quarterly trade deficit from the Office for National Statistics further undermines the Government's bravado about the strength of the UK economy.

Last night I attended the Engineering Employers Federation—the manufacturers organisation—dinner at which the Chancellor spoke. He did not exactly tell us what was in the Budget, but we heard lots of warm and encouraging words. Let us hope that they are translated into action. The decline in manufacturing is weakening our ability to export, and it is becoming increasingly clear that the services sector will no longer be able to cover the import-export gap.

We have a two-speed economy, with runaway consumer spending and a weak manufacturing sector. The Bank of England alone cannot resolve that. I therefore ask the Minister what action he is taking to rein in irresponsible lending to consumers and to ensure that we do not return to the old days of boom and bust. I imagine that the unkind references to the Tory Government made by the hon. Member for Crosby related to boom and bust. I give the current Government credit for having brought stability to the economy—although, modestly, I point to the fact that they adopted the long-standing Liberal Democrat policy of having an independent central bank. None the less, I congratulate them at least on stability, and generally on jobs, although, unfortunately, we are not keeping up in manufacturing.

The Department of Trade and Industry has given subsidies to various larger manufacturing companies in the form of regional selective assistance, yet many of those larger companies are beginning to outsource their operations abroad. Although we must accept that that is a natural phenomenon under a free trade system, we should not allow such companies to accept huge Government subsidies on the premise that they intend to bolster jobs in the local community when, in reality, they end up moving their operations abroad. Only last month, despite the fact that in 1994 an £86-million public aid package was used to attract Samsung to invest in Teesside, the company announced that it was quitting its Teesside site to take advantage of lower production costs in eastern Europe and China. Samsung received, I think, £10.5 million of that regional selective assistance.

A *Financial Times* survey conducted last summer also found that half the £750 million in grants offered to regional aid projects over the last decade went to 16 companies that have since closed or fallen well short of job creation targets. Although it is not wrong to try to attract foreign investment, it is imperative that the Government measure properly the way in which taxpayer's money is spent to ensure that it achieves the maximum benefit for local communities and the economy. Increasingly, we need to direct money to our manufacturing businesses. The message must be conveyed that the DTI cannot—must not—go on digging into the taxpayer's pocket to bail out flagging

companies such as British Energy. A large amount has gone to that company, and even larger sums may go to it in future, perhaps largely to benefit its shareholders.

I know the Government are thinking of allocating regional selective assistance according to the need to boost productivity, rather than just for jobs. That is a welcome departure, but the way in which public money is distributed to private companies should be scrutinised more closely, perhaps by the National Audit Office.

We need to boost innovation by encouraging more private investment in firms, so that money is available for research and development. The hon. Member for Crosby rightly emphasised the importance of development. Much more must be done to inform manufacturing firms of where they can go to obtain finance. Although the Government have introduced a research and development tax credit, a recent KPMG survey found that only 9 per cent. of firms are taking advantage of it, and many are unaware of its existence or do not know how to claim it. The Government should promote plain speaking not only in regulation, but in explaining to people what is available to them. It is imperative that we help small and medium-sized manufacturers by encouraging private investment, cutting bureaucracy, and encouraging research and development.

More support for training and initiatives are needed. Modern apprenticeships must be flexible, so that apprentices will feel that they will have a good job at the end of them. There has perhaps been too much training and not enough hands-on work. More in-house training is needed, especially in the case of small companies, which cannot easily allow people to leave the workplace.

There is still a skills gap. According to a recent survey by the Forum of Private Business, skills training is the second most important issue for small firms. Skills must be relevant to business, and there should be links not only with universities but with schools. I have encountered great concern about the lack of careers advice to attract people into manufacturing. Lately, I have talked to many people about training, and I have been told that careers advice in schools is often not good enough—indeed, young people are sometimes actively discouraged from going into manufacturing. That must change. We must also get rid of the idea that vocational courses are second best. The days when apprenticeships meant no more than learning to screw things into machines are long gone. Nowadays, people need complex skills to run machinery. It must be made clear to those at school that manufacturing has a great deal to offer them.

I strongly support the concept of the Manufacturing Advisory Service, but I urge the Minister to ensure that it is monitored. It does very well in some areas, but in others it needs to be reassessed. I applaud the Government's regional approach to the service, but I want them to go further. Liberal Democrats believe that the DTI must be slimmed down considerably and that service must be delivered at local level.

We need to raise the profile of manufacturing. Manufacturing is exciting, it is essential to the country's future, and it can provide a great future for our young people.

10.35 am

Mr. Henry Bellingham (North-West Norfolk) (Con): I congratulate the hon. Member for Crosby (Mrs. Curtis-Thomas) on her ebullient speech, which showed her enthusiasm and experience. I shall make it my business to attend more trade association dinners if I know that she will be at all of them.

Some of the headline figures for employment and economic growth—and, indeed, the latest CBI survey, which revealed stronger output growth in manufacturing—may lead Ministers, including the one present here today, to believe that everything is a great deal better. However, as the hon. Member for Weston-super-Mare (Brian Cotter) pointed out, the December manufacturing output figures showed a fall of 0.1 per cent. and output still 4 per cent. below the 2000 level. We heard another announcement of Liberal Democrat policy today when the hon. Gentleman said that he wants the DTI to be slimmed down, but the other day his boss said he wanted to get rid of the Department. It would be useful to know exactly what the policy is. In any event, it is not Conservative policy to get rid of the DTI. We think it is doing a good job, especially with the Manufacturing Advisory Service.

There are other storm clouds: for example, figures show that Britain is no longer the number one place in Europe for inward investment—we have fallen to about number four, behind France and Germany—and recent World Economic Forum figures on competitiveness show that we have fallen from fourth to 14th in the ranking. Moreover, as the hon. Member for Crosby pointed out, manufacturing investment is at an alarmingly low level—the lowest for about 20 years. The wretched trade figures have also been mentioned.

Let me say something about the overall tax and regulatory burden. The hon. Member for Crosby referred to the Engineering Employers Federation and the indomitable Martin Temple. The EEF has been very complimentary about the Manufacturing Advisory Service and several other Government initiatives. Conservative Members give credit where it is due, as the Minister knows—I often compliment him personally on his enthusiasm and energy. However, he might have missed a comment made by Martin Temple the other day. He said

> "Businesses in this country may well be able to cope with individual burdens and regulations, but the cumulative weight of the regulatory burden is now destroying wealth creation, especially among SMEs."

The CBI, the Institute of Directors and the British Chambers of Commerce have made similar comments.

One consequence of the growing burden on businesses is the increasing trend towards "offshoring". Not only low value-added manufacturing concerns, but sophisticated call centres and other financial service back-up operations are now moving to the subcontinent and the far east. The companies involved include BT, HSBC, National Rail Enquiries and, as the hon. Member for Norwich, North (Dr. Gibson) will know only too well, Norwich Union. It has not caused huge pain in Norwich, but Norwich Union has "offshored" a significant part of its operation in recent months.

The skills gap is narrowing. The other day I spoke to the chief executive of a financial services company who said that the brutal truth was that the decision is a no-

[Mr. Henry Bellingham]

brainer. If people in this country cost at least £25,000 a year per employee—that is not a great deal to pay someone, but it is the overall cost of each job in the call centre—and they can be replaced by people in Bangalore who have degrees, speak good English and are highly motivated, literate and numerate for perhaps £2,500 a year per employee, it is understandable that businesses take such a step.

It is worrying that the skills gap is narrowing rapidly, particularly in China—a giant that is stirring and making extraordinary progress in building its own technical know-how and ability. That is why it is ever-more vital that the DTI and other Government Departments focus on creating a thoroughly proactive and dynamic skills agenda, as the hon. Member for Crosby rightly pointed out.

We must also have an across-the-board SME policy that has the desired impact on such businesses. The Government have introduced various initiatives, made improvements to some of the schemes, including the small firms loan guarantee scheme, which the Minister and I have debated on a number of occasions, and introduced other schemes, such as the regional venture capital funds and the phoenix fund. However, as my hon. Friend the Member for Uxbridge (Mr. Randall) pointed out in a succinct and all too brief contribution, there is a crisis in public and employer liability insurance. Many companies simply cannot get insurance. According to the Federation of Small Businesses, about 10,000 companies are continuing to trade without proper public and employer liability insurance. We have had a Department for Work and Pensions report on that, but I would like the Minister to comment on what the DTI is doing to alleviate that crisis.

My hon. Friend mentioned EU regulations and the Government's tendency, arising from our different culture, to gold-plate regulations, and he mentioned the regulations on inflammability. I looked at the ceramics directive the other day. There was a perfectly good inspection regime in the ceramics industry in this country. Perhaps only 20 or so businesses in the west midlands are affected, but by implementing the ceramics directive with added fervour, we have created an inspection regime that exceeds that in every other country in Europe—countries that apparently were content to leave their existing inspection regimes in place.

That is not an example of malice on the part of the DTI; it is symptomatic of the attitude in this country. We insist on implementing directives to the letter, and we have a culture of ensuring that the law is obeyed. It is an honourable and sensible culture, but the Minister must tell us that companies in this country and in Europe will be receive equal treatment.

My hon. Friend mentioned the stamp duty land tax. The Minister may talk proudly about the number of tax reductions that have been introduced, but what is the benefit to firms of relieving them of one burden but then imposing another on them in the form of stamp duty land tax?

We are seeing an erosion of flexibility in our economy on the supply side. In his winding-up speech, for which I will leave him plenty of time, I would like the Minister to focus on the working time directive. I am sorry that the EEF dinner that I went to clashed with the Institution of Mechanical Engineers dinner, which I would have liked to attend as well. At the EEF dinner, the Chancellor made it clear that, as far as he was concerned, the working time directive and the UK's individual opt-out was a red-line issue. He said that it was absolutely vital for British business that we kept the individual opt-out, because we have a different employment framework from other European countries and it is vital to our competitive position. I support what the Chancellor said.

The Commission is to publish its report on the future of the UK individual opt-out and indeed the future of the opt-out generally—other countries in Europe have an individual opt-out. The least the Chancellor should be entitled to expect is the enthusiastic backing of his fellow socialists, the socialist Members of the European Parliament, but, unfortunately, they have not even been neutral. Far from staying out of the way and perhaps helping the issue to go away, under a Spanish MEP, Cercas Alonso, they have published the so-called "own initiative" report. Mr. Stephen Hughes, secretary of the Socialist Group, said last week that the group

> "want speedy and specific action from the Commission to remove the individual opt-out and overall, the Socialist Group takes the view that an opt-out from the health and safety directive is a dangerous nonsense."

Can the Minister comment on that? When the Chancellor and other Ministers are doing all they can to ensure that the UK's competitive position is maintained, it is a pity that their colleagues in the European Parliament do not sing from the same hymn sheet. The Minister may comment on the fact that, when my good friend the Under-Secretary of State for Trade and Industry, the hon. Member for Bradford, South (Mr. Sutcliffe), whom I shadow two days a week in the Standing Committee scrutinising the Employment Relations Bill, went to Europe the other day, the great Mr. Hughes refused to see him to discuss the future of the UK individual opt-out. That is important.

It is easy to quote statistics selectively, and all of us, including the Opposition, are guilty of that. The Minister might say that I only dig out pictures that are disturbing to the Government; equally, we could say that the Minister paints pictures that are over-rosy. However, as the hon. Member for Norwich, North will know only too well, many constituencies in Norfolk contain small engineering and manufacturing companies that are finding life very difficult.

We are, as the hon. Member for Weston-super-Mare pointed out, enjoying something of a consumer boom at the moment, but that may be largely dependent on, or at least fuelled by, people taking equity out of their homes. The Minister is very good at getting out and talking to people on the ground—every organisation that I speak to, including the EEF, the FSB and the Forum of Private Business testifies that he talks to businesses—but it is vital not only that he stands firm on the UK individual opt-out on the working time directive, but that he listens to people on the ground, so that we have in place policies that are proactive, totally relevant and above all go a long way to ensuring that the small firms sector and the smaller end of the manufacturing sector are able to retain their position and, I hope, grow to

provide jobs to substitute for the jobs lost to offshoring, in which many larger businesses are engaged. I look forward to hearing what the Minister has to say.

10.48 am

The Parliamentary Under-Secretary of State for Trade and Industry (Nigel Griffiths): I congratulate my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas) on securing the debate. She takes a keen interest in this crucial subject and has on several occasions brought influential constituents to brief me at the DTI, for which I am grateful. As a qualified chartered engineer actively engaged with major industry stakeholders, she speaks with great authority. I am also grateful to other colleagues for the interest that they take in manufacturing and for the generally non-partisan approach to manufacturing, which is a sign of its great significance.

Yesterday, I returned from a DTI trade mission in Malaysia, where I met representatives of some great UK manufacturers and exporters such as Rolls-Royce and Shell. They there are fighting for orders for their world-beating products and technologies—technologies such as the Trent 600/900 engine, which was developed in the UK through a great partnership between the DTI and Rolls-Royce, involving £250 million of Government money. It is now capturing more than a third of the world civil aero-engine market, and is an example of the Government backing the best in manufacturing. Indeed, I am delighted that the day before yesterday Bangkok Airlines announced that, having cancelled an order for two Boeing aircraft, it is now to order two Airbus 320s in contracts worth more than $100 million. Last year, for the first time, Airbus delivered more planes than Boeing—indeed, I understand that 305 were sold worldwide. These are good news stories, and there are a lot of them.

As Members know, I care passionately about manufacturing. I try to get out of the DTI to business one day a week, and when I do so I always visit a manufacturer. Manufacturing accounts for one sixth of our GDP and contributes in excess of £150 billion to our economy every year. There are some 3.5 million jobs in manufacturing, most of which are highly skilled, high-quality jobs, and of course there are millions of other jobs in the supply chain. When I visited the Swindon factory last year to see the 1 millionth Honda and the 1.5 millionth engine come off the production line, the head of Honda in this sector, Harada San, told me that 113 British manufacturers are in the supply chain for that factory. I am sure that a similar tale can be told in respect of the Cowley factory in Oxford, which I visited at about the same time in order to see the Mini.

I am aware of the importance of manufacturing, and so are the Government, which is why we held the first major review of manufacturing in 30 years, and set up the Manufacturing Advisory Service, which has been greatly praised here this morning. It is making a real difference to the quality of manufacturers in the regions by bringing the best together and by ensuring that everyone has a benchmark and the necessary mentoring. That is why, in the less than two years that the service has been running, manufacturers have made more than 20,000 inquiries, why 1,200 in-depth consultancy projects have been undertaken by MAS experts in the region—people who are themselves involved in manufacturing and industry—and why the average improvement in the productivity of companies assisted by in-depth consultancies has been an estimated 38 per cent. That amounts to £38 million of added value to those companies since the 2002 launch, which has had a great impact on the bottom line.

Some serious issues have been raised and I shall address them in no specific order. One issue that affects us all is the failure of companies that get regional selective assistance from regional development agencies, and how we should treat them. I take a very serious and sober view of this issue, but I do not believe that a company such as Samsung set itself up to take £10 million from the Government and then walk away from an investment worth 10 times that amount. Collapses can occur in high-technology markets—a situation not helped by the general global downturn that we have experienced. I have met representatives of companies such as Corning, and I know that for personal reasons—they are not completely selfish, ruthless individuals—it is as difficult for chief executives to lay off workers in this country as it would be for us to face such difficult decisions.

I therefore urge a word of caution to Members. I want Samsung back here—I do not want it to go away with a bad taste in its mouth—but that does not detract from the comments that have been made about necessary accounting for the money, why it was spent, or whether the Government are getting a return for their investment. It is of course proper that the National Audit Office and others examine whether Ministers and their advisers are taking sound business decisions in allocating the money, but it is equally important to point out that companies that get regional selective assistance are not generally in it for the money. They want their product or service to be developed by a highly skilled local work force, and they are as sorry as anyone else when that does not work out. We should be very reluctant to make them feel worse than they already feel by making groundless allegations about what they may have done with that money or by making irresponsible demands for them to pay it back.

I agree that the facts on training are clear. In 1979 we were training some 180,000 apprentices, but by 1997 that figure had fallen to fewer than 90,000 people—indeed, it may have fallen to fewer than 70,000. Now, more than 230,000 people are undertaking modern apprenticeships. Last Monday, I visited a fantastic further education college in north Wales. Members will share my gratitude for the fact that, even though the skills do not relate directly to manufacturing, it has doubled the number of people undertaking plumbing and allied skills training. Notwithstanding the drive to provide more people with the opportunity to go to university, which I and perhaps the majority of Members present enjoyed, it is vital that further education courses and other courses get their share of the necessary resources and praise. We all know of constituents who are undertaking modern apprenticeships and training that, although not higher education, are of equal value to it.

The Government take offshoring very seriously. Earlier this month, the Secretary of State called together the CBI, trade unions and others to examine companies such as Great Universal Stores, which has brought back its outsourced Indian facilities to the United Kingdom

[Nigel Griffiths]

because it can guarantee quality and productivity here. I know from that meeting that not all the parties involved feel that protectionism offers any long-term solution, but we will do what we can to ensure that companies that are repatriating jobs to this country are regarded as exemplars, and that the lessons they have learned are communicated to companies that are thinking of outsourcing. Of course, the number of people working in call centres in this country—although not generally linked to manufacturing, call centres can play a role in the sale and servicing of manufacturing products—is at record levels and has been increasing, so the net gains to Britain have been good, which is in marked contrast to certain other countries that might be considered the protectionist model, not least the United States.

I shall not trade statistics on manufacturing, and I regret that there has been a dip in manufacturing output. However, we have enjoyed good increases in output, and Members will realise that although there has been a steady fall in the number of manufacturing jobs in all the advanced industrial countries, our output is at almost record levels—indeed, it is more than 25 per cent. higher than it was some seven to 10 years ago. In that respect, we are enjoying the results of a more productive work force.

I am grateful to my hon. Friend the Member for Crosby for giving me the opportunity to respond to this debate on the Government's behalf. If there are any points that Members would like me to elaborate on, I shall be more than happy to write to them.

Somali Community in the UK

11 am

Jeremy Corbyn (Islington, North) (Lab): Good morning, Mr. Deputy Speaker. I am grateful for the opportunity for this debate on the situation facing the Somali community in the United Kingdom. *[Interruption.]* Is something wrong?

Mr. Edward O'Hara (in the Chair): The correct nomenclature is Mr. O'Hara.

Jeremy Corbyn: Good morning, Mr. O'Hara. Thank you, Mr. O'Hara, I shall start again.

I am genuinely grateful for the opportunity to have this debate on the Somali community in the UK. Hon. Members will be aware that there was a debate last week, which was introduced by my hon. Friend the Member for Clydebank and Milngavie (Tony Worthington) concerning the situation in Somaliland and aid to it. This is not a debate about the complicated political situation in Somalia or Somaliland, or about the questions of aid to those areas. It is a debate about the situation facing the Somali community in the UK, many of whose members have travelled to this country recently because of the desperate situation in their country—particularly in the southern part of Somalia—which has led them to be victims of the nascent civil war and of warlords. One hopes that there will be an effective peace process in that country, which will help reduce the tensions and enable people to live a much better and fuller life.

Many Somalis who have come to Britain have suffered the most horrific experiences. I want to talk about that issue and the plight of the Somali community in this country. My constituency has a considerable number of residents from Somalia, many of whom have come quite recently. I hold a special monthly advice bureau, with interpreters, for members of my local Somali community, so that we can discuss their problems and so that I can do my best to represent them. My constituency probably does not have the largest Somali community in the UK; many other constituencies in London probably have more Somalis, and Cardiff and other major British cities have substantial communities.

In meeting the local community, several things have impressed me. First is the sense of hurt that many Somalis feel. They have managed to escape from a dangerous situation and come to this country. However, our arcane immigration and housing procedures mean that if they cannot get full status to live here, they are unable to get access to permanent council housing. Therefore, they cannot get access to living permanently in a community and that in turn affects access to health, education, well-being and everything else. I will return to that a little later.

I thought that the best way to support that community was to recognise the great contribution that many Somalis make to our society, and to try to bring many groups in that community together. Therefore, I invited all of the Somali groups and communities that I could find to meetings here in the House of Commons, and I was amazed when nearly 300 people arrived for the first one.

We had a brief discussion about the history of the country from which everyone had come, but we had a much longer discussion about the situation in Britain. We then drew all those people together and decided that the important thing to do was to recognise the needs of the community in this country. From that idea, the Somali community as a whole put together a comprehensive report—I would happy to provide a copy of it to the Minister—outlining the kind of problems that its members face. Later on, the Government office for London also produced a report on developing good practice in service delivery to Somali communities in a number of London boroughs. That is a welcome initiative. Concerns on similar issues have been expressed by the Greater London authority, and indeed, that body has held meetings on the situation facing the Somali community.

Before I go through the problems that face the community, let me make it clear that it is important that we do not present Somalis as being victims or supplicants, or as people who are demanding something. It is a strong and vibrant community, which brings a rich cultural tradition to this country. The older Somalis, particularly those in Cardiff and in some parts of London, most of whom come from Somaliland and were traditionally involved in the merchant marine industry, have been here for many years. More recent arrivals make an incredibly strong contribution. It is a community that wants to work, succeed, survive and contribute. Therefore, when we outline the problems—I am sure that the Minister would agree with this—we are trying to enable that community to contribute much more to our society.

I have various concerns, and I shall go through them in slightly more detail in a moment. The first is the problem of family reunion. To say the least, it is traumatic when child asylum seekers arrive in this country and, because of the problems of the immigration service or of simple access to entry clearance officers in Nairobi—or any other place where the rest of the family happens to be—then have to wait years for the great day when the family reunion takes place. The trauma experienced by those child asylum seekers is tremendous. I have met several of those children in children's homes and other places, and it is something that will live with me for a long time.

The next concern is housing and the poverty that goes with the lack of adequate accommodation. There are a large number of single-parent households within the community, many of whom live in great poverty. Usually the mother is in charge of the children; they need better access to education and English language teaching opportunities. Above all, the community as a whole needs better access to the labour market and all that goes with it.

I want to go briefly through the main points of the report. Several working parties were set up, one of which dealt with the British media and their presentation of the community, which, on occasions, has been unbelievably appalling. There was a ludicrous story in several local papers about the Somali community stealing and eating donkeys. It was complete and utter nonsense. It was racist in its intentions and did enormous damage to the community. The police inquiry proved the whole story to be complete nonsense, but it was damaging and I had hoped that the press would have been slightly more responsible in their reporting.

The victimisation of young people, especially those who are subject to violent crime, is another concern. I cannot forget the day that a young Somali man in my constituency, Abdul Hamza, died as a result of a brutal attack just outside the home where he was living. The degree of racist violence in our society is unacceptable. It is appalling and the way in which the press report such matters is very important and must be handled sensitively.

There is the problem of young people who do not have sufficient qualifications and who are not achieving as much as they should do in school. The part of the report carried out by two youth groups was very instructive in that respect. It outlined the contribution that is made by Somali youth projects, but they are underfunded. We need to understand that there is a problem of cultural diversity as well as cultural tension within the community when parents and grandparents arrive in this country and pursue a fairly traditional sense of family relationships. To some extent, young people rebel against that and want to grow up as young western, liberal-minded people. That is fine. We welcome that, but that cultural tension must be dealt with, so that young people are proud to be Somalis living in our society.

Housing is a serious issue. There is a massive housing problem in London as a whole, as there is in most of the south-east. There is less of a housing problem in the north-east or north-west. In my community, those Somalis who have achieved permanent residence in this country often take others into their houses. Such people may well be asylum seekers who were distributed by the National Asylum Support Service to other parts of the country but, because of the racist threats that they faced there, have returned to London and live almost as homeless people on the floors and settees of other people's homes, often with little income. Poverty within the community is huge, but the sense of community support for individual families is great.

We must consider the problems associated with barriers to work because of institutional racism, the difficulties of finding appropriate interpreters to deal with individual problems and the provision of adequate access to further education opportunities, especially for Somali women. The report deals at some length with health problems. They range from the problems of those who have fled from the terrible, internal strife in Somali and who suffer stress and trauma and need support, to problems resulting from the use of the drug khat, although that is not the only problem. I do not wish to stereotype the community as being totally dependent on drugs. There is a drug issue, but there is a drug issue in the whole country and among young people throughout our society.

An issue that was interestingly discussed in part of the report was that of relations in Europe, and the way in which the EU and the European social fund and its derivatives can assist that community. I am grateful for the work that has been done by a number of MEPs, particularly Claude Moraes, in trying to represent the needs of that community in Europe.

The report, which I will provide to the Minister, shows the strength of feeling in the community, the high degree of education among many Somalis living in Britain, and their difficulty in finding access to work and employment. We are short-changing ourselves and the

[Jeremy Corbyn]

community when there are asylum seekers who are highly qualified nurses, doctors and others with great experience who, because of problems with the immigration procedure and cross-recognition of professional qualifications, are living on benefits. They ought to be able to contribute to, and work properly in, our society. The Home Office is well aware of that waste of resources.

Dr. John Pugh (Southport) (LD): I congratulate the hon. Gentleman on securing this important debate. I do not have a large Somali constituency in my constituency, but I wonder whether it will surprise him to hear of the following case. It was brought to my attention not by the Somali community, but by magistrates and lawyers who attended a legal case in which a Somali gentleman, who was refused asylum but was also unable to be repatriated by our Government, proceeded to work for cash. He endeavoured to put that cash in a bank, and produced false identification. He ended up being committed to the Crown court, and will probably get a jail sentence. He will ultimately be released, and will then have no alternative but to repeat the sequence of events. Does the hon. Gentleman not consider that situation intolerable? We are talking about a man who wishes to work. He may or may not have permission to stay in the country, but he has been rendered stateless by procedures as they operate. I am sure that the hon. Gentleman will not be surprised to hear that that is of concern not just to—

Mr. Edward O'Hara (in the Chair): Order. That is a rather lengthy intervention.

Dr. Pugh: It is—I apologise, Mr. O'Hara.

Jeremy Corbyn: I thank the hon. Gentleman for that intervention. I fully understand the circumstances surrounding the case that he described. Clearly, if we do not give people an opportunity to work or receive some other reasonable income, they will be forced into all kinds of circumstances. I fully understand that, and it seems an awful waste of public resources to put such a person in prison when we denied them the opportunity to work in the first place. That is what we should consider.

The Government office for London's first report is welcome. It looks at issues of housing, empowerment and representation at local level. It suggests a need for support for community projects and advice, business advice, and support in training and advocacy work. It gives a good summary of some of the local community projects in London and gives great support for them. I went to the presentation conference organised by that body, at which there were representatives of many local groups, the police and local authorities. There was an understanding that we need better co-operative working on all that, but also that there is a serious underestimation of the size of the Somali population in London.

I have asked many parliamentary questions to various Ministers concerning the numbers seeking asylum, the numbers accepted, and the number of people that have not been accepted but whose cases are pending, and whose families can therefore not join them in this country—that is a serious issue that the Minister will no doubt want to address. I have also asked questions about the degree of public funding and support for relevant and various Somali community projects around the country. I hope that the Minister will either give us some good news on that, or be prepared to consider the following question: are we fairly supporting this community around the country to enable it to contribute and promote itself in society?

During my many meetings with the Somali community, I have been impressed by several things. First, there is the sense of injustice about the victims of a war—victims of the civil strife—and all the trauma and horror that go with that. I have talked to young Somali children who have been through that, and they have witnessed things that none of us ever wants to witness; things that we certainly would never want our children to witness.

I recognise that Somali women are often the mainstay of the community. Often, they are living in poor circumstances and find life very difficult. They need support, opportunities for education, and better access to nursery support for their children so that they can educate themselves. The Somali community needs that lift and support so that it can make a greater contribution to our community, and allow its young people to lead richer lives as a result.

I am proud to represent my local Somali community, as, I am sure, are many other hon. Members. It is important that the Government recognise in their reply—I am sure that they will—that there is an opportunity to give much more help and support, which will be repaid many times over in the economic contribution that this important community makes to our national life.

11.16 am

The Parliamentary Under-Secretary of State for the Home Department (Caroline Flint): I congratulate my hon. Friend the Member for Islington, North (Jeremy Corbyn) on securing today's debate. Adjournment debates are a good vehicle for focusing on issues affecting particular constituents, which sometimes are not given time in our other debates in the Chamber across the way. I also welcome my hon. Friend's constituents who have come to give him support.

I know that my hon. Friend takes a keen interest in the concerns of all his constituents, but that he also recognises that, although people face common issues, each constituency has particular situations that can be exacerbated by several issues. Some of those issues can be caused by people coming to the UK fleeing, as he has eloquently said, the wars and horrors that many of us would find hard to conceive. People find themselves here and, having gone through the processes of being granted refugee status, wonder how they will be able to cope with language and cultural barriers, as well as with all the other problems related to a major city, such as housing, and access to employment, training and education.

The Home Secretary and my right hon. Friend the Minister for Citizenship and Immigration have recognised that, as well as focusing on the asylum system and law, the Home Office and the Government must consider what their responsibilities are. The issue is

cross-departmental, and if we have given someone indefinite leave to remain, we must consider how we ensure that they are able to take up the opportunities that should be available. If we are honest, we have to say that for decades that side of the problem has not been attended to. That is why, regardless of where people of different cultural and ethnic communities come from, we still have problems with people being able to speak and read English, and with things that follow on from that, such as being able to take up education opportunities, work and volunteering—the very things that could help communities have their voices heard in the regeneration projects that this Government are funding across the country. Every community within a community should have its voice heard.

A key aim of the Home Office is to consider how we can support strong and active communities, while recognising diversity and realising that for some people we may have to think much more creatively about how we ensure that their voices are heard. Part of promoting good and active citizenship is about inclusiveness.

My hon. Friend did not touch on this, but it is important to acknowledge the rise in recent years of right-wing organisations in our elections. They use opportunities to create tensions, exacerbate problems and, in some ways, see difference as a bad thing, rather than recognising that diversity is a good thing. Perhaps we should think more about how we celebrate diversity and make sure that links between different communities within the larger community can be made. It is not a tale of two cities; we do not want that situation. We are trying to address the matter now; if we do not, that will allow the far right to take advantage.

The citizen unit is now in place in the Home Office. It will develop the active citizenship centre. We will ensure that every citizen can take part and be a strong voice in their local communities.

My hon. Friend mentioned legislation. He is constantly considering how we can improve entry clearance and ensure that people are dealt with considerately and effectively in the system. Some of that depends on the large number of applications that different entry clearance posts abroad receive. They are responsible for dealing with such applications abroad and they have targets for that. Obviously such targets depend on the number of applications, but they are trying to meet targets of three to six months.

Jeremy Corbyn: Will the Minister ensure that the posts abroad process things quickly and efficiently and that posts in the middle east, particularly Saudi Arabia, do not have a security system that makes it impossible for Somali people working there even to get into the building to make an application? I know that that sounds ludicrous, but one of my constituents had such an experience.

Caroline Flint: I will take that example away as something to consider and pass it to my right hon. Friend the Minister for Citizenship and Immigration, who will write to my hon. Friend. If there are specific examples, we want to hear about them to establish whether we can do anything to alleviate the situation.

We have also tried to consider the needs of Somali people who come to this country, in order to be better able to deal with their applications. There are some new initiatives: one involves a Somali expert working in the asylum-screening unit. He sits in on the initial screening interviews and informs the decision-making process. That may be helpful: the issue is not just about refusals, but about granting people access and enabling them to move on in the asylum process. Language testing is also important so that at the screening we can quickly ascertain that a person is who they say they are. That is not a negative resource but a positive one, to ensure that people are identified quickly.

My hon. Friend mentioned children who come to the country alone. We are concerned about that, and my right hon. Friend is considering the issue. A UNICEF report last year discussed the issue of unaccompanied children who come to this country. With social services and other Departments, we are considering what we can do. Linked to that is how we liaise with such children's family members, who may be in their country of origin or in another country awaiting the chance to come to the UK.

Recognised refugees have access to housing and support, although my hon. Friend quite rightly mentioned some problems. I understand that there are particular problems in London. He also mentioned dispersal. The issue for London local authorities is not only space but the sharing of our responsibilities to provide accommodation to asylum seekers. The spreading of the responsibility further around the country was addressed. I hear what my hon. Friend says about the problems that occur when communities give accommodation in part of the country without the back-up and support that are available in London. London and the other major cities have generations of development in this respect; my own area of Doncaster has not. However, we have put considerable effort into trying to make those communities also address such issues in ways they have not thought of before.

In my constituency, less than 1 per cent. of people define themselves as being from an ethnic minority. It is important to address these issues regardless of the number of people from different groups who are in our communities; otherwise we end up with a situation in which some parts of the country properly engage in them—in relation to not only refugees but the diversity of children coming into our schools—whereas other parts of the country, where people might not be so visible, do not properly address them. Although there are difficulties, it is important to do that. Even if there is only one Somali family in Doncaster and their children are entering our schools, it is important that they receive some support—just as it is for those groups around the country that have the added resource of community support. We try to do what we can in that respect.

My hon. Friend raised a number of housing issues. I have mentioned employment, training, education, health and welfare rights. Many of those issues are about people being able to access services and make demands about what they want. The situation can be undermined if people in different communities feel that services are not relevant to them and do not address their needs. Some people also cannot engage because they do not have a voice, as they cannot speak English as well as they speak their first language. That is part and parcel of what we have to address.

[Caroline Flint]

We have to deal with the situation of people who have been here for many years, as well as that of younger groups and children when they are born. We must have different strategies to deal with those different generations. As my hon. Friend said, the Government office for London has been working hard to tackle some of those issues.

I want to mention a project in Toxteth run by the Merseyside Cultural Organisation. It provides support and advice to local residents, many of whom are asylum seekers and refugees from the Somali and Yemeni communities. It runs a community interpretative course, language courses, weekly cultural classes for children, weekly benefits advice and Jobcentre Plus surgeries. From what we have seen so far, that project shows that there is enormous potential for the development of self-help services in such communities.

My hon. Friend made a very important point. We must not just provide services that we think are right for different communities or tell people how they should do things; we must recognise what the problems are and respond to them according to local needs. Self-help is also important, which is why we need to make sure that the Somali community and many others are able to get involved in these projects.

Another example of such projects is the new deal for communities project in Bristol. It has shown how local residents can actively engage in improving their localities. There are also a number of other projects. It is important to recognise that although new deal projects and neighbourhood renewal projects are not necessarily directed at one community, we should encourage different communities to engage in them so that economic and social renewal means as much to them as it does to anyone else.

I have been making the point that neighbourhood renewal projects and new deal for communities projects should address the issue of drugs as well as improving the built environment and looking at jobs. Social issues are very important. Under the refugee integration challenge fund, we fund the East London Somali Association. That project aims to help Somali refugees to access services and to understand and take advantage their rights, and to offer emotional and physical support to people who have suffered terrible horrors, which is why they are here in the first place. It also aims to help Somali refugees to help themselves and to solve problems associated with their refugee status. We are also developing a programme of learning for new arrivals, which will include Somalis. That will build on the active learning for active citizens project.

We are considering ways to address the problem of khat misuse. We are commissioning research that will give us an update on the Griffins report of—I think—1998. It will look at the relationship between khat use and other drug use, khat and crack use among Somali women and a number of other issues. In our drug strategy, we are also looking at diversity. We know that we cannot make assumptions about drug use. We have to understand it. We also have to understand—

Mr. Edward O'Hara (in the Chair): Order.

11.30 am

Sitting suspended till Two o'clock.

Air Transport White Paper

2 pm

John Barrett (Edinburgh, West) (LD): It has been almost two months since the Department for Transport published its much-anticipated and much-delayed White Paper, "The Future of Air Transport." When the Secretary of State made a statement to the House last December, time constrained and limited the number of questions that could be asked, and as a result many Members here today were unable to ask questions. When that issue was raised on points of order, Madam Deputy Speaker said that there would be many more occasions on which the White Paper could be discussed. This debate is the first such occasion, and it is to the Government's discredit that they have not afforded Members an opportunity during their time to discuss what is an important national issue and, for many of us, a major constituency issue.

For both of those reasons, I am pleased to have secured today's debate. Despite time constraints, I hope that I will be able to allow many Members to raise specifics points, ideas and concerns. For my part, I want to make some general comments about the overall implications of the White Paper. I am sure that Members will understand, however, if I focus some of my remarks on Edinburgh airport and the impact that the proposals will have on those of my constituents living around it.

The fact that almost 500,000 responses to the consultation papers were received illustrates the interest that people have in the issue, and the importance that they place on it. For all concerned, the fact that the White Paper was published after great uncertainty and delay was welcome. Many people are now in a clearer position than they were before, but others face even greater uncertainty. In some cases, that uncertainty could go on for the best part of 15 years.

Mr. John Taylor (Solihull) (Con): On the question of uncertainty, I have something in common with the hon. Gentleman as regards Birmingham airport. Is he satisfied that there should be a voluntary blight compensation scheme funded by the airports, or should there be a standard national compensation scheme whereby everybody at least knows where they stand?

John Barrett: I shall talk about blight and compensation later. I certainly agree with the hon. Gentleman that constituents living in areas that have to be protected for airport expansion cannot have their future put on hold, as is currently planned for many people. The Government have estimated and made projections for transport growth, and have produced a set of plans on which such growth can be accommodated. That, in its most basic terms, is predict and provide, and few outside Government believe otherwise.

One of my greatest concerns about any airport and air transport expansion is the environmental impact. After all, air transport remains one of the most polluting forms of transport and any significant increase in air travel could wipe out all gains in CO_2 emissions, which the UK will have to meet under the Kyoto protocols. The fact that the Government devoted an entire chapter of the White Paper to environmental impacts shows the importance that they place on the issue. The question is, what do we do to minimise the impact and ensure that the air industry makes an appropriate contribution to meeting the environmental costs that are incurred?

Unfortunately, the Government's chapter on the environment did not go down too well. The Aviation Environment Federation described the measure contained in the White Paper as "inadequate and ineffective". The Royal Commission on Environmental Pollution said that

"the White Paper fails to take account of the serious impacts that the projected increase in air travel will have on the environment. It favours commerce over vital carbon dioxide reduction measures."

Other organisations, such as the Environment Agency, were equally critical. It is regrettable that there is a strong feeling among the environmental lobby, which was part of the consultation process, that its views were ignored.

David Taylor (North-West Leicestershire) (Lab/Co-op): Is not the core challenge the fact that, in the period covered by the White Paper, CO_2 emissions from aircraft may rise from the proportion that they contributed in 2000 of 5 per cent. to 30 per cent? Should there not be fiscal incentives to tackle that problem?

John Barrett: I agree that the air industry gets off relatively lightly. There is not an even playing field for how alternative forms of transport are taxed. We will address the fiscal action that could be taken later.

The White Paper effectively pins environmental hopes on air traffic measures—more research and development and, most of all, emissions trading. However, it entirely lacks any sense of urgency and any practical targets as to how the industry's impacts on climate change will be controlled. The aviation industry supports an open emissions trading scheme but has called on the Government to resist introducing any other interim taxes or solutions. That is not surprising, as no industry wants to pay more tax—just as the average constituent does not enjoy paying income tax. However, those taxes are for a common good. The aviation industry is unlikely to be incorporated into international trading schemes until 2012, and progress so far does not fill me with confidence. Doing nothing in the short term is not an option.

Last year, the Environmental Audit Committee produced a first-class report entitled "Budget 2003 and Aviation", which laid down an environmental challenge for the Government on air transport. I agree with that Committee's frustration about double standards over transport taxes. We tax car fuel to high heaven, but aviation fuel gets away relatively scot-free. We slap VAT on to vehicles but not on to passenger tickets. There are a number of inequalities in fiscal measures in different areas of transport.

This is not only about fiscal measures. If the Minister's Department truly believes in an integrated transport policy, there must be a much greater focus on air-rail substitution. I was disappointed that in a White Paper of 49,000 words, only 560—little more than 1 per cent. of the entire documen.—were devoted to air-rail substitution. It concerns me that the Government are not taking this matter as seriously as they could. Short-haul flights are the most polluting flights.

[John Barrett]

An excellent report by the Commission for Integrated Transport of only two days ago showed the degree to which short-haul flights could be replaced by high-speed rail. With the proper investment, Edinburgh to London rail times could be as short as two and a half hours. That journey takes me three to four hours on average—it took my assistant more than four hours today. Such times could easily be reduced if the present journeys were substituted by good high-speed rail links.

I checked the flight information for Edinburgh airport today. Of the 103 arriving flights, some 65—almost two thirds—were from airports that can be reached by rail. If the Government were to take on the mantle of air-rail substitution, we could help protect the environment and reduce the passenger forecast on which they have made so many of their projections.

Edinburgh airport is in the centre of my constituency, so I have another reason for taking a strong interest in the Government's aviation policy. It has already experienced considerable development and expansion. Between 1993 and 2002, passenger numbers increased from 2.5 million a year to almost 7 million. It makes a massive contribution to the economy of Edinburgh and the rest of Scotland. Many of my constituents are employed as airport staff, security personnel, hotel and car rental staff, and so forth. However, the airport's greatest contribution is perhaps that it acts as a gateway to the rest of Scotland—people arrive in Edinburgh, the capital, and they then move on elsewhere in the country. That brings millions of tourists to a city that is heavily dependent on tourism. It also brings businessmen and women to the rapidly expanding business parks around the city, such as Edinburgh park. It is also increasingly used by politicians who are visiting the Scottish Parliament—or who will be when, as is hoped, it is completed later in the year.

The White Paper lays out a strategic plan for the airport. The Government were right to put an emphasis on making the maximum use of the airport's existing facilities—increasing terminal capacity, extending the current runways and taxiways and increasing capacity, and specifically increasing the number of direct international air links. That will be of great benefit because it will bring more people to the city and offer my constituents greater choice for their holidays and business trips.

The biggest and most headline-grabbing part of the White Paper for Edinburgh was the go-ahead for a new parallel runway that will be constructed by about 2020. It does that on the basis that passenger demand will increase to 20 million passengers a year by 2030. Now many people, including some very knowledgeable people within the air transport industry, have told me about their doubts about whether that figure is realistic. They say that the true figure will be considerably fewer than 20 million per annum. BAA plc has acknowledged the great uncertainty contained in the Government's projections of air transport levels. That is why I said that the decision on the second runway did not have to be taken at this stage and that land to the north of the existing runway should be conserved for possible future use.

However, the Government decided to take that decision now, stating in paragraph 5.7 in the White Paper that

"there is . . . a good economic case for a phased development . . . constructing a new parallel runway, probably around 2020".

I hope that the Minister can explain why the Government have come out in favour of a second runway when clear uncertainty over passenger numbers remains. Why does his Department conclude that a second runaway is needed for 20 million passengers a year, when Gatwick handles more than 30 million passengers a year with only one runway? If he simply responds by saying that there would be smaller planes and that that means more plane movements, I must return to what I said earlier about air-rail substitution.

I deviated quite strongly from the White Paper about the second point in paragraph 5.7, which states that there should be

"more use of the current crosswind runway for departing aircraft—although this will provide only a relatively small amount of additional runway capacity".

Of course, there is strong case for having a standby runway in the event of essential maintenance or for other reasons. However, there is a world of difference between using the crosswind runway on the odd occasion that it is required, and using it for all departing aircraft, as the White Paper proposes. When do the Government predict that the crosswind runway will start being used more "intensively", as they put it? The White Paper, in paragraph 9, states that it would be used only "for a limited period." With the new parallel runway not expected until as late as 2030, a potential 26 years is hardly a limited period.

The Secretary of State, in both written answers and answers given to me on the Floor of the House, has made much of the issue of noise improvements for people living in Cramond, which is part of my constituency. That is all fine and well, and I welcome those improvements, which will be seen by my constituents in that part of the city. However, the Minister's Department never makes any mention of the hundreds of people in North Gyle, Gogarloch and Wester Broom, which are parts of my constituency, who will experience a significant increase in noise levels above their houses.

Will the Minister—he may have to write to me on this point—tell me more about the safety issues surrounding the use of two intersecting runways at the same time? I have been advised that such a scheme could break Civil Aviation Authority rules, and that there is no similar scheme in any other UK—or even European Union—airport. On a practical basis, the idea of using two runways that lie almost perpendicular to each other simultaneously sounds dangerous to me, and I fly out of the airport every week.

The White Paper has added considerable uncertainty to about 33 households in my constituency, which are within the new airport boundary—as outlined on page 66. I accept that the map is only indicative. However, it is safe to say that the airport will have to expand its boundary and that the map took in households in Carlowrie and Lennymuir. For all intents and purposes, those people have—as I mentioned earlier to the hon. Member for Solihull (Mr. Taylor)—had their lives put on hold while the local planners updated and while BAA came forward with concrete plans.

Some of my constituents have contacted me to say that they are suffering from stress. Some are uncertain about the future schooling of their children and all of them are effectively living in unsaleable properties. I have impressed on BAA the importance of keeping those residents fully up to date with any developments, whether they be positive or negative. As hon. Members can probably imagine, in such small communities rumours can quickly evolve. My office has already had to deal with a number of the concerns of local residents—those are only the people who live within the boundary of the new airport. Many thousands of people live—and will be affected—immediately outside the airport.

I am hopeful of having a meeting with BAA management in the near future, at which these concerns can be raised and expected time scales for action can be agreed. I strongly believe that BAA should enter into early negotiation with these residents about buy-out schemes.

Mr. Paul Truswell (Pudsey) (Lab): Would the hon. Gentleman agree that there is a need for airport operators to be required to publish a plan which describes future developments, the impact that they will have and what is being done to address that impact, so that there can be full public participation in that process?

John Barrett: We certainly agree on that point, although the planning process in Scotland may be slightly different from that in the hon. Gentleman's constituency. However, a major worry for constituents is that they are being kept in the dark—either deliberately, or by omission, because someone has not bothered to contact them. People should be brought into the dialogue at an early stage, and the airport operators are the ideal organisations to do that.

As I said earlier, in the case of my own constituency, waiting until BAA needs the land, possibly in 15 years' time, is not an option. I accept that planning issues north of the border are not an issue for the Minister, but I hope that he will work closely with Scottish Ministers to ensure a cross-border policy that protects the interests of those people and no doubt thousands more who are in a similar position throughout the UK.

The decision to propose an airport plan that takes over the land currently occupied by the Royal Highland and Agricultural Society of Scotland was also very disappointing. The Department for Transport estimates that the Royal Highland showground would have to relocate by 2013. I appreciate that those issues are beyond the Minister's remit, but I tell him that there is considerable opposition to moving the showground. More than £10 million has been spent in the past four years developing the site into a world-class exhibition area. Since the first show there, 40 years ago, the showground has developed into a major centre that now attracts more than 1 million visitors every year and raises more than £200 million for the local economy—hotels, bed and breakfasts and shops throughout the city benefit from it. I cannot think of any other site in or around Edinburgh that can provide 18,000 sq m of space and parking for 20,000 cars. The proposal would mean that the show would have to move out of Edinburgh, and some have estimated the cost of moving to be about £500 million. I make no comment on who would pick up the bill. The society itself has understandably produced a number of determined statements opposing the idea of moving, but I have no doubt that the issue will rumble on for quite some time.

I shall end my remarks on a positive note. I was in complete agreement with the conclusions in the White Paper on the importance that it placed on improving surface access to the airport, and in particular the emphasis placed on the airport-rail link. The information document produced by the Scottish Executive at the beginning of the planning development for the rail link showed that only 16 per cent. of passengers travelling to and from Edinburgh airport did so by public transport, which is an outrageously low figure. That has put considerable strain on traffic flows on the A8—the nearest major road to the airport—and has added to the considerable pollution faced by my constituents in the villages of Ratho Station and Newbridge.

The detailed rail-link plans unveiled last week are a considerable commitment and run contrary to many of the doom-and-gloom predictions that such a scheme would never take off. Work is now expected to start in two years' time, and although there may be some disruption while construction takes place, I am hopeful and confident that people will benefit from an excellent new service from 2010.

I am aware that many other hon. Members want to contribute to the debate. I hope that this will not be the last opportunity that we have to discuss the White Paper and that the Government will not leave it to Back-Bench Members to test their luck in further Adjournment debate ballots. In the meantime, I look forward to the Minister's comments on the issues that I have raised.

2.19 pm

Mr. Tony Colman (Putney) (Lab): I congratulate the hon. Member for Edinburgh, West (John Barrett) on securing the debate. I also echo the comment that he made at the beginning of his remarks—more than 150 Members stood to catch Mr. Speaker's eye at the time of the original statement. It is a pity that since that statement was made in December there has not been a full debate on the matter on the Floor of the House. This afternoon, Mr. O'Hara, nearly 15 hon. Members are seeking to catch your eye, and it is a shame that the debate is so truncated. I will therefore keep my own contribution short.

I wish to make three points on behalf of my constituents in Putney, of which the first is the omission of rotary-wing aviation from the White Paper. Perhaps there is a sister or daughter paper that I have not identified—I understand that some 27 papers were published last night, and it might be contained in those. I am concerned that heliports and helicopters are not properly dealt with.

The Battersea heliport is just over the border in the constituency of my hon. Friend the Member for Battersea (Martin Linton), but entry and departure from it is along the river between the constituency of my hon. Friend the Member for Hammersmith and Fulham (Mr. Coleman) and mine. The route should continue along the river and turn north or south at Barnes common and the wetland centre, but it has not been

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followed. I have had meetings with Battersea heliport representatives. I wish the Minister to ensure that there he has control not just over fixed wing, but rotary wing aviation. The helicopters have to come in below the Heathrow flight path, and they are coming in far below it. That problem is becoming much greater, particularly with the deviation from the route that I described, and is hitting people in east Putney and Southfields.

There is a need to ensure that security controls cover not only the larger helicopters, but the smaller ones, which are currently not regulated and offer a considerable potential terrorist threat to London. The British Helicopter Advisory Board would like the Minister to take those matters forward in a daughter document dealing with rotary aviation.

Secondly, the proposal to end the alternation of Heathrow runways, which is covered in the White Paper at paragraph 11.66, was reported in the press on the basis that it was about to happen almost overnight. On reading the document, it can be seen that that proposal is not due to come into force immediately. My discussions with officials at the Department have led me to believe that that is potentially about five years off, if it will even happen then.

There will be full consultation with all Members and groups. Before the consultation starts, an air quality study will be needed to validate and improve the noise modules relating to what any potential change in alternation would mean in terms of the appalling conditions that my constituents in Putney would suffer not every other week, but every other day.

Mr. David Wilshire (Spelthorne) (Con): I am sure that the hon. Gentleman is aware that there is a range of opinions about the future of Heathrow. However, the one thing that unites us all is an implacable opposition to any change to alternation.

Mr. Colman: I am extremely pleased that that unites everybody in the Chamber. The Minister should make it clear that the end of alternation is a tentative proposal and does not have the support of the Government at this time.

Thirdly, I should like to deal with the third runway at Heathrow. I hope that my hon. Friend the Member for Hayes and Harlington (John McDonnell) will be able to catch your eye, Mr. O'Hara, and will go into that matter in significantly more detail. I was pleased that the EU NOx limits were quoted and must be met in terms of any possibility of a third runway. I was pleased to hear from Jeff Gazzard of the Aviation Environment Federation, who said:

"The White Paper puts a really big barrier in the way of more development at Heathrow—legally enforceable 'never exceed' air quality limits are good news for the people of Putney. The EU limit for Nitrogen Oxides, produced in increasing volumes by aircraft exhaust emissions over West London, will undoubtedly have a major effect and could well limit future growth at Heathrow. The Government, airlines and BAA simply have to comply and actually work to reduce pollution in real terms."

Amen to that. In the Minister's response to a debate on sustainable aviation on 18 November, he said:

"I look forward with some trepidation to the next ICAO meeting because ICAO . . . needs a kick up the proverbial backside to push things on far more than it has done . . . We can act as an exemplar to ICAO to pull its finger out and get things done more readily."—[*Official Report, Westminster Hall*, 18 November 2003; Vol. 413, c. 246WH.]

I am not sure whether it is good or bad news, but ICAO, in its meeting last week, failed to set strong limits for nitrogen oxide emissions for airports, and by doing so made it almost impossible for a third runway to be built at Heathrow. The Minister could not attend that meeting but I hope he will be able to attend future meetings. In a sense, the officials did the people of Putney a good turn by not objecting to the weak NOx standards that were set at the time.

I have been brief, as many of my colleagues want to speak. The White Paper sets the limits on NOx, which means that the third runway will not be built. I should like confirmation that the Government are not proposing the end of alternation and I look forward to stronger controls on helicopter use, especially the use of the Battersea heliport.

Mr Edward O'Hara (in the Chair): I remind hon. Members that winding up speeches in the debate will start at 3 o'clock.

2.27 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): I shall be brief. I simply ask the Minister why, in the case of Luton, he has backed a different proposal from the two options on which consultation was taken? Why, instead of building a new runway, is he proposing to build more than a kilometre of additional runway at the end of the existing one, which points into my constituency? Why has he ignored the fact that the consultants ruled out such an option before the original consultation document? Why has he ignored the fact that the original consultation document stated that if a new runway was built at Stansted and at Heathrow, the proposed additional runway would be twice what was needed and, by implication, should not be built? Why, in the White Paper, have the Government doubled their forecast of the use of Luton if runways are built at Stansted and Heathrow? Why is the Minister proposing that Luton should be expanded to the size of Gatwick, although the surface area of the airport is only 40 per cent. of Gatwick's? Luton depends far more on people arriving by car as there is no direct rail access, and it gets a higher proportion of its revenues from parking charges.

Finally, why do the Minister's proposals make no provision for new infrastructure to cope with 30 million passengers being disgorged on to the already overcrowded roads of Hertfordshire, with the inadequate rail infrastructure?

2.28 pm

Mr. Alan Hurst (Braintree) (Lab): I am grateful to have this brief opportunity to argue against a further runway at Stansted.

Most hon. Members will have driven through the Stansted area on the M11 and some will have gone to the airport, but many may not be aware of the nature of the countryside and the heritage that surrounds Stansted airport. It is generally recognised as an area of unspoilt countryside and historic villages; my constituency includes Finchingfield, which is often regarded as the most beautiful village, if not in England, certainly in

Essex. Nearby is Great Bardfield, the home in the 1950s of a renowned group of artists. This unique area of countryside would be greatly damaged if the expansion envisaged in the White Paper were to go ahead. Until 1998, the throughput of passengers was about 7 million, then came cheap flights and bargain-basement aviation, which has boosted the turn around at Stansted to almost 19 million. The growth is based on the giveaway flight policy.

In Belgium, there was a recent ruling against cross-subsidy, which may knock cheap flights there on the head. There may be similar prohibitions here in a year or so to prevent cross-subsidy. If that comes about, the number of passengers using Stansted will not grow at anything like the rate that it has in the past few years. In respect of Stansted, the White Paper is based on the use of the motor car and road transport; indeed, it queries the existing rail capacity for Stansted and makes no detailed analysis of how it could be increased if the colossal increase envisaged takes place.

The reliance on roads is contrary to so many other policies that the Government are bringing forward. The expansion of Stansted is based on that concept, and can only be further detrimental to that part of Essex and Hertfordshire. The White Paper chooses the most expensive option: building a runway a considerable distance from the existing runway and outside the existing boundaries. Consequently, there will be extensive acquisition of land, far beyond what would have been contemplated if other available options had been adopted.

The White Paper states that

"The area around Stansted has an attractive, varied landscape, with many villages and smaller settlements, including much valuable architectural heritage. We believe that these characteristics should be preserved as much as possible".

The White Paper goes on, along the lines of, "I hear what you say, but at the same time it is important to consider the potential growth of the airport". Later, it states that the

"new runway at Stansted would require a substantial land take and the loss of around 100 properties. The loss of two Scheduled Ancient Monuments and 29 Grade II listed buildings was a cause of particular concern in the consultation."

The report recognises that problems are there, but has very little to say about how they will be dealt with. It goes on to generalise blight, as other hon. Members have mentioned. It comes up with suggestions—frankly, quite inane suggestions—that people might be helped to relocate before the airport is built. It is very difficult to relocate when one's property is blighted. I am pretty certain that such help would not include financial help.

I understand that those who represent areas adjacent to other major airports have been affected by noise for far longer than we have, but the White Paper anticipates that by 2015, 8,000 residents in north-west Essex and Hertfordshire will be affected and that by 2030, 14,000 will be affected. In my view, the entire judgment is flawed and adds to the overheating of the economy of the south-east. It contemplates a vast increase in Stansted's work force, although the unemployment levels are way below the national average. Extra employees could only come to Stansted using the road system. Although that is being improved, the numbers of employees and passengers that would be generated would be immense compared with what we have known hitherto.

The thinking behind the White Paper is misconceived. It would be far better if we took a more realistic view of the place of air transport in our economy and if we thought again about the over-subsidy of air transport that takes place in practice, the obsession with cheap flights and the failure to address the taxation question. If all those points were considered more thoroughly, the villages in my area and in the adjacent constituencies, the ancient monuments and the listed buildings could still be there for generations to come.

2.34 pm

Mr. John Randall (Uxbridge) (Con): We are all grateful to the hon. Member for Edinburgh, West (John Barrett) for securing the debate. I have sympathy for all those affected by the blight of airport expansion.

I am pleased to see that Members for the Cliffe area are representing those who are not here today. Perhaps we can all drop out one by one. If the Minister wants to respond to fewer people, he should take Heathrow out of the equation and we will be quite happy.

I have asked several times what sustainable aviation actually means; I am always promised an answer, but I am still waiting. What do the Government propose to do about aviation emissions, which, as the Minister will realise, are the most rapidly growing source of emissions in the UK? Something has to be done about that problem, or it will drive a coach and horses through the Government's climate change policies.

Mention has been made of Heathrow and air pollution, which, as far as I can see from the White Paper, is our best reason for not allowing any further expansion. I have a few questions about that. Who will do the monitoring, how can we be sure that it will be independent, and which Department will pay? I hope that the money will not come from the ratepayers of Hillingdon. Who will make the decision? How open will it be about where the monitors will be? Over what period of time will the monitoring take place? I would like to see what figures we have already, to see whether the reduction is genuine.

I am getting a bit cynical in my old age, so I wonder whether alternation is simply being threatened. Alternation would be a living hell. My hon. Friend the Member for Spelthorne (Mr. Wilshire) recognises that it is a terrible option, and I wonder whether that threat is a way of ensuring submission: the Government will put pressure on the local residents, saying, "If you don't start agreeing to a third runway, I'm afraid you'll have to have alternation, and that'll be worse." Perhaps I am over-sensitive.

The hon. Member for Edinburgh, West mentioned that some of the issues that have come out of the White Paper were not in the consultation paper. A sixth terminal for our area in west London was not mentioned in the consultation paper. Whether Northolt would have to close if a third runway was built and whether re-alignment would be needed were mentioned during the course of the consultation, but residents of my constituency and surrounding areas had no idea what implications a third runway might have for their lives.

There are questions that I would really like answered, but most of all I ask the Government to try to find some time so that we can discuss in more depth not only the

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issues that are relevant to our areas, but the whole subject of aviation and its sustainability. Otherwise, in effect, there will be just a statement and a few questions.

2.37 pm

John McDonnell (Hayes and Harlington) (Lab): I echo the request for a full debate on this issue. Yesterday, the Minister kindly published the 27 supporting documents for the White Paper. Those papers contain more pages and words than the Hutton report, but are probably more directly related to identifying the true elements behind the Government's decision. The papers contain many details that few hon. Members have been able to take in in the 24 hours since they were published. They contain elements that allow us the opportunity—I put it no stronger than that—to contest some of the published conclusions in the White Paper.

When the White Paper was published, several of us made it clear that we did not believe that the Government had taken fully into account the environmental issues affecting our areas. In fact, it is evident in the papers published yesterday that there still has not been an overall environmental impact assessment of the development of Heathrow. Looking at the papers, I doubt that the other proposals in the White Paper have been assessed in any depth. In addition, the supporting papers prove our contention that no adequate assessment was made of alternatives to Heathrow, and that the White Paper contained no adequate appraisal of the economic case for development other than at Heathrow. I will discuss that briefly, drawing on the papers.

Although I congratulated the Government on the publication of the White Paper and do so again today, because this is the first time that any Government have said to the aviation industry that it will not automatically be able to develop further at Heathrow, I am worried about the change of emphasis that occurred in the weeks before the White Paper was published. Most hon. Members expected the Government to conclude, based on submissions from a range of interests that included the aviation industry, environmentalists and local communities, that there would be no third runway unless air pollution and other environmental effects were tackled. However, the Government's position changed subtly, but importantly, from, "No third runway, unless," to "Yes, a third runway, if." That brings me on to the point made by the hon. Member for Uxbridge (Mr. Randall). We want to debate in detail on the Floor of the House how the "if" relating to air quality is assessed. I have read the paper on air quality assessments that the Government published yesterday. Despite all the measures proposed by BAA to reduce the impact of emissions in the area, my constituents will still be poisoned by air pollution under the 2015 to 2020 timetable.

As my hon. Friend the Member for Putney (Mr. Colman) mentioned, we were relying on the industry to take responsibility for the development of new technology. The Minister made it clear in the last debate that pressure would be applied at the meeting of the International Civil Aviation Organisation to set stronger environmental limits for future aero-engines, but in fact the limits that have been set are extremely weak. There will continue to be a lack of pressure on the aviation industry to improve its technology to reduce emissions and the environmental and health impact.

When the White Paper was published, we were told that all examination of the options in the south-east had been undertaken fundamentally. Several hon. Members in various debates have emphasised the Marinair proposal, which examined how, in the long term, airports could be located out at sea, so that they had a minimal environmental impact. The published assessment of Marinair, which was not reported in the White Paper, states:

> "The development of a major airport offshore is entirely feasible and offers advantages of high capacity and much reduced environmental impact."

The costings of Marinair, as outlined in that publication, compare favourably with the realistic costings of the development of a third runway at Heathrow and of the blight and loss of homes, schools and community resources that would result from that development. However, that information was published yesterday in the supporting paper, not in the White Paper.

The White Paper debate focused on the economic benefits of airport development, particularly in the south-east, and the fact that Heathrow is fundamental to maximising those economic benefits. The supportiing paper published last night on air traffic demand and airport capacity stated:

> "Calculations reported in "The Future Development of Air Transport in the United Kingdom: South East", show that the greatest economic benefits accrue from a dispersed pattern of activity around the South East—and not from concentrating capacity at a single new 'megahub'."

That is completely contrary to what the aviation industry told us and to statements made by Ministers and others.

It is worth examining the 27 papers. There is a paper on Northolt that illustrates the impact on air traffic control and the risk to Northolt's current capacity for military and other air traffic. That warrants a separate specific debate, and I am sure that the hon. Members for Ruislip-Northwood (Mr. Wilkinson) and for Uxbridge will encourage that debate.

I suggest that, when we have a wider debate, the Minister comes forward with strategic proposals rather than a commentary. The first proposal should be about monitoring air pollution. All of us facing new developments want independent monitoring of air pollution in the area, and an independently set baseline for our airports. We want to establish adequately funded local working parties of all stakeholders to enable transparent and open ongoing monitoring. European Union experts who can compare airports throughout the EU should be included. We need to revisit the development of aero-engine technology and its relationship to global warming and try to develop an international strategy to reverse some of the decisions that have been made. I also plead for support for local primary care trusts in monitoring the health impacts of airports. We know about the Chicago research that has demonstrated a link with cancer, but the experience of primary care trusts and GP surgeries in our areas suggests that respiratory conditions are caused by airport development.

I want the wider debate to tackle blight. The White Paper refers to the need to safeguard land in my constituency for a third runway, which means that people no longer have security in their home and long-term future. Blight affects more than homes: three schools are situated along the proposed runway, which means that 1,400 children may be displaced at some point. I do not believe that they will be displaced, but that is a risk. No proposals have been made about the impact on long-term education planning in my borough of the runway being built.

Referring to the south-east and east of England regional air services study, we need to identify the accurate information in the 27 documents that we have been given. I was told that that 300, not 33, buildings would be affected, but a study launched by the Government 10 years ago said that 4,000 homes would be affected and 10,000 people would be displaced or would find themselves living in an area that was so polluted that they would be poisoned. We need the debate to draw out the accuracy of the papers that have been published.

The cost assessments of individual developments have not been as robust as possible in term of embracing the full range of concerns, and we have not addressed the problem of terrorism and the threat to airports. That was mentioned in relation to helicopter pads, but there has been no assessment by independent experts of the risk caused to urban populations by siting airports so close to them, particularly in view of the fact that the risk of terrorist attack is greatest on landing and take-off.

We must restructure the debate to develop a strategy in which all stakeholders can participate. We need a national aviation advisory forum of which the Government can ask questions and which can commission independent research to advise the Government on future policy. Until we have that, we will continue to rely on research by BAA, British Airways or others that, even with the best of intentions, is always tainted by their objective of further development.

2.48 pm

Mr. Edward Garnier (Harborough) (Con): I shall speak briefly about an airport that has not yet been mentioned. East Midlands airport is sited wholly within the county of Leicestershire, but has recently changed its name to Nottingham East Midlands airport. That may interest the hon. Members for South Derbyshire (Mr. Todd) and for North-West Leicestershire (David Taylor) and those of us who live and work in Leicestershire. No one is better qualified to comment on the subject than my right hon. Friend the Member for East Yorkshire (Mr. Knight), who lived for many years in Leicestershire and previously represented Derby, North.

The airport company undertook no consultation about changing the name of the airport. Interestingly, the same company owns Manchester airport, and we suspect—we can do no more—that the desire to increase the number of night flight freighters coming into and out of East Midlands airport has much to do with the capacity of Manchester airport, which is reaching satiation. The company wants, understandably, to ensure that its business and ability to expand are protected, so that should its desire to expand Manchester become unwelcome, it can use Nottingham East Midlands airport, as it is now called, to increase its business.

I do not base my remarks solely on suspicion. I understand that the largest freight airport in Belgium is coming under considerable local and national political pressure. Companies such as DHL, which do an enormous amount of freighting work, might remove themselves from the Belgian airport and seek to relocate to East Midlands airport. That is not merely a fanciful fear: East Midlands airport already has planning permission for three new freight cargo terminals, resulting in 220,000 sq ft of aircraft accommodation in addition to the existing capacity of 210,000 sq ft.

That is the background. I am conscious that my hon. Friend the Member for Meriden (Mrs. Spelman) wants to catch your eye, Mr. O'Hara, so I shall be brief. Not only will the increase in flights lead to increased movement of aircraft into and out of East Midlands airport, but the new flight path for the freighters will be over south and east Leicestershire, which covers my constituency and those of my neighbours. Aircraft altitude is apparently measured from sea level. Many of the villages in my constituency that will be directly under the flight path are 500 to 800 ft above sea level. The relative distance above the ground of the aircraft as they come into and out of East Midlands airport will therefore be much less than the measurements indicate. The noise factor will be huge. As the aircraft take off from East Midlands airport they will be using maximum thrust to get their heavy loads airborne, and as they come into land they will be doing the aircraft equivalent of braking. The noise from their engines will be at its worst and they will be at their lowest as they fly over the villages in my constituency.

There has been precious little consultation by the company that owns East Midlands airport, by the Civil Aviation Authority, or by any of the other interested Government bodies to assist my constituents and those of my neighbours to come to terms with the proposal to increase the number of aircraft flights at night. The territory of the airport comes under Leicestershire county council, which has not been consulted at all. The district councils, particularly those on the east and south of the county, have received precisely one letter each from EMA. Had EMA been interested in consulting prior to submitting its proposals to the CAA and persuading the Government to allow them to proceed, one would expect it to have done rather more through advertising and publicity schemes to make its plans better and more widely known. It has not done that. It took action at a public meeting on 19 January in Billesdon in Harborough district to bring the company face to face with the scale and intensity of public concern. Now, we are beginning to get some sort of action from the company. I ask the Government through the Minister to ensure that it is not too late.

Some other Members of Parliament and I will meet the chief executive tomorrow and we hope to see the Secretary of State for Transport on 23 February. In the meantime, I ask the Minister to ensure that the CAA and the airport company fully comply with their moral, if not legal, obligations to consult fully with the affected

[Mr. Edward Garnier]

people in Derbyshire, Nottinghamshire and obviously, speaking as the Member for Harborough, south-east Leicestershire.

There is a great deal more I could and want to say. I hope that the Minister will understand that the calm and rational way in which I make this complaint is no indication of the great sense of ill use felt by my constituents. I can assure him that EMA will have a lot more trouble unless it is more thoughtful and more sensitive to the entirely legitimate needs, desires and wishes of the people of south and east Leicestershire. I look forward to his assurance that he will apply pressure on them and the CAA.

2.55 pm

Mr. Mark Todd (South Derbyshire) (Lab): I will concentrate on one point. My constituency borders East Midlands airport and many of its flights traverse villages along the Trent valley. I accept the growth of the airport within its existing capacity, and welcome the fact that no second runway has been encouraged by the White Paper. I welcome the alternative provision for express freight within the UK. The implicit strategy of concentrating everything at East Midlands airport was both logistically crazy and extremely damaging to local residents.

The critical question is how are we to achieve the stringent noise controls referred to in the White Paper as a requirement for granting support for expansion? We must recognise that local negotiations about those controls are inequitable. A well-resourced, large company deals with a diverse range of small councils, individuals and representative groups, who desperately need a template on which they can base their negotiations so that they know what sort of things they are supposed to achieve from the process. I will list some of measures that I wish to see in place.

First, there must be clear targets for the obligation to use chapter 4 aircraft—and any subsequent technological standard of aircraft. Secondly, provision must be made showing how to limit flight volume and noise generated, particularly at night. The consultation paper made it clear that three-minute intervals between night flights were a possibility, but that is unacceptable to residents of my constituency. Thirdly, there should be clear obligations regarding surface logistics. Public transport links to East Midlands airport are all but non-existent. It is a freight airport, and reliance on the road system to transport that freight to other places is completely against Government policy.

Fourthly, I expect some attempt to be made to control the routes of aircraft heading in to land. At the moment, the airport authorities seek to control the routes of aircraft taking off and track them—including the times that they fly over my house. We must attempt to control the landing routes as far as possible. I recognise that weather and other conditions make that harder, but it should be possible to make more effort than is currently undertaken. Fifthly, the airport is popular for aircraft training of various kinds, and trainees often chose to fly at antisocial times. Those flights should be controlled.

Sixthly, there should be clear parameters for the various types of ground operation that generate noise. There should be a package of compensation measures aimed at those whose houses are closest to the airport. My constituency contains few such houses; most are in the constituency of my hon. Friend the Member for North-West Leicestershire (David Taylor). I give the airport authorities credit for thinking about that matter. Seventhly, there should be transparency about the monitoring process. Currently, monitoring is done however the airport authorities choose. There should be an independent audit trail.

Finally, and critically, all controls should be clearly related to the growth of traffic through the airport. It is surely in the best interests of the airport and people in the area to have some certainty about the future. The company can then invest in the airport knowing that, provided that it stays within the controls, it can achieve what it wants, and residents will not have to revisit the issue time and again.

I wish I could speak more on that subject. I look forward to speaking on it again.

Mr. Edward O'Hara (in the Chair): With an eye on the time, I call David Wilshire.

2.59 pm

Mr. David Wilshire (Spelthorne) (Con): I take your point, Mr. O'Hara, about three o'clock and will tear up 90 per cent. of what I was going to say.

Of those constituents of mine who have jobs, 26 per cent. depend directly or indirectly on Heathrow for their livelihood. It is therefore not surprising that I focus not only on the environmental issues, but on the economic issues as well. I accept that there is a hugely powerful economic argument in favour of ensuring that Heathrow remains Europe's No. 1 hub airport, but if that means further growth, it cannot be growth for its own sake. That is the starting point for my concerns.

There are good reasons to worry about the future of Heathrow. Some 13,000 jobs are being lost there and another 3,000 job losses were recently announced. It is difficult to say exactly how many, but at least 10 per cent. of those 3,000 who are leaving are likely to be my constituents. It is hardly surprising, therefore, that I want to talk about economics. There is the problem of the loss of routes at Heathrow and a possible worry about the growth of hubs elsewhere in Europe. Like the hon. Member for Putney (Mr. Colman) and my hon. Friend the Member for Uxbridge (Mr. Randall), I accept that there are huge and serious environmental issues to consider. However, I do not have time to list them.

I also agree with the hon. Member for Hayes and Harlington (John McDonnell), who said that we need more facts. There is claim and counter-claim, assertion and counter-assertion: we need the truth. The ultimate decision at Heathrow must be that if those environmental issues cannot be overcome, there cannot be another runway. We need first to decide whether they can be overcome.

The only thing that I have time to say to the Minister—I hope that he will respond to it—is that airport White Papers always produce a huge volume of correspondence of shrill campaigns saying, "Don't do this here. Do this, that and the other somewhere else." I carried out research in my constituency, which could not be any closer to Heathrow and managed, one way or

another, to get some 35,000 questionnaires to my 70,000 constituents. Just over 51 per cent. of the replies said that they supported another runway and just over 47 per cent. said that they opposed it. I plead with the Minister not to listen exclusively to pressure groups. He should do the research and ask everybody involved because the replies are sometimes different from those that the pressure groups adopt.

Mr. Knight: On a point of order, Mr. O'Hara. It is important in such debates that every hon. Member who wishes to catch your eye has the opportunity to do so. I am willing to sacrifice two minutes of my winding-up speech, and I invite the hon. Member for Shrewsbury and Atcham (Mr. Marsden) to do likewise, to enable my hon. Friend the Member for Meriden (Mrs. Spelman) to catch your eye.

Mr. Edward O'Hara (in the Chair): The next person to catch my eye on the Government Bench will be the Minister.

Mr. Knight: I am happy for hon. Members to have half a minute each, as it is important that their voices are heard.

Mr. Edward O'Hara (in the Chair): What does the hon. Member for Shrewsbury and Atcham (Mr. Marsden) wish to do?

Mr. Paul Marsden (Shrewsbury and Atcham) (LD): I am more than happy to give up a minute of my time, as I shall keep my remarks very brief.

Mr. Edward O'Hara (in the Chair): We are running out of time: we have only 27 minutes left. We should proceed. Much as I appreciate what the right hon. Member for East Yorkshire (Mr. Knight) suggests, I do not think that we can achieve the outcome that he seeks.

3.4 pm

Mr. Paul Marsden: I shall be more than happy to take any intervention.

I congratulate my hon. Friend the Member for Edinburgh, West (John Barrett) on securing this important debate. The subject is of great concern to many of his constituents and literally millions of other people across the country. It is disappointing that two months after the publication of the White Paper, we are still waiting for the Government to give us some real time in which to debate it. I agree that it is only right that those with real constituency issues should be allowed far more time to air their grievances and concerns because the issue will affect future generations. I hope, therefore, that the Minister will reply not just to questions raised today, but to the concerns of those who are unable to contribute.

The Liberal Democrats want air travel to be sustainable, but the fear is that the White Paper only pays lip service to that. It says:

"The Government invites airport operators to bring forward plans for increased airport capacity in the light of the policies and conclusions set out in this White Paper."

There is almost a presumption that that is going to happen, no matter what, but we think that it should be a last resort. *[Interruption.]* I am more than happy to give way; the Minister is muttering, but he is more than welcome to intervene.

The Minister must acknowledge that the White Paper's approach is flawed. The blame cannot be completely laid at the Government's door. Eleven years ago, a Conservative Government were warned about an increase in air traffic and that something needed to be done urgently, but the problem was not addressed then.

There are some key predictions with regard to environmental issues. Some 500 million passengers will use UK airports by 2030, the south-east will need the equivalent of three more runways by 2030, and ticket prices may fall by up to 60 per cent. If we manage demand better, those predictions may turn out to be totally wrong.

Mrs. Caroline Spelman (Meriden) (Con): Is the hon. Gentleman aware that the European directive on strategic environmental assessment will come into force on 21 July? That assessment requires plans and programmes that have an environmental impact and that are in the process of being prepared, to have an environmental impact assessment before any decision is made. The directive warns that it is retroactive for any plans and programmes that have not completed all legislative phases of the procedure and achieved final adoption by 2006. The spirit of the directive would have required the horse to be put in front of the cart and for an environmental impact assessment to have been carried out before the White Paper had been published.

Mr. Marsden: The hon. Lady makes an interesting point. I hope that the Minister will address it.

The hon. Member for Putney (Mr. Colman) mentioned concerns about air pollution at Heathrow. By 2015, the air around Heathrow will contain higher concentrations of nitrogen dioxide than are legally permitted by the European Commission, even without a third runway. Emissions from airports and vehicles using the road access routes are a major contributor to that. The Government are not addressing those fundamental environmental concerns. As the hon. Member for Meriden (Mrs. Spelman) said, there should be a full impact assessment for every regional airport.

The consultation process has been flawed. It started in July 2002. We want an end to the predict-and-provide approach. My hon. Friend the Member for Edinburgh, West mentioned that. There has also been no proper assessment of the fact that the aviation industry receives an £8 billion subsidy from UK taxpayers. The assumption that air travel will simply increase and more capacity will be required will presumably lead to more subsidy also being required, which will come from the taxpayer.

I appreciate that some residents have legitimate concerns about whether the capacity of regional airports will be increased, but we must make better use of their existing capacity. The right balance must be struck. My hon. Friend said that it is clear that we need direct international connections between the regional airports so that we do not have to funnel everything down to the south-east, as we are currently do. We are not moving in a sustainable direction.

I want quickly to mention fuel taxation. There is no defence for rail paying 3p a litre duty and private motorists 45.8p a litre duty on their fuel while airlines pay no duty. That is not right and it is not in line with

[Mr. Marsden]

the lip service that the Government pay to sustainability. Airlines currently pay about 18p a litre for their duty-free fuel. I suggest that a duty of 3p a litre, at the very least, would bring the industry in line with the costs currently paid by other operators of public transport.

There are many concerns about connecting with hub airports in Europe. There are also concerns about landing fees and departure tax. I want the Minister to reply to the welter of issues presented today. I also hope that he will deal with the demand for a much wider debate to be held on the Floor of the House as soon as possible.

Mr. Knight: I am disappointed, Mr. O'Hara, that you did not act on my point of order. Perhaps I should place on record that I meant no slight.

Mr. Edward O'Hara (in the Chair): The right hon. Gentleman can achieve the same purpose by being generous by taking interventions from his hon. Friend the Member for Meriden (Mrs. Spelman).

3.10 pm

Mr. Greg Knight (East Yorkshire) (Con): I want to place on record, Mr. O'Hara, the fact that I meant no slight to the hon. Member for Pudsey (Mr. Truswell). He was sitting studiously, so I thought that he had become a Parliamentary Private Secretary and was not seeking to intervene in the debate. I hope that he will have his day on another occasion. That underlines the point that the Government should have provided Government time for the debate on the Floor of the House.

I congratulate the hon. Member for Edinburgh, West (John Barrett) on securing this interesting and useful debate. I am probably the only Member here today who, at one time, lived near an airport. My house was next to Derby airport. That is not so grand as it sounds as it is a field in the constituency of the hon. Member for South Derbyshire (Mr. Todd). I did not suffer the sort of horror stories that we have heard from some hon. Members today, although on one occasion I recall that an aircraft that had run out of fuel nearly crash-landed on the top of one of my classic cars, which gave me some cause for concern.

I want to start my remarks by reminding hon. Members that we have recently celebrated the centenary of powered, controlled flight. It is therefore right and proper that we place on record the congratulations that many of us think are due to the United Kingdom's aviation industry for playing a major role in both civil and military aviation during that period. Aviation is critical to the UK's prosperity and we must all recognise that air travel is essential for business and for economic success. About 180,000 people are employed directly by the industry and more than 500,000 jobs depend on aviation.

Much of our tourism depends on the availability of air travel; people in more remote parts of the United Kingdom often require air services for essential journeys. I applaud the industry for successfully competing in a deregulated market in recent years and on opening up air travel to all through lower fares. The British people and the airline industry want not only improvements but certainty. That is of particular importance to those living close to our airports. I must say to the Minister that the White Paper has not ended that uncertainty. In many respects, it has prolonged it and we regret that.

The inadequate consultation process has been widely criticised. I hope that the Minister will admit today that the process was flawed. As he knows, the Government were eventually forced to extend the consultation process because, to start with, they failed to include Gatwick in their proposals. The Environmental Audit Committee has been particularly critical of the Government and of the fact that the airport consultation process did not include a formal environmental impact assessment. Indeed, the Government did not even follow their own guidelines, so at some point we must have an apology from the Minister about that.

I must tell the Minister that the flaws in the White Paper are so serious that that is likely to lead to sustained legal challenges in the months and years that lie ahead. I am not talking only about Gatwick: the proposed new runway at Birmingham airport was not subject to proper consultation as the Government refused to reissue the consultation documents to include some aspects of the proposals.

The south-east has been mentioned by some hon. Members. As for Stansted, can the Minister tell us what plans he has for extending the M11 and creating a dedicated rail link? How does that fit in with the Deputy Prime Minister's recent announcement of his plans to build thousands of more homes in the M11 corridor? Does it not show that one Department appears not to know what another Department is planning? How does the Minister intend to resolve that apparent contradiction?

Noise control has also been mentioned. I refer the Minister to paragraph 3.14 on page 34 of the White Paper, which makes a commitment to introduce new legislation to

"strengthen and clarify noise control powers both at larger commercial airports and at smaller aerodromes."

Can the Minister tell us when he expects that legislation to be introduced? When it is introduced, will it be subject to the pre-legislative scrutiny process? In our view, it should be. This is not a party issue; members of all parties have a genuine constituency interest in introducing the right legislation.

On page 35 of the White Paper, the Government dismiss the idea of making any changes to the Land Compensation Act 1973. Will the Minister look at that again? Some of us think that there is a case for looking at some aspects of that Act, especially the provision that does not come into play until 12 months have elapsed after a development. There is a case for revisiting that.

Mrs. Spelman: I am sure that my hon. Friend is aware that in the Office of the Deputy Prime Minister lies the Planning and Compulsory Purchase Bill. I am sure he is also aware that in that Bill are requirements for community involvement before any decision making. There are also provisions for compensation for blight, which go beyond the airy-fairy suggestion in the

Department for Transport's White Paper that somehow the airport operators must find all the money to provide for standardised blight. There seems to be a lack of joined-up thinking between those two Departments.

Mr. Knight: My hon. Friend is absolutely right, and I hope that the Minister can prove to us that the Government have at last got their act together on this issue.

Page 38 of the White Paper deals with local air quality. I wonder what the Minister meant by the following paragraph:

"local authorities and transport bodies working with airports to limit road traffic emissions associated with air passengers and employees, including through increased use of public transport".

What changes does he think that he can make by encouraging more passengers to use public transport to go to the airport? The likely effect will be insignificant. Does he accept that not all travellers can use public transport when going to an airport?

As for Heathrow, part of its environmental impact is generated by road congestion in the area, yet the White Paper makes it clear that the Government have no further plans for motorway widening. Will the Minister reflect on that? If traffic is kept moving in the vicinity of Heathrow, would that not, by itself, make a large contribution to improving air quality?

The hon. Members for North-West Leicestershire (David Taylor) and for Edinburgh, West both mentioned fiscal proposals. What discussions is the Minister, or his counterpart at the Treasury, engaged in, not only with our EU partners but with other countries, to introduce some form of fiscal scheme? He will agree that if we were to introduce a scheme on a unilateral basis without securing agreement elsewhere, it would have an extremely negative impact on our industry, and would do little to solve the problem.

The issue of safety, which was touched on by the hon. Member for Braintree (Mr. Hurst), is important. We welcomed the Government's announcement to introduce air marshals. We realise that the Government need to be careful about what they reveal about their plans, but does the Minister accept that announcing a number of security measures can in itself inspire public confidence? Will he update us on some of the issues mentioned in relation to the programme of action on page 146 of the White Paper, in particular on the action points that it indicates will be implemented in 2004?

Air travel has shown the fastest growth of any type of travel in recent years, but changes are needed to reflect the growing concerns of the population, not just around London airports but throughout the UK. I hope that we will hear some answers to those problems from the Minister.

3.21 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tony McNulty): To the extent that I can answer 14 contributions in nine minutes, I shall endeavour to do my best. First, I congratulate the hon. Member for Edinburgh, West (John Barrett) on securing the debate and I welcome the chance to respond on behalf of the Government.

At this stage, I want to take a thematic approach to some responses, and I apologise to hon. Members if I do not deal with every local issue. Before publication, I met at every opportunity Members who wrote to ask to see me about any specific or general issues. I have since told them that the White Paper marks the start of the next process and is not its definitive end, especially not, as has been suggested, in the case of airports, where we start from the premise of optimising existing capacity. That brings with it a range of issues before we get on to talking about additional capacity, such as in the case of East Midlands airport. Those matters are worthy of discussion, and I thank everyone for the serious way in which they have been discussed.

I will not dwell on partisan points about the consultation process, which, however flawed, elicited 500,000 responses. Nor will I dwell on the delay to the White Paper that was caused in part by that consultation process. I want to concentrate on some broad themes. Anyone who knows anything about the genesis and history of what used to pass for aviation White Papers will understand that to describe the paper in a dismissive way merely as "predict and provide" is simply wrong. By any token, that description is wrong if one reads the whole piece. It is not simply a matter of "predict and provide". Indeed, in his own words the hon. Member for Shrewsbury and Atcham (Mr. Marsden) belied the notion that the paper was so by saying that it forecast 500 million passengers and three new runways in London and the south-east. If he looks very closely, he will see that we are only giving the two.

Mr. Marsden: Will the Minister give way?

Mr. McNulty: No, I will not. I do not understand how that is "predict and provide".

I say to the hon. Member for Edinburgh, West that I am more than happy to see him and discuss further the particular issues. Representatives from The Royal Highland and Agricultural Society of Scotland have already met the Secretary of State, and there is still much to be discussed by the Department for Transport, Edinburgh and the Scottish Executive. I am more than happy to pursue that.

To dwell on one local issue, there is a particular safety issue in using the crosswind runway, which I have visited, as it will be used only for departures for a limited period. The interaction between the main runway and the crosswind in the limited times that it will be used would not impact on safety. I am sure that the hon. Gentleman was in error when he read from the White Paper that all departures would be from the crosswind. Clearly, it does not say that. It says that some departures would be from the crosswind runway "for a limited period." I am happy to discuss local and wider issues with anyone, and am meeting representatives from the East Midlands airport in a few weeks to discuss its name change. The three real themes that I have picked up on—

Mr. Paul Truswell (Pudsey) (Lab): Will my hon. Friend the Minister give way?

Mr. McNulty: No, I will not give way, with respect. I have about six minutes left, and I want to do justice to earlier comments.

Three major themes that emerged were: the environment, which is entirely proper; what I would call master planning; and infrastructure or surface access

[Mr. McNulty]

issues. Again, in comparison with any other White Paper or substantial policy document on aviation, the White Paper goes some way in trying to redress the balance between environmental concerns and the future of the aviation industry. Indeed, on pages 40 and 41, paragraphs 3.40 to 3.43, we talk about emissions and other issues that hon. Members have raised, and about the adoption by airports, airlines and air traffic controllers of working practices that minimise the impact of their activities. In addition, they discuss research and development by aerospace manufacturers of new technologies to reduce climate change. We will press them on all of them.

The White Paper also talks about voluntary actions by airlines, airports and aerospace companies to control greenhouse gas, the point about the International Civil Aviation Organisation and action at a European level. We say clearly in paragraph 3.42:

"We reserve the right to act alone or bilaterally with like-minded partners if progress towards agreements at an international level proves too slow."

The right hon. Member for East Yorkshire (Mr. Knight) is right in the sense that there are elements of things that one can do at a national level, at regional level and at international level. We need to take the balance and interaction of all three enormously seriously.

The comments made by the right hon. Member for Hitchin and Harpenden (Mr. Lilley) and by others about specific local infrastructure are again well made points. Throughout chapter 12—under delivering surface access improvements—we say that we would expect those matters to be addressed.

On some of the other points raised about environment, investment and appraisals—and others too—a strategic policy document, which will be a material planning matter when it comes to discussion of planning applications, should not be confused with the planning applications themselves. Many of the points that are worthy of substantive consideration that are made by hon. Members are rightly matters of detail for planning applications, not for a strategic policy document that lays out where the Government think that aviation should go in future. That applies to the points raised by the hon. Member for Meriden (Mrs. Spelman) about environmental impact assessments, the issues about blight and everything else.

Mrs. Spelman: I am sure that the Minister will appreciate that the legal opinion on this matter is that the White Paper is very prescriptive and that it goes beyond being purely a strategic document. If a legal opinion on that is not enough, take the view of the public who, once faced with the White Paper, will feel powerless to challenge it.

Mr. McNulty: The hon. Lady should not traduce the planning process in such a way, and her constituents—and anyone else who does not like the absolute detail that is subsequent to any area addressed in the White Paper—should make full use of that planning process. Her point on public consultation in the genesis of regional spatial strategies and the local development framework is well made and it is statutorily in the Bill now in terms of planning and compulsory purchase.

All those processes are not precluded or ignored by the White Paper; it is not a planning document. It says quite clearly where we think that aviation should go over the next 30 years. It is entirely in order, by the by, for anything that we have rejected or something else to drop out of the blue in terms of an application. Nothing in the White Paper precludes anyone from making any sort of application that they want in terms of airport capacity. The White Paper is the way in which the Government suggest that things should go over the 30-year horizon. It will be a material planning matter when it comes to inquiries and applications. Given that it is a material matter, it will be incorporated into strategies. Therefore, the strategic policy document should not be confused with the planning document.

I know that I will run out of time. However—this is for the business managers, not for me—I would welcome a fuller debate on this issue, either on individual matters and applications or in a broader debate than that. I would say, not least because of the 27 documents and because of a range of work programmes, that we have held up pending the publication of the White Paper. However long it may seem to individuals—given their serious concerns— it is a tad premature to have that fuller debate until everything is in the public domain that needs to be there. Many things were held up because of the process—

Mr. Edward O'Hara (in the Chair): Order.

Dental Services (East Devon)

3.30 pm

Mr. Hugo Swire (East Devon) (Con): I am delighted to have the opportunity to discuss the provision of dentistry in East Devon.

The chronic shortage of dentists in East Devon is by no means a recent phenomenon. It is widely acknowledged that there has been a long-standing need to develop capacity, especially in Exmouth, and the problem is simple: as dentists who do work on behalf of the NHS become exclusively private practices or retire, they are not being replaced. At a time when the East Devon primary care trust recognises that capacity should be increasing, it is being lost.

The East Devon primary care trust underlined the uncertainty among dental professionals about the future of their businesses and pointed out that no practices in East Devon were registering new NHS patients. The emergency dental clinic based in Exeter is testament to that dire situation, as shortages in my own and neighbouring constituencies have led to extreme pressure on the service and a tripling of the number of patients attending the Sunday session. The primary care trust notes that the services are struggling to manage the demand from patients. Because there are so few NHS dentists, the emergency clinics are being stretched to breaking point.

The growing population in Exmouth should have necessitated two extra dentists to cover the demand, but instead it has lost one and is shortly to lose another. No successors have been appointed and, with local practices full to capacity, patients wishing to register with an NHS dentist are faced with unacceptable journeys—in some cases, round trips in excess of 50 miles—just to see a dentist.

The retirement of Martin Lewis and that of Bernard Jones, whose practice is on the Exeter road, will result in some 5,000 people having to re-register with practices as far away as Cullompton or Crediton. There is even talk locally of patients having to travel as far as Plymouth. For many, that is too much of a strain. One of the reasons for Mr. Jones's retirement is the cost of adapting his premises to meet the terms of the Disability Discrimination Act 1995. A further problem in Exmouth is with Mr. Alistair Danby's attempt to open a clinic in Rolle road. I urge the primary care trust and East Devon district council to resolve the matter urgently and help to locate Mr. Danby in suitable premises in Exmouth.

Some 32.3 per cent. of my constituents are of pensionable age, the second highest proportion in the country, compared with a United Kingdom average of only 18.5 per cent. Not only are there many older, vulnerable people in my constituency, but because of demographics and the sparseness of settlements, it is tricky for many people to travel so far to see a dentist. In my constituency, only 5 per cent. of people use public transport as a means of travelling to work; the United Kingdom average is 14.6 per cent. That shows that access to public transport is limited in many areas, and it is relatively slow, time-consuming and costly and for many older people it takes a great deal of effort.

Surprisingly, East Devon is the 139th most sparsely populated of the 659 constituencies in the United Kingdom. The access domain of the indices of deprivation 2000, which ranked all 8,414 wards in England based on the April 1998 boundaries by geographical access to services, showed that East Devon contains many wards with low-ranking access to services.

Colaton Raleigh, Beer, Colyton and Sidmouth Rural are all in the top 25 per cent. most access-deprived wards in the United Kingdom, while many parts of Exmouth are in the top 50 per cent. Not having a dentist within easy reach merely exacerbates the problems that many of my constituents already face.

In assessing the cost and time of making the seemingly inevitable journey from Cullompton to Exmouth, I have acquired the following figures: a daily bus pass from Exmouth to Cullompton costs £6 for an adult, £4 for a child and £3 for an old-age pensioner. That is by no means the worst of it. If, having been in the unlikely but extremely fortunate position of catching a bus from Exmouth, one were to catch a connecting service from Exeter without any delay, it would take one and a half hours to reach Cullompton. In the very best case scenario, that would involve a three-hour round trip. In reality, that journey is likely to last anything between four and five hours, which is quite simply preposterous.

Scores of letters from concerned constituents, extremely worried by the prospect of having to travel so far, have prompted me to secure this debate. I have also received my first ever letter from a stalwart of Exmouth, the Exmouth town crier, the estimable Tregarthen Gibson. He asked for my help for the population of Exmouth, which is, after all, Devon's largest town. Unless we get urgent extra dentistry in Exmouth, even Mr. Tregarthen Gibson's teeth might be under threat. The prospect of a whimper rather than a cry from our town crier is too tragic to contemplate—but I digress.

A typical letter comes from Mr. Yorke from Exmouth, who, reliant on incapacity benefit and pension credit like many others, has been told that he will have to travel to Cullompton to register with a dentist. He says:

"I find it appalling that to get dental treatment I am expected to make a round trip of about 40–50 miles. To do this on public transport would probably take me a whole day and cause me considerable pain and distress."

Exmouth town council has also written to me, expressing its concern about the shortage of NHS registered dentists. It outlines two very important factors as to the effects the shortages are having.

"Appointments have to be made some 3 months ahead in many cases as dentists' books are full. The result is that problems can soon turn into an emergency, resulting in premium charges being levied. Private treatment is already expensive for the average person. The number of Dentists who are practising National Health Service Dentists are now few and far between."

I do not wish to trespass on my neighbour's turf, but during my research for this debate I spoke to David Lidden, whose dental practice in New street, Honiton looks after the Swire family's teeth. His story is not untypical. The practice consists of four dentists, each of whom see 30 to 40 people a day, not so much to earn money—although that is unquestionably a factor for some dentists—but to get through the ever-increasing numbers of people queueing to see them. The result is that the dentists cannot spend enough time with each patient, and are, in David Lidden's own words, administering "pastoral care"—that is, putting patients

[Mr. Hugo Swire]

out of pain—nothing more. The practice has an average 10 calls a day from people inquiring about treatment. The practice policy is not to turn people in acute pain away; none the less, they turn people away each and every day. I will not stray over the border any more; I know that my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) wishes to contribute to the debate.

Mr. Edward O'Hara (in the Chair): Order. Has the Minister agreed that the hon. Lady may speak?

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): I am happy for the hon. Member for Tiverton and Honiton (Mrs. Browning) to take part, as long as I have enough time to reply.

Mr. Swire: I took the precaution of telephoning the Minister's office this morning to clear that in advance.

Dr. Kenneth Croft, a dentist based in Exmouth, is extremely concerned about the shortages and the proposed changes to the dental profession. His concerns relate largely to the uncertainty that will hit the profession when the budget and commissioning for NHS dentistry devolve to primary care trusts from 1 April 2005. There is consternation about the many unknowns that face dentist professionals. As such, many are not prepared to wait and are opting instead for the relative security of exclusively private practice.

Dr. Croft is as anxious as any other dentist about the outcome. He says:

"Dentists are cagey as they don't know what's going on so won't take on NHS patients".

Many are frustrated because they do not yet have the details to enable them to plan and budget for the changes. Payment is projected to be based on 2002 earnings while taking account for inflation by 2005, yet dentists who already own computer equipment will be expected to upgrade it so that they may be monitored by the local primary care trust. For Dr. Croft, that has been estimated at £4,000. He argues that that is an investment that dentists in their mid to late fifties, who are nearing retirement at 60, simply will not make.

I asked Dr. Croft about the additional £10 bounty that I read was being offered in parts of Exeter—a claim made by the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Exeter (Mr. Bradshaw). I understand that that has been dismissed by many local dentists as nothing more than a gimmick. I will give an example to show why. Dr. Croft charges £31 for a private assessment with X-rays, and is paid £6 for an NHS assessment. With the extra £10, he would receive only £16, which is just over half of what he would receive privately.

Dr. Croft is, unsurprisingly, cynical about what the Government are doing, and sees it as being along the lines of dentists making the investment and the Government taking the credit. He believes that the Government are ultimately trying to force dentists out of the health service. With the retirement of Bernard Jones, there will be seven registered NHS dentists left in Exmouth, of whom one is part-time; I hope that the reduction stops there, but I doubt that it will.

The Government also appear to be failing in getting the public to take oral health seriously. When my party left office in 1997, 68 per cent. of under-18s were registered with dentists. By December last year, that figure had dramatically reduced to 60 per cent.—a reduction of more than 1 million teenagers and children. Likewise, for over-18s, the figures make for worrying reading: more than 52 per cent. were registered in 1997, but that has dropped under the Government to 45 per cent., which represents 3 million fewer people registering.

Speaking in the House of Lords on 1 December 2003, Lord Colwyn, himself a dentist, alluded to many of the problems facing dental surgery that Dr. Croft referred to. In his anticipation of the abolition of the Dental Practice Board in 2005, he said that

"we must not forget that there are practice owners who have borrowed money, mortgaged their houses and invested capital to provide the premises from which this service is to be provided, and they are now going to be subjected to a limited income. It will be obvious to the Minister that no one who has invested in their own business in this way will be happy with this restriction. So there is still a real risk that many dentists will either leave the NHS or increase their private work in the face of this uncertainty."—[*Official Report, House of Lords*, 1 December 2003; Vol. 655, c. 134.]

Until the Minister addresses those genuine concerns, we cannot hope that the situation with which we are faced will improve. Also, when will the review of the dental work force—promised in 2001 by the then Minister with responsibility for dentistry, Lord Hunt—be published?

The British Dental Association believes that there is a need for a 25 per cent. increase in the annual graduation figures for dental students. There are currently 800 a year. Last year, there were more entrants to the General Dental Council's register from abroad than from new graduates in the United Kingdom. Many of the issues surrounding the dearth of NHS dentists may partly be explained by the fact that dentistry's share of total NHS spend has fallen over the years from 5 per cent. to 3 per cent.

Such experiences are being repeated not just in my part of Devon but all over the county. In North Devon, the same problems emerge. I have spoken to Orlando Fraser, the Conservative prospective parliamentary candidate for North Devon, whose research suggests that, because of the past parsimony in respect of NHS funding, more dentists are choosing to treat only, or mostly, private patients other than children and pregnant mothers—a development that he says is leading to shortages of NHS dentists in North Devon and, by inference, greater waiting times for NHS patients.

The problem that we must overcome is not just a short-term one; it is a medium and long-term one, too. It is not just local, but national. However, despite promises of cash injections by the Government, it has become apparent that newly qualified dentists, crippled by debt, are avoiding NHS work. Young dentists are opting for better-paid private work rather than NHS jobs in clinics in a bid to improve their finances faster.

A British Dental Association survey found that average debt among dental students rose by 23 per cent. in 2002 alone, with final-year students being an average of £12,700 in debt. The percentage of graduates with debts over £30,000 has also more than tripled since 2001.

A third of those taking part in the survey said that their level of debt would influence their career choice, with the influence stronger where there were higher levels of debt.

A survey published earlier this year found that over half of dentists' income comes from treating private patients and that more than a quarter of UK dental patients now pay privately for their care. A report by the Audit Commission published last September showed that 40 per cent. of dentists will not take on new NHS patients. We have even heard that the Welsh Assembly has begun offering grants of up to £50,000 to encourage dentists to set up practices in areas where the shortages are worst. A team from Pembrokeshire's local health board is apparently combing recruitment fairs as far afield as London to try to find more dentists.

It is quite possible that we will end up with a better system as a result of "Options for change"—which, incidentally, was last heard of in a military context as there was a 1991 paper with the same name. The fear is that by putting dentists on a salary, which is what it will do, fewer patients will be treated. What can the Government do? I hope that the Minister will resist the temptation to throw figures at us this afternoon as the Minister of State, the hon. Member for Doncaster, Central (Ms Winterton), does when questioned. We hear that a total of £1.2 billion is devolved to primary care trusts; £59 million—

3.47 pm

Sitting suspended for a Division in the House.

3.59 pm

On resuming—

Mr. Swire: This morning, BBC Radio Devon asked me, in a rather cynical fashion, what the point of the debate was, as if it would not achieve anything, but I earnestly hope that it will. I hope that the Minister will not re-announce the old figures of £1.2 billion and £59 million—all the figures that have been thrown around the Chamber over the past few months. I also hope that she will not blame everything on the last Tory Government and what happened back in 1992. Equally, if she refers to the 20 per cent. cuts, that argument is wearing a bit thin, given the pronouncements made this morning by my right hon. Friend the Member for West Dorset (Mr. Letwin) that we would at least match, if not exceed, Labour's expenditure on the NHS.

If the Minister's mailbag in Welwyn Hatfield is anything like mine, she will be aware of the problems. I hope that she will give some hope to my constituents who, as I hope she will have realised from what I have said, are increasingly worried about the lack of dental provision.

4 pm

Mrs. Angela Browning (Tiverton and Honiton) (Con): I congratulate my hon. Friend the Member for East Devon (Mr. Swire) on securing the debate. I shall add some points to those that he made, because part of East Devon district overlaps with my constituency, and we adjoin the city of Exeter. I, too, speak on behalf of constituents in East Devon, including very elderly frail people, some of whom are in residential care. For example, there is a lady in residential care in Broadclyst, in my constituency, whose dentist in Exeter no longer takes NHS patients.

In the Mid Devon part of my constituency, there are practices open—in Crediton, Cullompton and Tiverton—but the problem is the time taken to journey there from East Devon, coupled with the fact that no more dentists in the city of Exeter are taking on NHS patients. Over the past month I have corresponded with Jill Ashton, chief executive of Exeter primary care trust; she tells me that the trust urgently needs the dental access money that the Government have promised. It intends to use that money to give financial support to existing practices so that they can take more NHS patients, and to use it for out-of-hours work. I am concerned that if no one is taking on any more NHS patients in Exeter or in East Devon, the pressure on the Mid Devon part of my constituency will become acute.

The Minister should bear it in mind that that money is urgently needed. The primary care trust has to bid for it, and I do not know how long the process takes. I hope that she can give us some reassurance that that money will come through to the trusts very shortly.

4.2 pm

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): I welcome the fact that the hon. Member for East Devon (Mr. Swire) secured the debate, because it has given us the opportunity to discuss dentistry in East Devon and NHS dentistry in general.

The oral health of the population has improved enormously since the NHS was set up. However, that improvement has been uneven and there remain areas, both in inner cities and in rural England, where dental disease remains high. The Government are committed to reducing those health inequalities. Equally challenging is the fact that, in some areas, people have difficulty in finding an NHS dentist—a problem that the hon. Gentleman highlighted.

Hon. Members will be aware that dentists are self-employed, independent contractors, and that they can accept as many or as few NHS patients as they wish and alter that commitment at will, without reference to the primary care trust. In addition, dentists can, quite legally, accept only certain categories of patients, such as children and adults who are exempt from patient charges.

The existing funding arrangements are unsatisfactory because they reflect the history of dentists' varying willingness to treat rather than the NHS's need to secure dentistry. That goes back a long time in the history of dentistry. If dentists in an area reduce the amount of NHS work that they do, the associated financial resources are reduced and that money is lost to the PCT. We therefore recognise that primary care organisations—in England, the PCTs—have little influence and few levers with which to manage the dental service at the local level, or to make the best use of the £1.8 billion, including patients' contributions, currently spent on general dental services.

Against that background, the Health and Social Care (Community Health and Standards) Act 2003 is now on the statute book. One set of clauses that was welcomed

[Miss Melanie Johnson]

by both sides in both Houses covered the reform of NHS dentistry; that was the first real reform since the NHS was established.

We know that in some areas our constituents experience problems in accessing NHS dental services, so it might help if I make it clear that our policy—as expressed in the recent Act—aims to change the status quo, rather than to maintain it. It aims to widen access to NHS dental services and provide a more up-to-date legal framework that will better allow primary care trusts to develop and plan those services strategically.

The general principles proposed for the new primary dental service were set out in the report produced in August 2002 under the leadership of the then chief dental officer, Dame Margaret Seward, "NHS dentistry: Options for change". The report built on the outline programme for NHS dentistry that was set out in the NHS plan of 2002. One of the key recommendations of "Options for change" was that there be local commissioning of high-quality dental services, responsive to the needs and wishes of patients and better able to address inequalities in oral health. The report proposed that money should also be devolved to the local level to allow PCTs to secure provision of the new services. Under the new legislation, which provides a framework to take forward "Options for change", PCTs are given new powers to provide or secure the provision of primary dental services. The existing powers, under the National Health Service Act 1977, will be repealed to make way for new dental services contracts between PCTs and dental practices. The key aim of local commissioning is to provide a greater degree of operational control for the NHS locally, addressing the problem that I identified earlier, so that it can match planned services to the financial resources available to it. That would mean contracts for an agreed level of service over a fixed period of time, to be delivered to agreed quality standards.

The new system will make it possible to pass to PCTs the £1.2 billion of financial resources that are currently held centrally. Current spending will be protected and, once the reform system is in place, it will be possible over time to adjust and grow NHS allocations to take account of the health inequalities that would persist under the old system. As I have said, existing patterns of expenditure on dentistry reflect the varying willingness of dentists to treat, rather than the needs of the NHS to secure dentistry. In the longer term, NHS funding allocations for dentistry will need to take oral health needs into account, as general allocations currently do in relation to general health needs. The Health and Social Care (Community Health and Standards) Act 2003 will result in a modernised primary dental service, properly integrated with primary care services in the rest of the NHS.

Following the publication of "Options for change" the dental profession was invited to come forward with ideas for testing the proposals in the report. The response was overwhelming: work is under way with dentists in 50 different sites testing ideas, 20 of whom are considering ways of paying for the service. We already have five years' experience of local commissioning of dentistry under the personal dental services pilot programme, where resources are devolved to the front line. Those pilots are now treating 750,000 people a year and have shown what works well and what less well. The field sites are building on that learning to refine a simple but robust "base contract", which all PCTs and dentist should have in place by April 2005.

Dentists' gross earnings will be protected for three years from April 2005, and will be assessed on the most recent gross earnings, and we are in discussion with the dental IT system suppliers in preparation for that change. More detailed proposals have been sent to the BDA in recent days, which hon. Members may not have caught up with yet. That would be understandable.

The main issue, which is difficult to address locally, lies with work force numbers. It has proven very difficult to attract new dentists into the East Devon area, either for GDS or salaried posts in the dental access centre. There are a number of unfilled posts across the South West Peninsula area. Numbers of dentists in the general dental services nationally are now fairly stable after steady increases for many years, but the current GDS system has provided no method of securing any overall increase in the volume of NHS treatment provided by an increase in the work force. That underlies the need to move to the new contractual framework that I have set out.

The review that was undertaken in response to the Health Committee report fully involved the dental profession—professional bodies, the BDA, dental academics and so on. We expect to announce the outcome of that review shortly. We are taking measures to sustain NHS dentistry until implementation of the Bill allows the NHS to address local historical anomalies. Last August we announced additional funds to support PCTs as they get to grips with the new agenda. We have established an NHS dentistry support team backed by £9 million to help PCTs tackle local access problems in the run up to local commissioning in 2005.

Last September we announced additional funding of £65.2 million to support change and help improve access quality and choice for patients. That funding is now being targeted at PCTs where access is a real problem: £35 million is being used to enable PCTs to improve access, choice and quality for patients, £30 million is being used for information technology to integrate dentistry, and £200,000 is being used to develop dental leadership skills. That funding comes on top of the £9 million that I mentioned. A further £15 million of revenue in 2004–05 for access was announced on 25 November 2003.

Of course, the hon. Gentleman has brought to our attention the local position in East Devon. In my early remarks, I noted that there was a high level of discontent with the current arrangements. Dentists tell us that the current remuneration system feels like a treadmill, it is the main cause of dissatisfaction amongst dentists and patients, it is regarded as inefficient, and it leads to poor-quality services. It is the main barrier to dentists agreeing to undertake NHS work. Notwithstanding that, the hon. Member for Tiverton and Honiton (Mrs. Browning) has spoken about the availability of dentists in parts of her constituency. The picture is not universally difficult, even in East Devon.

The new legislation will establish a new foundation for taking forward NHS dentistry by agreeing longer-term contracts between PCTs. I am aware that the East

Devon PCT is working on a plan to improve access to NHS dentistry in its area. Over £1.5 of the access money that we have announced is available in the South West Peninsula strategic health authority area. How that money is to be used to improve access is a decision for the NHS to take locally.

Finally, an increasing number of dentists committed to providing NHS services have indicated that they cannot wait until April 2005 to move away from the treadmill that I mentioned. PDS pilots offer PCTs and dentists an opportunity to experience the new ways of working in advance of the implementation of the Act in April 2005.

Mr. Edward O'Hara (in the Chair): Order.

Whistleblowers (Employment Tribunals)

4.13 pm

Ross Cranston (Dudley, North) (Lab): First, I must declare my interest as a member of the council, and formerly a chairman, of the charity Public Concern at Work. It gave me great satisfaction that, within weeks of the 1997 election, the charity was able to promote with the Government the Bill, introduced by the hon. Member for Aldridge-Brownhills (Mr. Shepherd), that became the Public Interest Disclosure Act 1998. That legislation has been in force for four and a half years, and appears to be working well. It has become an international benchmark, while at home it is one of the few employment law measures of the past 15 years that has not been criticised by either business or unions.

The essential change that that legislation secured is that, where there is a danger of threat to the public interest in the workplace, employees can now be assured that the law will stand by them and provide a safe alternative to silence should they speak up for the interests of others. In order to strengthen organisational accountability, the law encourages the employee to raise the concern internally first, if that is practicable. The Act also protects disclosures to regulators and the wider public. It does that by providing that if employees are sacked or victimised by the employer for public interest whistleblowing, they will be fully compensated for any losses.

One consequence of that legislative framework is that, if employees are victimised or sacked for internal whistleblowing and then settle their employment tribunal claims, the danger or threat to the public interest will remain concealed unless they decide to disclose that the information or their claim is on the public record, which was Parliament's intention when it passed the 1998 Act.

Three current examples of such a threat will suffice to illustrate the importance of the PIDA legislation. First, someone victimised because they warn an employer about the dangers facing migrant workers engaged to gather cockles at Morecambe bay. Secondly, someone forced out for questioning an employer about the validity of the statistical approach used in legal proceedings to assess the risks of cot death. Thirdly, someone sacked for challenging the way that a major insurance company has misled investors about the strength of its assets by understating the impact of the guaranteed annuities that it provides.

Let us say that in each of those cases an employee brings a case under PIDA. If the employer settles the claim, there is a suggestion that information about the wrongdoing would be confidential and the claim would be kept out of the public domain. The suggestion is that that should be the case even though the claim is brought under the Act in a public forum at public expense and relates to a danger to the public. If that were the case, the only way for that information to reach a regulator or those at risk would be if the now ex-employee made a further disclosure after settling the claim. That places too heavy a burden on an employee who has already lost their job through raising the matter. It does not make sense that advancing the public interest should be delegated to a private citizen.

Let me recount some history. In 2000, the Employment Tribunals Service refused to give access to any information in PIDA claims. It maintained that

[Ross Cranston]

such access would assist the activities of ambulance chasers that made unsolicited approaches to parties. That was despite the Department of Trade and Industry's accepting that, for example, Public Concern at Work had a legitimate right to information about PIDA claims, especially the perceived wrongdoing, the person to whom the concern was disclosed, and the reprisal that the employee claimed to have suffered. That organisation rightly argued that it needed that information to monitor how the Act worked and to advise employers and employees accordingly.

Public Concern at Work sought judicial review of the decision and the High Court ruled that it was entitled, under the then rules, to know the gist of whistleblowing claims brought under the Act. Addressing the issue of public interest, the conclusions that Mr. Justice Jackson reached were:

"(1) There are respectable and conflicting arguments as to whether the disclosure of details of claims initiated in employment tribunals is in the public interest. The policy arguments are not so overwhelming in either direction that I should strive to avoid what appears to be the natural meaning of the regulations.

(2) It is sometimes embarrassing for a party to employment tribunal proceedings to have certain details of his claim made public. On the other hand, claimants in the court suffer similar embarrassment. That is part of the price which all citizens pay in order to have the benefit of an open system of justice.

(3) It has always been the policy of the law that, so far as possible, litigation should be conducted under the public gaze and under the critical scrutiny of all who wish to report legal proceedings.

(4) The principle of open justice applies to employment tribunals with just as much force as it applies to court proceedings".

Although the court ordered that Public Concern at Work should be given access to PIDA claims, the effect of the judgment also applied to all employment tribunal claims. That prompted the CBI, which accepted that there should be access to PIDA claims, to express concerns about general access to all employment claims.

Immediately before the summer recess in 2000 the Department of Trade and Industry introduced the new regulations without consultation. Those required that for the first time the addresses of the parties should be placed on the public register, which could only assist the work of ambulance chasers.

The Minister's predecessors insisted that the regulations were temporary while the issue was given proper consideration. During the next 12 months DTI Ministers gave written undertakings on six occasions that the issue would be consulted on in a "fair, reasonable and informed" way, as the present Minister for Lifelong Learning, Further and Higher Education, my right hon. Friend the Member for Hull, West and Hessle (Alan Johnson), said. The issue was touched on briefly in the 2001 consultation paper titled "Routes to Resolution". Despite the failure to set out fully the background that I have outlined, twice as many respondents to that paper favoured making public the particulars of employment claims as those that opposed it. Three times as many respondents would have preferred the position that existed prior to the temporary regulations. Incidentally, the 2000 regulations remain in place.

Let me turn to the current consultation paper on the draft revised employment tribunal regulations and rules of procedure, which was issued in December 2003. I am disappointed that the section of the paper on the register may mislead consultees. The paper begins the story in August 2000, thereby avoiding some of the background that I have outlined. It suggests that the current regulations reflect the status quo and omits to mention that they form a temporary measure that removes the public's right to know the gist of claims being brought in employment tribunals. It makes no reference to Mr. Justice Jackson's judgment, which I have quoted, nor does it detail the public interest reasons that his lordship relied on in favouring open justice. It does not say that the 2000 regulations for the first time required the register to detail the addresses of parties, thereby causing the Government to receive, in its own words, which I accept,

"numerous complaints from parties who have found it very intrusive and highly unwelcome to be contacted by third parties offering advice or other services."

The paper then refers to the earlier paper—"Routes to Resolution"—and says:

"A large majority of respondents opposed"

any change to the rules to make available the particulars of a claim. Given what I have said, that is not a complete analysis of the responses to that earlier consultation document.

In setting out the case for and against an open register, the paper suggests that there can be no right to know the gist of tribunal claims without also revealing the addresses of the parties, and thereby enabling unsolicited and unwelcome approaches to be made to them. As with the earlier consultation, no reference is made to the public interest in open justice. That omission is more surprising when the paper states:

"On the other hand each individual claim is a private matter. Individuals have"

a right

"to privacy."

As I said, Mr. Justice Jackson held that right to be overridden by the public interest in open justice. The paper goes wrong in suggesting that the present level of public access to information about employment claims is greater than that in the civil courts. Under civil procedure rule 5.4, as has always been the case in the High Court, the public have the right to inspect the document by which a claimant initiates proceedings.

The paper sets out five options in paragraph 70. Unfortunately, the options do not include any suggestion of returning to the trouble-free position prior to August 2000, treating whistleblowing claims differently, or including on the register the gist of employment tribunal claims. It is with considerable regret that I have to tell my hon. Friend the Minister that I find it difficult to reconcile the current consultation with the undertakings that his hon. and right hon. Friends have given to consider this matter and consult on it in a fully informed way. As an aside I have to express considerable surprise that Public Concern at Work was omitted from the list of pre-consultees.

On the substantive policy, the correct way forward would seem to be for the new rules to provide a right of public access to claims brought under PIDA and, I

suggest, the responses too, to ensure that anyone seeking the information can see a balanced picture. The CBI has stated that there should be access to PIDA claims. The TUC, among others, has also accepted that they should be treated differently from other employment claims. After all, PIDA is legislation that the House passed about public interest disclosures. I emphasise that. It seems paradoxical, to say the least, to disapply the basic principles of open justice from such claims, whatever reasons there are for doing so for other employment cases. I hope that my hon. Friend the Minister and his colleagues will see the merit of the approach that I have described and accept that it is the correct way forward.

Mr. Edward O'Hara (in the Chair): Order. I ask hon. Members to bear it in mind that the debate will finish at 4.43 pm and the Minister needs at least 10 minutes to respond adequately.

4.25 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I am grateful to the hon. and learned Member for Dudley, North (Ross Cranston) for initiating this short debate. I am also grateful to the Minister for indicating that he would accept a brief contribution from me.

I was, in one sense, the parliamentary means by which the measure went on to the statute book, because it passed through the private Member's Bill procedure. Its passage was achieved only because the measure had the committed support of the Government, including the right hon. Member for Makerfield (Mr. McCartney), who was then a Minister of State at the Department of Trade and Industry. He was a constant supporter of the concepts behind the Bill after it first emerged during the last Conservative Government's period of office. I am therefore grateful on a number of fronts: getting the Bill on to the statute book could not have been achieved without the Government's support; and, by the time it was introduced, I had convinced the Conservative Opposition that it was a necessary and proper measure, so it completed its passage without opposition in the House of Commons and the House of Lords.

When I introduced the Bill, there was a right of access to the gist of a claim. The essence of the debate is that that has since been removed, in circumstances that have caused the ombudsman to investigate. I make it clear that, whatever the outcome of that investigation, I would have put the provision in the Bill as a matter of policy if I had had the slightest idea that the DTI would be minded to keep such information secret. I know that the Government at that time were aware of the implications of making information available.

Mine is a simple point, because the case has been laid out well by the hon. and learned Member for Dudley, North. The Government should honour what was a clear understanding, even though that is not, in itself, a big deal. I hope that the Minister will make that clear this afternoon. I have reason to know that he is one of the world's greatest experts on Burns—indeed, no man knows more about the sense of liberty and fairness that runs through the works of Burns. I hope that, as was the case last night, he will give us a bonny answer.

4.28 pm

Tony Wright (Cannock Chase) (Lab): I thought that the hon. Member for Aldridge-Brownhills (Mr. Shepherd), who is my neighbour, would continue for a little longer. Indeed, I was not even sure that I would be able to contribute because of the need for the debate to stop by 4.43 pm, but perhaps I can detain colleagues for a moment.

We all like to claim some role in the paternity of the Public Interest Disclosure Act 1998, and I want to enter my claim. It began life as a ten-minute Bill many years ago under a previous Government. I was delighted when, after one or two little episodes on the way, it finally saw the light of day through the efforts of my neighbour. Under the Conservative Government, it was opposed: they would not accept it, so it went through the process and was destroyed. I am delighted that it was a Labour Government who produced this major public interest legislation.

Two questions matter to me. The first is, how on earth was the mess that was forensically described by my hon. and learned Friend the Member for Dudley, North (Ross Cranston) allowed to happen? The parliamentary ombudsman is to conduct an investigation into whether the consultation procedures were maladministrative. To be fair to the Government, they have made great strides in improving the quality of consultation and have strict rules about how it should be conducted. To test whether they were followed in this case is a depressing, but important exercise. My concern is about the process and whether the consultation worked well enough.

My second concern is more fundamental. The only question that needs to be asked is: where does the public interest lie? Hon. Members will recall that that question was endlessly, but interestingly, debated during the passage of the 1998 Act. The question now is whether the public interest lies in having it known what claims made under the Act are about. We have only to ask that question to know the answer. Of course we need to know that if we are to make any judgment about how the Act is working and if the public interest is to be maintained.

My conclusion is simply that if we are to be consistent with the founding principles of the 1998 Act, we must know the basis on which claims are made. I am sure that the Minister, who is full of good sense and generosity, will agree and will reply in an encouraging way.

4.32 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Nigel Griffiths): I apologise to the Chamber on behalf of my hon. Friend the Minister for Employment Relations, Competition and Consumers, who has ministerial responsibility for this subject. He has other duties, namely the matter of aerospace, to deal with in the House at this time. I am glad to be able to stand in for him, particularly in such distinguished company.

I congratulate my hon. and learned Friend the Member for Dudley, North (Ross Cranston) on securing a debate on such an important matter. It is always a pleasure to listen to the hon. Member for Aldridge-Brownhills (Mr. Shepherd), who did so much to advance the cause and secure historic legislation. It is a pleasure also to listen to my hon. Friend the Member

[Nigel Griffiths]

for Cannock Chase (Tony Wright) who, as well as being Chairman of the Public Administration Committee, played a significant role as Parliamentary Private Secretary to the Lord Chancellor when the legislation was debated. We await his memoirs with great interest.

I want to touch on the core of the issue. I remind the Chamber that the Public Interest Disclosure Act 1998 came into force in July 1999 as an employment protection measure. It added whistleblowing to the statute book and made whistleblowing on wrongdoing in the workplace an employer's responsibility. It ensured that protection against victimisation was available as provided by the Employment Rights Act 1996 and allowed workers who are victimised to complain to an employment tribunal and to receive unlimited compensation.

The measure that we are currently discussing, which is the subject of a consultation paper, has been commented on by informed outsiders. I pay tribute to the work of Public Concern at Work and Guy Dehn in highlighting their concerns about the content of the consultation document, and those concerns have been echoed and elaborated on by hon. Members today. The Government believe that there is a need for a public debate on the future of the register of employment tribunal applications. The current open consultation is designed to help colleagues to judge where the balance of public interest lies. None of that removes the importance to Public Concern at Work and other such organisations of information on employment tribunal claims. Their interest will be an important consideration in the Government's judgment about the future of the register.

The register of applications serves a number of important purposes for the moment. It allows information about the enforcement of employment rights to be publicly available. It assists bona fide special interest groups, such as Public Concern at Work, who may wish to monitor certain types of case and allows them to monitor the Act. It also enables those who have particular services to offer, such as employment law advice and representation at a tribunal, to make unsolicited approaches to applicants. Provided that solicitors and others advertising their services act with due propriety, the Government's view is that they are capable of significantly extending access to justice and the rule of law to individuals.

Concern has been expressed about the number of so-called ambulance chasers who have been touting for business in ways that have received unfavourable publicity. There have also been allegations of blacklists of employment tribunal applicants, which may be checked by certain unsavoury organisations before recommending staff for recruitment. One of the recommendations of the employment tribunal system taskforce, which hon. Members will know is an organisation made up of tribunal judiciary, ACAS, the TUC, the CBI and other representatives of tribunal users, said that the register of applications should be abolished. The consultation document ensures that all possible views are included.

In response to my hon. Friend the Member for Cannock Chase, the question about the public register of tribunal applications continuing unchanged is posed, and posed directly, in question 16. I should not like him to think that the document was produced by anyone with a closed mind or preconceived notions or that it was merely an insignificant consultation paper that could not influence decisions that have already been taken. That is far from the truth. With the number of PIDA applications rising in recent years—there were 524 two years ago and the last available figure showed that they had risen to 657—there is clearly a demand for this and there have been some well-publicised cases.

I have noted with concern some of the key points that have been made. I know that my hon. Friend the Minister for Employment Relations, Competition and Consumers is willing to meet my hon. and learned Friend the Member for Dudley, North and other hon. Friends and Members to discuss their concerns and to take on board the points that they are making both on their own behalf and on behalf of their constituents and special interest groups.

It is in everyone's interest to ensure that there is as much public disclosure as is practical and that this type of legislation is as effective as possible. I, for one, do not want to see anything that might deter people from using the power that they have been given and enlisting any help they may need to pursue their claims. Nor is it desirable that other responsible people should not have access to a database. The consultation document is about how the practical database may be made available. It also takes on board views directly opposed to those that have been expressed today, such as the employment tribunal system taskforce's view that the register should be abolished.

I am sure that my right hon. Friend the Secretary of State and my hon. Friend the Minister for Employment Relations, Competition and Consumers will review all representations that are currently being made on the consultation paper both by hon. Members and informed outsiders and weigh them up seriously before coming up with the final proposals, which will be subject to debate in Parliament.

Question put and agreed to.

Adjourned accordingly at twenty minutes to Five o'clock.

Westminster Hall

Thursday 12 February 2004

[SIR ALAN HASELHURST *in the Chair*]

Healthy Living

2.30 pm

Mr. Deputy Speaker: No formal rules apply to our proceedings here today, other than the general rules of courtesy and order that we have in the House. Only 10 questions have been tabled, so I intend to use the time available to maximum advantage. I am willing to take additional supplementary questions when necessary, but I want to ensure that each of the questions tabled is reached.

Oral Answers to Questions

The Government were asked—

Obesity

1. **Huw Irranca-Davies** (Ogmore) (Lab): What assessment they have made of the costs of obesity to the national health service. [153639]

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): The National Audit Office report, "Tackling Obesity in England", published in 2001, estimated that the direct cost to the NHS of treating obesity in 1998 was £9.5 million. Treating the consequences of obesity cost the NHS £469.9 million or 1.5 per cent. of the total NHS expenditure for that year.

Huw Irranca-Davies: I am grateful to the Minister for that answer. I pay tribute to the work of Cancer Research in bringing such an important issue to my attention. It estimates that obesity-related disease may cause 14 per cent. of cancer deaths in men and 20 per cent. in women. After giving up smoking, avoiding obesity and maintaining a healthy diet are the most important actions we can take to reduce the risk of cancer. On that basis, will she consider adopting a Portman-style approach to health education, encouraging those businesses involved in food manufacturing, production and retailing to get the message across—not only at the taxpayer's expense, but using their advertising skills as well as their financial resources to persuade people of the benefits of a healthy diet and lifestyle?

Miss Johnson: My hon. Friend is right to highlight the increased risks of cancer from obesity and to refer to the work of Cancer Research and other campaigns. I wish to point out, however, that the largest killer is coronary heart disease, to which obesity is a contributory factor. As for his suggestion, he will be aware that, during the past week, we announced a consultation exercise in connection with the White Paper on public health. It will seek answers to the questions that he asked about the role of the different stakeholders in helping people to live healthier lives. We accept that there is a role for the Government to play, as well as a role for individuals and for some key stakeholders. I shall bear his remarks in mind.

Mr. David Tredinnick (Bosworth) (Con) *rose—*

Mr. Deputy Speaker: Order. I had hoped not to have to say it, but naturally I thought that questions and answers would be customarily brief. I do not want hon. Members or Ministers to get into bad habits that might spread to the other Chamber.

Mr. Tredinnick: In the light of the huge costs to the NHS associated with obesity and unhealthy living, why did the Government allow the implementation of the food supplements directive, which by removing many safe and effective products from the shelves, will prevent thousands of people from maintaining their own health?

Miss Johnson: I appreciate that the hon. Gentleman takes a keen interest in this subject. He will know that I might judge his comments to be tendentious, but I accept that he genuinely holds those views. I do not agree with him. We are still in the process of negotiating many of the details about how the directive will be implemented. I look forward to continuing to work with the health supplements industry on securing the best possible deal based on what is safe and necessary for the consumer, and nothing further.

Mr. Andy Reed (Loughborough) (Lab/Co-op): As my hon. Friend knows, I have a specific interest in promoting physical activity to tackle obesity. I am really grateful that we have this opportunity to discuss the subject. Three crucial Departments will have an input in the current consultation process for the White Paper. Can she reassure me that the Government will undertake genuine cross-cutting work on the issue and that the Department of Health, in particular, will not only promote physical activity and sport but use some of its finances to ensure that it supplements the work that is rightly being done in the Department for Education and Skills for schoolchildren and in the Department for Culture, Media and Sport for grass-roots and elite sport? Will the money follow the good words that we are now finally hearing from the Department of Health?

Miss Johnson: I can reassure my hon. Friend on that. My colleague the Minister for Sport and Tourism and I jointly chair the work that is done on physical activity. That is cross-Government work on a programme to stimulate more physical activity. We want to increase the number of physically active adults to 70 per cent. of the population by 2020. That shows the emphasis that we place on this matter.

As part of that work, we are investing in local exercise action pilots, a physical exercise project in schools. We have also invested in pedometers, for example. As part of the White Paper, we will look at physical activity; that will be an important component.

Dr. Andrew Murrison (Westbury) (Con): Obesity affects the poorest the most, and opens up inequalities in health. That is not helped by the £5 to £6 surcharge that the common agricultural policy introduces into weekly grocery baskets. Given that the poor tend to be drawn

[Dr. Andrew Murrison]

towards unhealthy foods, what discussions has the Minister had with her colleagues at the Department for Environment, Food and Rural Affairs in advance of the statement today on CAP reform? There is very little evidence in what I have read this morning of cross-cutting or joined-up Government.

Miss Johnson: I can reassure the hon. Gentleman on that, too. Much cross-Government work is done with DEFRA. I am also a member of the sustainable food and farming group that meets, with DEFRA leadership, under Sir Don Curry, to examine sustainable food and farming.

The reform of CAP has long been on the agenda. As the hon. Gentleman knows, we need to make progress on that for many powerful reasons. I am pleased that we are continuing to do so.

Dr. Murrison: I hope that the Minister has studied in depth the magisterial tome produced yesterday by the Royal College of Physicians, the Royal College of Paediatrics and Child Health and the Faculty of Public Health. What conclusions has she drawn from the fact that that lengthy document does not appear to contain any specific reference to the five-a-day healthy food programme? There might be a reason for that. Does she share the opinion of many organisations that that initiative, which has cost £540,000, has been ineffective? She might wish to reconsider its funding for the future.

Miss Johnson: On the contrary, we think that it is a successful initiative. One of the main authors of that report has been heavily involved in studying and improving diet in east London as part of his work on diabetes. The success of that work shows that if people can be persuaded to adopt a healthier diet, cases of type 2 diabetes can be reduced, as can those of cancer and coronary heart disease.

The evidence is that the five-a-day programme is increasingly recognised and adopted. It is an excellent programme.

School Meals

2. **Mr. David Kidney** (Stafford) (Lab): What guidance the Government give local education authorities and schools on the nutritional standards of school meals; and if the Government will take steps to raise those standards. [153640]

3. **Mrs. Janet Dean** (Burton): How many schools have joined the national school fruit scheme and what estimate has been made of how many children eat the fruit provided. [153641]

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Stephen Twigg): The Department's guidance on healthy school lunches provides advice on implementing the standards. The findings of the Department for Education and Skills and Food Standards Agency exercise examining school lunches in 80 secondary schools will inform future policy decisions on this issue.

Department of Health research shows that 95 per cent. of the 1 million children in the 7,619 schools participating in the national school fruit scheme eat the fruit provided.

Mr. Kidney: I recognise that exercise and diet go together. I have a question about diet. Does my hon. Friend not agree that school meals provide a great way to ensure that we reach every young person? We could offer a very attractive nutritional meal once a day to every young person. Does he not think that that is worth the effort? Physically, we can provide good quality food, and educationally we can give young people a message that they take with them through the rest of their lives and that they take back to the rest of their families. Is it not worth a universal effort across Government to get that done?

Mr. Twigg: Indeed. There are enormous benefits in terms of health, education and physical well-being. I have seen some great examples of schools that are way ahead of the field in this respect. We can share best practice. The purpose of the research to which I referred is to see whether there is in the system sufficiently strong advice and guidance to schools. We will evaluate that and reconsider the existing advice in the light of that research on 80 schools.

Mrs. Dean: I am delighted with the national school fruit scheme. It is a real pleasure for those of us who have visited schools—I am sure that all hon. Members have done so—to see the children enjoying their fruit. That sends a strong message as they grow up.

In Staffordshire, I am pleased to say, 312 schools are taking part in the scheme, and 178 are taking part in the welfare milk scheme. Will my hon. Friend congratulate Staffordshire county council on the work that it is doing with schools to develop the whole-school approach to healthy eating? Will he also congratulate the 293 Staffordshire schools that are taking part in the health-promoting schools award scheme?

Mr. Twigg: I am delighted to congratulate Staffordshire and its schools that are taking part. The fruit scheme is beneficial. I pay tribute to colleagues in the Department of Health who led on and will be funding that programme as it moves forward. It is a great example of joined-up government. The more it can be integrated with other aspects of the healthy schools standard in the way that my hon. Friend describes, the greater the impact will be.

Mr. John Randall (Uxbridge) (Con): I, too, congratulate the hon. Gentleman on the national school fruit scheme. Has any research been done to maximise the take-up of fruit in schools and to find out whether any fruit is less or more popular? Are there any plans to extend the scheme to some of the more popular raw vegetables?

The Under-Secretary of State for Health (Miss Melanie Johnson): Perhaps I could answer the hon. Gentleman. Although the fruit that children like to eat varies from child to child, many vegetables are proving popular—and some quite surprising vegetables, too. Vegetables have been tried in some schools as part of the

programme. We will consider supplying some vegetables as part of the national roll-out for the remaining areas. Carrots, for example, are proving popular with young children.

Linda Perham (Ilford, North) (Lab): Is my hon. Friend aware that Ilford Jewish primary school is so keen on the national school fruit scheme that it is campaigning to extend it to key stage 2? Will he congratulate that school on its campaign and say whether the key stage 2 extension could be considered?

Mr. Twigg: I certainly was aware of that. I met one of the teachers from the school at the weekend. He told me that it intends to present a petition to No. 10 Downing street to that effect. I am not in a position today to make a dramatic announcement, saying that we are going to spend some more Department of Health money on extending the programme from key stage 1 to key stage 2, even though it is always tempting to spend other people's money. The success of the scheme in key stage 1 is demonstrable. Over the next two years it will cover the whole of the country. It will be appropriate at that point to review whether we can take it further into key stage 2 in our junior schools.

Sarah Teather (Brent, East) (LD): Is the Minister aware that nearly 750,000 schoolchildren who are eligible to take up school meals currently do not do so? Although the steps that the Government have taken to improve the nutritional value of school meals is welcome, if not overdue, does he agree that their efforts would be futile if children and parents did not take up their rights because of a fear of embarrassment? What steps are being taken to overcome that problem?

Mr. Twigg: I very much agree with the hon. Lady that there is a serious issue in many parts of our country with the stigma attached to taking up free school meals. Every effort has to be made nationally, and most importantly at the school and local level, to ensure that parents are aware of the eligibility criteria—because there have been changes in recent years, and that is part of the picture—and that the stigma is overcome, so all our young people can benefit from those programmes, and others, such as breakfast clubs. I am happy to look further into what we as a Government can do about that and write to the hon. Lady setting out our plans.

Helen Jones (Warrington, North) (Lab): I wonder whether when my hon. Friend reviews school meals he will look carefully at whether we really need to adhere to the current food-based standards, bearing in mind that they allow items to be served that contain little meat, fish or cheese and are highly processed, and consider again the recommendation of the Education and Skills Committee that we adopt nutrient-based standards for school meals. That would go a long way to improving the content.

Mr. Twigg: I pay tribute to my hon. Friend for her doughty campaigning on this issue, both in Parliament and beyond. She secured a debate on the subject in this Chamber only last week.

I mentioned that we are conducting research with 80 secondary schools. In light of that research, we will consider all possible options, including those that my hon. Friend proposes. I would point out that, when the food-based standards were set up, it was according to the majority response to the consultation, but of course as time moves on we will need to consider the impact of the standards. We will consider that as part of our response to that research.

Charles Hendry (Wealden) (Con): Further to that answer, I ask the Minister to liaise with his colleagues from the Department of Health on the issue of food colourings and additives, which often have an adverse affect on the behaviour of children and young people. Will he see what can be done to eliminate those from school diets and make people more aware of the side effects? They can so often lead to disruptive behaviour in the classroom.

Mr. Twigg: I spoke recently at the Westminster diet and health forum, and the issue was raised with me there. In conjunction with my colleagues in the Department of Health, I undertook to look into the matter. I will write to the hon. Gentleman setting out what we discover from that, and any plans that follow from it. Logically, it makes sense to consider that in the context of the broader work that I have been describing. I am happy to do as he has asked.

Charles Hendry: I am grateful for that constructive answer. The Minister will also be aware that many children do not eat school meals, and buy their lunches instead from food vending machines. Is he aware that many schools want to get rid of the vending machines that sell fizzy drinks, snacks and unhealthy junk food, but cannot replace them with a so-called green machine selling healthier food because they cannot afford the loss of income that would ensue? Will he see what help schools can be given to address the issue, so that we can prevent schools that try to encourage healthy eating from being financially penalised for doing so?

Mr. Twigg: I am certainly aware of the concern that has been expressed by a number of schools. I want to use my position in the Department to encourage school heads and governors to take up the healthy vending options, and to replace the fizzy drinks and crisps with an alternative. I understand that in those schools where the alternative is provided, many of the children opt for the fruit or water—the healthy options. The Department is in discussion with some of the providers of those healthy alternatives, and I want to send out a strong signal to schools to encourage them to consider those options when making their decisions.

I realise that there is a financial factor, and that is an issue for some schools—I do not underestimate that. However, there are also potential savings to schools from having more healthy options available in terms of the behaviour and attentiveness of the children in class. There is an issue with finance, and we are certainly considering that as part of our guidance to schools with respect to the availability of those machines.

Housing (Mental Illness)

4. **Dr. Vincent Cable** (Twickenham) (LD): If they will make a statement on steps to improve social housing provision to protect the health of the mentally ill.

[153642]

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): The "supporting people" programme, launched on 1 April 2003, will deliver high-quality and strategically planned housing-related support to complement existing care services and improve levels of social inclusion for the vulnerable, including those with a mental illness.

Dr. Cable: Does the Minister recognise the problem, which I see locally, of growing numbers of people with mental illness being housed very inappropriately? Often, there are young men on medication among elderly people, to the detriment of the health and welfare of both groups. Will she work with other Departments, including the Office of the Deputy Prime Minister and the Home Office, to ensure that there is stronger guidance for social housing agencies, and better provision of proper, and in particular supervised and sheltered, accommodation?

Miss Johnson: Indeed. I am grateful to the hon. Gentleman for his remarks. Certainly, the Department of Health and the ODPM are working together to carry out the further analyses recommended by the independent review to ensure that the scheme continues on a sustainable basis. That will include looking into the provision of housing, too.

School Journeys

5. **Hugh Bayley** (City of York) (Lab): What action they are taking to promote (a) walking and (b) cycling to schools. [153643]

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Stephen Twigg): The Department for Education and Skills and the Department for Transport have signalled our joint commitment via the document "Travelling to School: an Action Plan", which was launched last September. It outlines how schools and local authorities can increase the number of pupils walking and cycling to school. The Government are funding a network of travel advisers and capital grants for schools to promote cycling and walking to school over the next two years. That is a total investment of £50 million.

Hugh Bayley: The percentage of children driven to school in cars continues to rise. Is the Minister aware that the City of York council is on track to meet its target to double the number of cycle journeys taken by nine to 14-year-olds over a five-year period, from 1999 to 2004? While schools in York are glad to receive capital grants from his Department, they also need revenue funding for cycling and pedestrian safety training and school crossing patrols when they produce new travel plans. Will he consider ways of countering the national shortage of lollipop men and women? Without them, walking to school and other pedestrian journeys become much less attractive.

Mr. Twigg: No, I was not aware of that remarkable progress in York, and I congratulate York council and the schools and young people of York on it. I am happy to look into the revenue aspects. I understand the concern about lollipop ladies and men. I am aware of recruitment difficulties in my constituency. I will look at that matter further in response to my hon. Friend's question.

My hon. Friend raised the issue of the growth in recent years of the number of children and young people being driven to school. Among primary school children, the number has almost doubled since the mid 1980s. In 1985–86 it was 22 per cent. In 2001–02—the last year for which I have records—it was 41 per cent. That demonstrates the scale of what we have to do. We can learn from the example that he has described to us from York.

Exercise

6. **Miss Anne McIntosh** (Vale of York) (Con): If the Government will make a statement on the role of exercise in preventive medicine. [153645]

The Minister for Sport and Tourism (Mr. Richard Caborn): Inactivity is inextricably linked to obesity-related diseases, and to psychological illness. A key objective of the Government's investment in sport and physical activity is improved public health in those areas. The activity co-ordination team is producing a 17-year national activity strategy across nine Departments to increase activity levels.

Miss McIntosh: Can the Minister confirm that the level of activity that used to take place among young people—particularly in schools—has fallen dramatically between 1997 and 2004? Does he agree that obese children have a tendency to grow up into obese adults? What proposals do the Government have to tackle the growing level of obesity that is due in no small part to lack of exercise?

Mr. Caborn: The reference period 1997–2004 is probably driven more by political considerations than by the reality of obesity. A child 30 years ago had 70 per cent. more physical activity than a child today. That is the structural weakness that we have in the system for all sorts of reasons, one of which could be the built environment.

We have discussed the issue of children being taken to school by car rather than cycling. We are tackling the matter in what I hope is a holistic way. Sport England has recognised that sport will comprise only approximately 8 to 10 per cent. of the physical activity of the nation, so 60 or 70 per cent. will have to come through a different type of activity. Sport England is addressing that matter—along with the Department for Education and Skills—by setting up 400 sports colleges and 3,000 school sports co-ordinators. For the first time, we will have a sustainable structure within the education system that governing bodies and others involved in sport can lock into.

Miss McIntosh: The Minister will recall that at departmental questions I raised the issue of the increasing burden that the Government are placing on local authorities, and especially in relation to sports facilities. I refer in particular to coaching levels. Each and every one of us can point to a sports project that is affected in that way. For example, in my constituency there are the playing fields in Poppleton and a bid for an all-year-round tennis court in Bedale, and there are many other projects within the Vale of York.

How does the Minister expect local authorities to meet the additional commitments that he has outlined to us?

Mr. Caborn: It is very simple. We are investing well in excess of £500 million in the local education authorities. There is also likely to be some new thinking about sports facilities. Although open spaces and playing fields are very important, the generation of tomorrow demands a little more than that. The private sector is showing the way. If one looks at how JJB Sports has developed indoor five-a-side, or one goes to Trafford, where 24 indoor pitches are booked a year in advance, one sees that the demand for such facilities is considerable.

We need to invest in indoor facilities, as well as in the new surfaces with floodlighting—and we are investing in them. We are also investing just under £30 million in developing a new coaching structure and the national coaching certificate, and we will employ some 3,000 community coaches during the next two to three years. For the first time we will have a recognised national coaching certificate, which every governing body has bought into. Coaching will become a profession. That is a major advance, and it will help us to develop the amateur clubs up and down the country.

Huw Irranca-Davies (Ogmore) (Lab): On the role of exercise in preventive medicine, in a previous incarnation I was an advocate and a practitioner of exercise on prescription and GP referrals on the leisure side. However, GPs had difficulty in persuading people that exercise rather than a prescription at the local chemist was the solution; another obstacle was the difficulty of keeping people on such schemes. Will the Minister or one of his colleagues advise us on what the state of play on exercise and prescription is, and on how we can take that very beneficial scheme forward?

Mr. Caborn: Perhaps we can have a double answer to that. I want to deal with what has just been said on coaching. It is very important to get that into context. We would like to see multi-skilled coaches, obviously specialising in sport and exercise, but trained to go into a doctor's surgery and help on questions of obesity and related issues. They would be able to work with the National Association for the Care and Resettlement of Offenders and the probation service or be able to help develop and deliver sport in primary schools. We will expect the new coaches to be multi-skilled in a number of areas, one of which will be health. My colleague the Health Minister has also been active in this area. She may want to say a word.

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): Exercise referral is an important tool available to GPs, and is increasingly used by them. I was in Manchester a week or so ago, where a big scheme is running that involves a lot of exercise-referral prescription. I agree with my hon. Friend that sometimes it may be difficult to persuade patients. We hope that the debate about the role of physical activity and diet for the public health White Paper will help to convince people.

Mr. John Randall (Uxbridge) (Con): I think that I heard the Minister for Sport and Tourism saying that 10 per cent. of exercise in schools came from sport. What is the other 90 per cent. made up of?

Mr. Caborn: I think that the hon. Gentleman misunderstood. I said that between 8 and 10 per cent. of the nation's activity comes through sport. The rest comes from gardening, DIY or walking to work rather than going by car, for example. That is where the bulk of the nation's activity is. A third of the nation is physically active, according to the World Health Organisation definition, and another third could probably be persuaded to be that active, but it would be pretty difficult to persuade the final third.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): According to the national food survey, we consume less energy per household now than in the 1970s. That would suggest that the principal cause of rising levels of obesity is changes in energy expenditure rather than an increase in energy intake. Does the Minister agree? If so, does he accept that his Department should lead in tackling the problem of obesity, which, as the Joint Committee report published this week suggested, is a growing problem?

Mr. Caborn: There is no lead Department as such; one of the problems has probably been that we have not been thinking the issue through in a holistic way. From the media reports yesterday, anybody would think that obesity has come about in the last couple of weeks. It has not. A National Audit Office report published 18 months to two years ago clearly showed that that was the trend. I agree that physical activity is a major part of the problem. For the first time, life expectancy in the US and UK is decreasing. The cost of obesity to the economy will rise to about £3.5 billion by 2010. It is a serious issue that must be tackled across Departments.

The hon. Gentleman is right that as we move to a post-industrial society in which physical activity has been removed from our daily lives, we must for the first time consciously build it back in. That is something new for Governments to tackle. Calorie intake is roughly the same as 30 years ago, but the level of physical activity has decreased, and the quality of food—the content of fat, sugar and salt—has changed.

Miss Johnson: I want to add to my right hon. Friend's comments and remark that, although he is broadly right about the intake of food in the house, there is a question about how much food intake there is outside the home, and that contributes to the problem. Physical activity and diet are both aspects of the problem. It is wrong to emphasise one at the expense of the other. We must decrease the food intake and considerably increase the physical activity.

Mr. Moss: The Minister for Sport and Tourism accepted that his Department has an important role, if not the lead role, to play. Why then has it presided over a decline in the amount of time spent on sport and physical activity by five to 16-year-olds since 1999? That has been a continuing decline, as the recent report by Sport England confirmed. Furthermore, why has his Department reduced the commitment, first announced

[Mr. Moss]

in October 2002, that all five to 16-year-olds will have access to at least two hours of high quality PE and school sport by 2006? That was reduced in the most recent public service agreement to only 75 per cent.

Mr. Caborn: That is a bit rich coming from a Conservative Member on the subject of facilities for physical activity.

Mr. Moss: Is it true or not?

Mr. Caborn: No, it is not true, because we have given a commitment to provide two hours of quality physical activity or sport for every child from the age of five to 16. We have had to invest, because the lack of investment over the previous 15 to 20 years left us in a difficult position. We are now investing more than £500 million through local education authorities to achieve that objective and to arrest the serious problem that 75 per cent. of young people do not continue active sport on leaving school. Therefore, a precondition of the investment through the local education authorities is that facilities will be open to the community.

We are working with the governing bodies on the club-to-school links. I know that the hon. Gentleman was there a week last Monday when I announced that 15 more governing bodies will link their clubs to schools. That will at least start to arrest some problems that young people have when they leave school. We are on course to achieve the target of two hours of quality physical activity or sport, but we have to work through the backlog of under-investment that we inherited on coming to power.

Passive smoking

7. **Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): What plans the Government have to introduce legislation to protect people at work from the effects of passive smoking. [153646]

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): We currently have no plans to introduce such legislation. Employers have a duty under the Health and Safety at Work etc. Act 1974 to protect the health, safety and welfare of their employees, including risks from passive smoking. The Health and Safety Executive has published guidance to employers on effective smoking policies at work.

Mr. Sheerman: I am sad to hear the Minister's answer. She knows as well as I do that our great party came into existence to protect workers' rights, and their health and safety must be part of those rights. There are many people whose health is under daily attack from passive smoking. The health of people working in restaurants, bars and clubs comes under great pressure and deteriorates. Much research, including this week's report, shows that smoking is linked to infertility in men and women. Can she reassure me about the story on the front page of *The Times* today? The Secretary of State for Health has ruled out any vote on the issue, but I warn the Minister that we, as the party of Government, have had some recent lessons about Ministers being out of touch with Back Benchers and opinion in the country.

Miss Johnson: I know that my hon. Friend feels passionately about this subject, and the Secretary of State and I share that passion. We have consistently said that smoke-free indoor public places are the ideal way of protecting people from the health dangers of secondhand smoke, which we fully recognise. There will be an opportunity for further debate on the subject, and an examination of how to take it forward, as part of the consultation leading up to the White Paper. Last week, my right hon. Friend the Secretary of State for Culture, Media and Sport and I had a meeting on the subject with the hospitality sector, and we are trying to make progress there. Some 50 per cent. of workplaces are now free from tobacco smoke, up from 40 per cent. in 1996. In addition, about another 36 per cent. of workplaces limit smoking to specific areas. There is a particular issue in the hospitality sector, and we are holding discussions to make progress, to which the Secretary of State for Culture, Media and Sport and I are committed.

Mr. John Randall (Uxbridge) (Con): Can the Minister specify what the issue is in the hospitality sector?

Miss Johnson: I believe that my hon. Friend the Member for Huddersfield (Mr. Sheerman) specified clearly what the issue is: customers can choose whether they want to be in a smoking environment, but it is more difficult for workers employed in the sector to choose a smoke-free environment.

David Taylor (North-West Leicestershire) (Lab/Co-op): Our Government have a remarkable record in the area of public health: we had the first Public Health Minister, my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper). However, this is an area of acute disappointment, as my hon. Friend the Member for Huddersfield said. The presidents of the royal colleges were united in calling for legislation, and the Government's chief medical officer agreed. However, the Secretary of State for Health said that the chief medical officer was "an outrider" on the issue. Can the Minister please come to the meeting of the all-party group on smoking and health, which I have the privilege and pleasure of chairing, on a date of her choosing, to explain the Government's rationale? It defeats many of us who are active campaigners in the field. The evidence on health mounts up, as does that on economic benefits. How much longer must we wait? Sometimes, the talking and the consultation must stop, and action must begin.

Miss Johnson: I reassure my hon. Friend that action has begun and much progress is being made. I should be delighted to come, at an appropriate time diarywise, to meet the all-party group, and I look forward to receiving an invitation to do so.

I should like to assure my hon. Friend that we are determined to make further progress. Secondhand smoking in the home is a major issue, and that is why we launched a major, national, hard-hitting advertising campaign that is changing people's attitudes. That is against the background of the banning of cigarette advertising, and all the work and fantastic investment in

smoking cessation services. That is the key: seven out of 10 smokers would like to give up smoking. We want more people to give up so that the problem will be much smaller. I have already outlined to my hon. Friend the Member for Huddersfield the progress made in terms of workplace smoking, and we are determined to make more. The indications are that people are divided on the issue, and that there is not public support for bans across the board. While we can continue to make advances through voluntary measures, we should do so.

Sports Colleges

8. **Mr. Paul Truswell** (Pudsey) (Lab): What collaboration is taking place between Departments to maximise the health benefits of specialist sports colleges. [153647]

The Minister for Sport and Tourism (Mr. Richard Caborn): Specialist sports colleges already contribute to better health and awareness of healthy lifestyles. The wider PE, school sport and club links programme is led jointly by the Department for Culture, Media and Sport and the Department for Education and Skills, which remain in close touch on the implementation of the sports colleges, work strand. Other Departments are also consulted through a number of arrangements, latterly through the activity co-ordination team. We are all working towards that aim.

Mr. Truswell: I thank the Minister for his response. I have two excellent sports colleges in my constituency: Priesthorpe high school in Pudsey and St. Mary's comprehensive school in Menston, which was visited by my right hon. Friend the Secretary of State for Education and Skills just two days ago.

Based on that experience, I will make two brief points. First, although sports colleges are good and combining them with sports co-ordinators makes them even better, to achieve their best they require access to decent facilities. Will the Minister do his utmost to ensure that the resources available to Departments, sports-ruling bodies and other sources of funding such as the lottery, are targeted on such excellent community-based initiatives?

Secondly, will the Minister explore with his ministerial colleagues how local primary care trusts can get involved in sports colleges partnerships to address the issues that we have discussed today, such as obesity?

Mr. Caborn: My hon. Friend raises the point of communication and making the whole system much more sustainable than it used to be. One big problem in sport has always been that when we run initiatives, there is honestly nowhere for the kids to get coaching. Every year during Wimbledon we see all the kids picking up a tennis racket and wanting to play tennis, but having nowhere to play.

We are trying, bit by bit, to build a sustainable sports and physical activities structure in our communities. We are starting that process with sports colleges, of which there will be 400—about one for every 100,000 of the population—which will link to seven or eight secondary schools that will then link to 15 or so primary schools. Bringing that together will be 3,000 school sports co-ordinators, who will be teachers with a couple of days off a week, backed up by another teacher. They will develop sport in schools, among schools and out in the community. Linking that to our work with coaching—as I said, there will be about 3,000 community coaches—will help to develop the sports infrastructure. For the first time, we will have links with the governing bodies, which are now taking a proactive role in developing the club-to-school structure, which is important. The fact that we now have a sustainable and manageable structure of 400 colleges means that they can plug into the system more effectively than before. Add that to the £500 million of investment in sports facilities, and I think that we will start to achieve our aim.

Mr. Andy Reed (Loughborough) (Lab/Co-op): I welcome the Minister's comments. In stark contrast to what the Opposition said earlier about where we are now, we actually have a structure that can start to deliver the level of activity that we want.

I come back to my point about cross-departmental working. There is an excellent specialist sports college in Burleigh that the Minister visited and scored a couple of goals past me at Sports Relief last year, although I saved most of his shots. The problem concerns not just specialist sports colleges but their feeder schools. As the Minister knows, I play my rugby on a school pitch every week, and the rest of the facilities at that school are not used throughout the weekend. We have a real problem in that sports facilities are under-used throughout the country, such as the tennis courts at the school where I play rugby that have not really been used since I left the school 20 years ago. There are facilities available, but the club-school link must be progressed to a stage at which the potential is finally fulfilled.

We keep hearing fine words about making use of the extended school day and the buildings. Can we see some progress in making that idea a reality?

Mr. Caborn: We are making progress, slow as it may be. We are convincing people that we are serious about the issue, probably for the first time. As I said, many well-meaning developments in sport have not been as sustainable as they should have been, so it has been important to get the structures in place. The governing bodies and those who are involved in sport, such as Sport England and UK Sport, are now working in partnership. That was probably not the case previously.

The reorganisation of Sport England to a regional structure and the widening of its constituency base to include health, education and higher education—particularly universities—in the sports strategy decision making in each English region will have a major impact on the sustainability of the sporting infrastructure in the medium term. That is important if we are to arrest the problem of under performance in schools that was mentioned earlier. Also, when young people leave school, 70 per cent. of them do not continue in active sport. There is no single reason for that: there are a number of reasons, which I am now trying to address with those who are involved in sport in its totality.

Mr. Truswell: I am not sure that the Minister could, or did answer my question about the involvement of local primary care trusts. Sports colleges are a good basis for local collaboration, and I wonder whether the Minister from the Department of Health could comment on what steps might be taken to involve local health providers and commissioners.

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): My hon. Friend makes a valuable point. It is not only the primary care trusts and their boards that have a role to play in this, but GPs through exercise referral schemes. The opportunities are there. Indeed, I met representatives from the Register of Exercise Professionals fairly recently. They are interested in making people aware of who exercise professionals are at primary care level so that more link-ups can be made between those who can help people with professional exercise and primary care trusts in just the sort of way that my hon. Friend envisages.

Poverty

9. **Tony Lloyd** (Manchester, Central) (Lab): If the Government will make a statement on their programmes for improving the enjoyment of healthy living for those who live in poverty. [153649]

Mr. Caborn: A total of 257 healthy living centres have been established to date across England using New Opportunities Fund awards to address health inequalities. Sport action zones, regional health and activity co-ordinators, and local exercise and activity pilots are making sport and physical activity accessible to disadvantaged areas and groups.

Tony Lloyd: You will be aware, Mr. Deputy Speaker, that the bulk of my constituents are among the poorest people in the country. They would be a little concerned to learn from the Opposition that the poor tend to be drawn towards unhealthy foods. Will my right hon. Friend confirm that the poor are no more drawn to unhealthy food than they are to unfit housing or inadequate recreation facilities? There is a problem of access, which the Government are trying to address.

Does my right hon. Friend agree that if we are to change attitudes we must not simply deal with the up and coming generation, we must ensure that the parental generation play a part too? That means getting parents back into the schools and the sports facilities and re-educating them. We must get them involved in sport and the healthy living agenda so that they can be part of the change of culture that we need if we are to transform attitudes to healthy living for all the people in our society.

Mr. Caborn: That is true. If there has been a weakness in how we have developed Government policy, it is in joining some of the very good schemes. Sure Start is probably the most effective scheme that we have introduced in since 1997. While it was set up to deal with children, the education process that has been undergone by parents has been quite profound in many areas. Linking that to sport action zones and healthy living centres is having an impact on lifestyles.

As my hon. Friend the Health Minister was saying, our activity co-ordinating team aims to bring all that together and make it develop holistically. I hope that the White Paper published by the Department of Health on healthy living, with particular reference to obesity, will not be a traditional White Paper, as the Secretary of State for Health wants to hold a major debate on the matter before the document is drafted. I hope that the experiences of hon. Members and their constituents will be taken into account, as there is a genuine desire to look more seriously at health, activity and diet and to take a different approach to the issue. I say that in a non-partisan way—we want everyone to feed into it.

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Stephen Twigg): Parental engagement and family learning are vital. The Department for Education and Skills is leading on the follow-up to the "Every Child Matters" Green Paper, published last September, which places parental engagement and family learning at its heart, and on the extended schools programme, which has enormous potential to open up facilities, as we discussed earlier in relation to sport and other activities in schools, and to engage with parents from all communities, giving them an opportunity to expand their own learning and to assist their sons' and daughters' education.

Sarah Teather (Brent, East) (LD): Is the Minister aware of figures published in the health survey for England for 2002, published in December, which showed that obesity levels are disproportionately higher in children and young people from poorer areas? Thirty per cent. of girls and 36 per cent. of young women from poor areas are overweight or obese, compared with 23 per cent. and 27 per cent. respectively in better-off areas. Does she agree that that is a worrying trend, because it signifies wider health inequalities in future lives?

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): The hon. Lady is right to make that point. The evidence is that in poorer areas the adults are also much less healthy. There are serious health inequalities in 87 primary care trust areas throughout the country, where people are in the bottom 20 per cent. for health. People's life expectancy can vary by as much as eight years, depending on whether they are born in Manchester or Dorset. That gap is unacceptable, and with our partners in society, including the health service, local authorities and many other players, the Government are taking steps to address the causes of those health inequalities for young people and adults. Indeed, we must do so.

Tony Lloyd: I want to ask specifically about access. In inner-city areas such as my constituency, the reception at the facilities provided is not always very welcoming, especially to adult women who may be new immigrants. For example, there are many Somali women in my constituency who lack any previous experience of taking part in sport and recreation. We must tackle the serious issue of access to those facilities if we are to assist them and the next generation. Will the Minister say something about the health of women generally and specifically those from minority communities?

Mr. Caborn: Sport England has an equity policy, part of which relates to access, and is carrying out a number of pilot schemes. I was in the east end of London a few weeks ago, where there are special courses to accommodate Somali women and others. There are many pilot schemes throughout the country, and I hope that through the nine regional sports boards they will feed into the Sport England board to develop an England-wide strategy for access. We take this important issue very seriously and Sport England is considering the matter in detail, nationally and in the regions.

I can tell the hon. Member for Brent, East (Sarah Teather) that last week the Science and Technology Committee had the Americans over to talk about the "Get Active America!" programme. It was interesting to hear how they are tackling the obesity issue through physical activity. They are saying that there must be minimum standards to start with: they want to get everybody walking 2,000 steps a day and reducing their calorie intake by 100. That is simplistic, but they are trying to arrest the problem of America's becoming even more obese. That is a limited but realistic vision, and we could learn a lot from it.

Miss Anne McIntosh (Vale of York) (Con): Does the Minister accept that although there is not widespread poverty in North Yorkshire, there are pockets of rural deprivation? Those people can feel excluded from healthy living, especially if there are no exercise classes in village halls for the winter months. What thought has his Department given to extending such programmes to village halls throughout rural areas, especially where no funds exist to encourage such activities? Has he considered an advertising campaign to stress the benefits, which we heard about earlier, of walking and cycling as a pastime and exercise in their own right?

Mr. Caborn: It is incumbent on organisations to consider solutions. Cornwall now has full coverage of sports co-ordinators in colleges; it is probably the most effective county in England as regards implementation. It has some very rural areas, and transportation tends to be the biggest problem, so it has devised all sorts of transport solutions and projects to ensure that facilities are accessible.

What we can do in Government is to try to give the tools to the regions that allow them to develop their own systems. We are committed to 400 sports colleges, obviously covering rural as well as urban areas. Within that structure, we can devise innovative ideas for getting the rural and urban populations active again. I hope that innovative ideas will come from the rural areas.

Coronary Heart Disease

10. **Ms Meg Munn** (Sheffield, Heeley) (Lab/Co-op): What progress has been made in reducing the incidence of coronary heart disease. [153650]

The Parliamentary Under-Secretary of State for Health (Miss Melanie Johnson): Deaths from heart disease, stroke and related causes have fallen by more than 23 per cent. compared with the figures for 1995 to 1997.

Ms Munn: I welcome the reduction that is now evident. I especially welcome the changes to the health service, which the Government put in place to make primary care the driver of much of the health service that is provided. What assessment has the Minister made of the contribution of primary care trusts to the fall in coronary heart disease and to preventive measures?

Miss Johnson: I am grateful for my hon. Friend's congratulations on the progress that we have made. We are working on a range of prevention measures for coronary heart disease, recognising it to be one of the biggest health problems that faces us.

GPs and primary care-based practices obviously have a huge role to play in what is said to patients regarding diet and nutrition. We know that the advice of doctors is taken very seriously by patients, and in general it is much more likely to be followed than the advice of others. We have invested £10 million in 66 PCTs to support the local five-a-day programme, which now reaches more than 6 million people. The national school fruit scheme has already been mentioned. It is also worth mentioning the statin spending, which is a major element in our success and one of the biggest single things that we have been able to do. It is costing more than £500,000, and it benefits an estimated 1.8 million patients by protecting them from heart attacks, probably saving about 6,000 lives a year. The work that PCTs must do is of the utmost importance in driving forward that agenda and making progress on prevention.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend agree that the link between smoking and coronary heart disease is very strong, and is she able to give her colleagues any evidence of a lack of public support for a ban on smoking in work and public places? The polls that I have seen suggest widespread support for a ban.

Miss Johnson: I certainly agree that there is a direct relationship between smoking tobacco and rates of coronary heart disease. That is why the Department of Health, with the British Heart Foundation, recently funded advertisements showing an artery with fat oozing out of it. We recognise the contribution that such measures make. I hope that those adverts give smokers pause for thought and that they head for our excellent smoking cessation services, which will help them to give up.

I note my hon. Friend's remarks about banning smoking in public places. He and I have debated that subject before and will no doubt do so again. Indeed, I hope that he will contribute in the lively way in which he has done this afternoon to the White Paper consultation exercise, because that will provide a good opportunity for these matters to be debated further.

Mr. Deputy Speaker: It is now time to move on. That was about as perfect a fit as could be managed in the circumstances. I am grateful to all those who participated in the debate for ensuring that that was the case. To achieve the least disturbing transition possible, I suggest a one-minute pause before the next part of the proceedings.

Light Pollution and Astronomy

[Relevant documents: Seventh Report from the Science and Technology Committee, Session 2002–03, HC 747-I, and the Government's response thereto, First Special Report, Session 2003–04, HC 127.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Kemp.]*

3.32 pm

Dr. Ian Gibson (Norwich, North) (Lab): I welcome the opportunity to debate this issue, but first let me thank everyone who gave oral and written evidence to our inquiry and particularly the Royal Observatory at Greenwich, which allowed us to see the night sky through a telescope for ourselves, or at least what is left of the night sky in the London area. I particularly thank the Clerk, Nerys Welfoot, who helped to run the inquiry with the dedication and discipline that got us back from Greenwich very late at night, imbued with the night sky. That helped us to produce such an eye-catching report. Indeed, if ever a Select Committee report deserved an arts award, this is it. It is brilliant, and was produced in exactly the spirit that the Liaison Committee wanted.

I also thank my hon. Friend the Member for Glasgow, Cathcart (Mr. Harris), who persisted in trying to make us take up this issue. He suffered several defeats in the ballot, but he came back for more and will be pleased that we have produced a report that has been acknowledged by many of the professionals in the field.

The report shows what Select Committees can achieve. I never thought that there would be queues outside Committee Room 6—that does not happen often—or headlines in *The Times*, but I was completely wrong. The inquiry was fascinating and useful. We touched a nerve, and many people took up the issue. I particularly remember a dark night in Suffolk. We do not get many dark nights in Suffolk the nearer we get to Ipswich, but the sky was lit up with stars, which I very much enjoyed. I do not look up much; we have to watch our backs in this place and look at what is in front of us, but never up. However, it really mattered to many people that we could see the night sky.

We had 120 submissions of evidence to the inquiry. Indeed, people in general were alarmed at the rate at which the night sky is being ruined by the increase in light pollution. We saw the extent of the problem, and we shared all of the concerns of amateur astronomers and others. I am grateful to them for the work that they have done. We have raised the profile of the issue and are making some progress in tackling it. I look forward to the Minister's response, and my colleagues will outline many of the issues as we proceed through the debate.

Professor Sir Martin Rees, the Astronomer Royal said:

"Van Gogh painted his 'Starry Night' in the same spirit as his portrayals of sunflowers and cornfields—the night sky is part of everyone's shared environment . . . it is a uniquely universal feature: it has been viewed and wondered at, essentially unchanged, by all cultures throughout human history. But unless we live in exceedingly isolated parts of the UK, we are now deprived of this experience."

He also said:

"The case for controlling light pollution is a multi-faceted one: it has scientific, educational, environmental, aesthetic, and economic dimensions."

We believe that:

"Modest changes in the planning and regulatory system could stem—and indeed reverse—the current trend."

We would "earn the gratitude" not only of this generation, but of the next generation and many to come. It would garner much support today.

We were very proud, a few minutes ago, to receive an award; probably the first time that a Select Committee has ever had one. I shall treasure it alongside cup-winners' medals and other things. The Campaign for Dark Skies presented the Science and Technology Committee with the prize for efforts directed towards ensuring a darker and more accessible night sky, free of wasted artificial light for our descendents. What could be better than that? People who have spent their lives looking at the skies recognise the work that that Committee has done. I thank them very much.

Does it really matter if we see the night sky or not? Who cares? Well, for years, amateur astronomers have made important contributions to professional astronomy, spotting comets and supernovae, and monitoring exploding stars in distant galaxies. They alert the professionals to what is going on and they help gather information. The Government, in a kind of mean-spirited way, said that it is a "small but significant" contribution. If amateur astronomers are not able to see the sky, the science of astronomy suffers.

If children studying astronomy cannot see what they are studying, are they expected to get enthusiastic about it? The Minister for School Standards, my hon. Friend the Member for South Shields (Mr. Miliband), in another mean-spirited moment, told us that they could look online at views from telescopes in Australia. Fine. Great. Really? However, there is nothing to capture the imagination of a 10-year-old more than looking through a telescope and seeing for himself the stunning beauty of Mars. If he were to find Beagle 2, who knows what would happen to British astronomy? If we could hear and see Mars, it would be marvellous for young people's minds—which ask questions—and for their enthusiasm; they will want to study astronomy at further levels. The Minister admitted that he had done rather badly in science, but was rather good at economics. That is fine, but who knows what would have happened if he could have looked through a telescope at the right moment in his career.

Light pollution is a cross-cutting issue. *[Interruption.]* I will not be dragged on to the subject of top-up fees. It has been fascinating for the Select Committee to see how Departments cope with the issue. I congratulate the Minister on winning the raffle today to come and address this debate. We heard that it was being passed back and forward between the Office of the Deputy Prime Minister and the Department for Environment, Food and Rural Affairs, and that only at the last moment did she win the argument to come to this debate. We know how seriously she takes the issue. We have experienced the delights of the previous Minister in some of our other inquiries.

Mr. Robert Key (Salisbury) (Con): Given the appalling response of the Ministers who have

responsibility for this area when they appeared in front of our Select Committee, is it not a double bonus that we have the Minister with us today?

Dr. Gibson: I am sure that the Minister has heard that, and that she will explode like a star from the firmament when she rises to speak, responding immediately to our request to examine the issues of light pollution, the regulations involved, transport lighting, education, environmental protection and crime. Whether the argument that lights prevent crime has been won is still a debate worth having.

Do Ministers ever sit down together and discuss this issue? Have they ever seen a star? I am prepared to bet that our evidence session was the first time that that happened, at least with Ministers. They took it as a bit of a joke; as if astronomy was something for eccentric stargazers who look to the stars to get stimulation and was of little concern to them. They gave quite a bad impression. No doubt we will hear today that they regret that.

Colleagues will discuss the Government reply to the recommendations in our report. That reply has been described to me as limp, which is interesting. It has not impressed all astronomers. A Dr. Clark from Melbourne has written to us that he found the Government's reply to be cynical, evasive and foolish. He remarked that it was like a "Yes, Minister" script but without the jokes. I am sure that the Minister will right that today. Dr. Clark has obviously not read as many Government replies as I have, because I would describe 90 per cent. of them in that way.

That response shows that people think that the Government should take our report and this issue more seriously. Select Committees distinguish themselves by pursuing issues such as this that might be treated in a light-hearted way, but penetrate to the interests of the nation. We received thanks from many people. I look forward to the Minister giving an inspirational reply on how we will progress.

3.41 pm

Mr. Robert Key (Salisbury) (Con): It is a great pleasure to follow the Chairman of the Select Committee. This is one of the more remarkable reports that we or any other Select Committee has produced because it touched a raw nerve, and a lot of people throughout the country find this matter very attractive. I sent the report to my planning authorities—Salisbury district council and Wiltshire county council—and they read it with interest. I think that they will seek to live up to the request that we make of planning authorities.

The great message of our report is that the attitude of each one of us to light can make a difference. Whether we switch off the light or turn down the reflectors so that they do not shine in people's eyes makes a real difference.

I want briefly to concentrate on paragraphs 43 and 44 of our report, which address sky glow. Since we published our report, I have discovered even more disturbing evidence on that. Last August, I was lying in a swimming pool in south-west France, contemplating great things and making waves, when I looked up at an otherwise perfect sky and saw to my disgust that it was blemished by 40 vapour trails; I counted them. Last month, on a perfect January afternoon, I was walking past Horseguards when I looked up and—sure enough—counted over 40 vapour trails. Last Monday morning, I looked out of my bedroom window in Salisbury; an otherwise perfect dawn was blemished by over 20 vapour trails.

I then thought, "Well, hang on," because sky glow is a factor in astronomy. It is one of the reasons why very distinguished people say that students should use radio telescopes in Australia and elsewhere rather than look up at the sky from our country. A contributory factor is the clarity of the atmosphere. Particles in the atmosphere can cause disturbance, particularly if optical telescopes are being used. That is a problem at night as well as during the day. Where light is reflected from the ground upwards into the atmosphere, telescopes cannot even be used at night.

I was astonished and rather alarmed to discover how serious the problem of vapour trails is becoming. An increase in air travel will have a dramatic effect on that, and will continue to make life worse for astronomers. Emissions from aircraft contribute far more to the atmosphere than the same level of emissions from surface-based sources. That is known as radiative forcing. It is caused because aircraft emit not only carbon dioxide, but water vapour and nitrogen oxides, both of which can lead to global warming when they are emitted in the stratosphere at the altitude at which passenger aircraft fly.

On the basis of scientific evidence, the intergovernmental panel on climate change reported in 1999 that aviation emissions might have 2.7 times the effect of global warming when compared with a similar weight of carbon dioxide emitted on the ground. That is just a best estimate.

At the beginning of this month—in a document sexily entitled, "TRADEOFF (Aircraft emissions: Contributions of various climate compounds to changes in composition and radiative forcing—tradeoff to reduce atmospheric impact)"—the European Union reported that the potential cirrus cloud impact directly related to aviation emissions in the atmosphere raised the radiative forcing multiplier significantly to a best estimate of 4.4 in 2000 and 4.7 in 2050. That compares with the Treasury figure of 2.5. The contribution of aviation is massive whether we are talking about climate change and global warming or the quality of the atmosphere above the earth. We should consider the problem seriously because it will continue to get worse if we do nothing about it.

What can we do about the problem? I shall finish with the conclusions that many hon. Members on both sides of the House will have reached. We should consider carefully the tax on aviation fuel. There is no doubt that we should develop an aviation policy that accords with national air pollution sustainability and climate change targets and pays for external costs. Early-day motion 1688, which was tabled on 15 September 2003, appealed to the Government to work

> "at a national, European and international level to reduce and eliminate the tax concessions received by the aviation industry in the form of tax-free fuel and VAT-exempt products".

It was signed by 120 Members, including me. We should consider such proposals, unpopular though they may be in the short term.

[Mr. Robert Key]

Sky glow remains a problem, even for people who use a pair of binoculars just to look at the moon or stars at night. It is caused not only by pollution from industrial centres. In even the dark-skies regions of our country and planet, if the atmosphere is polluted by aircraft vapour trails, sky glow is an impediment to our proper viewing of the heavens.

3.48 pm

Mr. Tony McWalter (Hemel Hempstead) (Lab/Co-op): It is a pleasure to follow the hon. Member for Salisbury (Mr. Key). I want to focus on the Government's attitude to the Select Committee report and to consider whether we could change their underlying sense of whether the issue is important.

The Science and Technology Committee Chairman, my hon. Friend the Member for Norwich, North (Dr. Gibson), has already mentioned the submission by Sir Martin Rees, the Astronomer Royal, and his remark that while most people are not ornithologists, they would miss birdsong of a morning. Similarly, those who are not astronomers would still have a real sense of loss if they never had the opportunity to experience a really dark sky.

Mr. Tom Harris (Glasgow, Cathcart) (Lab): My hon. Friend's analogy might be more apposite than he thinks. Does he agree that light pollution not only contributes to an obscure view of the sky, but interferes with the life cycle of insects and, therefore, the food supply of many birds?

Mr. McWalter: That is right, and on page 21 of the report, we emphasise that the changes will have particular consequences on nocturnal animals, which may be detrimentally affected if the pollution is allowed to continue.

The rate of pollution has been extraordinarily fast, but one would not know that from the Government's response, which implies that everyone understands it very well. They believe that local authorities, for instance, have a good understanding of the causes of light pollution, as do the lighting industry and the lighting profession. Moreover, they all understand the solutions, according to page 9 of the Government's response.

Brian White (Milton Keynes, North-East) (Lab): The Government's sustainable communities plan, under the direct responsibility of the Office of the Deputy Prime Minister, will result in the construction of another 70,000 houses in Milton Keynes. Does the ODPM understand the issues of light pollution in relation to the sustainable communities programme?

Mr. McWalter: I do not believe that the ODPM understands those issues. When the subject was first mooted, it was treated with something approaching humour by those who were giving evidence. It was perhaps thought of as a bit of a nerd's charter. However, since my Christmas present was a telescope, I confess to being a nerd. One of the great pleasures that my children get when we go on holiday to Portugal is that there is a decent night sky, and I am able to point out some of the features of that wonderful sight.

We are faced with a Government who do not yet properly understand light pollution. I hope that after today's debate we may make a fresh start in terms of constructing a sensible relationship, particularly since the Minister is coming to the matter afresh.

In the Rijksmuseum there is a painting called "The Night Watch." Fairly recently, a vandal attacked the painting and ripped the canvas in several places, causing one of the most precious items in the cultural history of the west to be damaged to such an extent that it was thought to be irreparable. However, it was repaired. In my view, it is infinitely worse to deprive people not of the sight of Rembrandt's "The Night Watch", but of what Emmanuel Kant described as the most wondrous sight it is possible for human beings to behold.

The night sky is not simply the most beautiful object in the universe, but has been, for the whole of human history, the most inspiring object in the universe. As my hon. Friend the Member for Norwich, North has already indicated, it has been inspiring in the development of the arts. I also have a rather older reference to a description by someone in Anglo-Saxon times of a chalice like gold, which he said was flashing with gems, as the heavens glow with blazing stars.

Those concerns date back to the dawn of human history and have become part of what it is to be human, not just from the perspective of aesthetics but because, in beholding the night sky, human beings throughout history have had their curiosity about the nature of the universe excited. They have asked questions and the answers to those questions—whether they have taken the form of theories of the formation of the universe, or of mathematical theories about the motion of the planets—have themselves had an intrinsic beauty that has proved not only to be immensely satisfying to people who want to develop their intellectual faculties, but immensely rewarding to those who seek to understand the universe, and through that understanding to change the world for the better through science and technology.

We want to see our younger people being given access to the night sky. "The Night Watch" was attacked by someone who was thought of as a lunatic. However, it was also attacked by the Dutch authorities. When they got the painting to the museum, they found that it did not fit the wall so they hacked a chunk off. Authorities, as well as vandals, are capable of vandalism. A Government who do not pay attention to the most spectacularly beautiful and intellectually satisfying object in the universe—the universe itself—are not only failing at the margins, but denying culture in its deepest and most satisfying form.

Whatever comes from the debate, I hope that Ministers will not just smile when people ask them questions about the issue but will come up with a response that recognises the gravity and importance of the matter.

3.56 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): It is a privilege to take part in the debate. I confess that when my hon. Friend the Member for Glasgow, Cathcart (Mr. Harris) suggested that the Committee carry out an inquiry into light pollution and astronomy, I was not

among the most enthusiastic Members to accept the suggestion. However, hon. Members, including me, can be wrong. It turned out to be one of the most interesting investigations that the Committee has carried out, at least in my time. I congratulate my hon. Friend on that and on the award that he received today from the Campaign for Dark Skies for his part in suggesting the inquiry.

The worst polluters are security lights, floodlights on buildings, car parks and sports grounds, and street lighting. A Committee visit to the Royal Observatory at Greenwich was an eye opener for me. I had not previously seen the effect of the lighting on the buildings of Canary Wharf on the night sky next to the Royal Observatory; it was incredible.

I congratulate B&Q, which now sells 140 W security lights that cannot be tilted at an angle that causes spillage of light on to adjacent properties—light trespass—or causes dazzle to oncoming traffic. Most retailers still offer the more powerful 500 W security lights that can be a nuisance to neighbours and waste a lot of energy.

Lighting our streets, including motorways, saves lives. I prefer to use the M1 rather than the M40 on the way to and from London because it is lit until the M6 junction. I feel a lot safer, as I am sure most motorists do. Although the Government are responsible when erecting street lights on motorways and other main roads, many local authorities still erect street lights that spill light into the night sky and are no better in that respect than those they replace.

Better lighting is believed to prevent crime; it certainly leaves us with that perception. However, as the Committee heard, that is now a controversial matter. We received more than one piece of evidence suggesting the contrary. For example, a badly fitted security light could prevent a neighbour from seeing a burglar breaking into an adjacent property. The extra light also allows the burglar to see what he is doing and gain faster entry to the property.

The worst polluter in Greater Manchester, where I live, is the Trafford centre and the adjacent golf driving range. As you will know, Sir Nicholas, the sky glow is visible every time one goes north from London, joins the M62 and travels towards Manchester.

I found the following headline in the *Bolton Evening News* on 4 February:

"Hotel lights inquiry is told of sleepless nights."

The opening paragraph of the article reads:

"Residents in Horwich who suffer sleepless nights because of hotel car park floodlights are to await a Government inspector's decision on whether they should be removed".

The 12 lights causing the problem were erected before planning permission was granted for the development at the Travel Inn on the Beehive roundabout in Horwich, which is in the constituency of the Financial Secretary to the Treasury, my hon. Friend the Member for Bolton, West (Ruth Kelly). This is a real problem affecting real people. In this example it affects elderly people living adjacent to the site in sheltered accommodation.

One of the recommendations of our report is that light pollution, or light trespass, should be made a statutory nuisance that all planning authorities must take into consideration. Local planning authorities can include policies on lighting in their development plans. They can refuse an application based on those policies and a condition may be attached to a planning permission under section 70(1) of the Planning Act 1990. But few local authorities take light pollution seriously.

Three planning policy guidance notes briefly mention light pollution, yet they do not carry sufficient weight to have a large impact in controlling that nuisance. There is no mention of light pollution in the overarching PPG1, "General Policy and Principles" or in PPG7, "The Countryside—Environmental Quality and Economic and Social Development".

A survey carried out in 1993 by the Chartered Institute of Environmental Health revealed that 80 per cent. of local authorities had received complaints about light pollution. By 1996 that number of complaints had increased by a total of 44 per cent.

Mr. McWalter: Does my hon. Friend agree with the Government's response that PPGs could not be simple if they gave specific recognition to this feature?

Dr. Iddon: I am sure that that is probably the case.

In a written answer to a recent parliamentary question on light pollution from my hon. and learned Friend the Member for Dudley, North (Ross Cranston), the Minister for Housing and Planning said:

"The Office of the Deputy Prime Minister's policy on planning control and light pollution has long been that such issues are most appropriately dealt with by: raising awareness by those who buy and procure external lighting of the consequences of badly installed lighting; providing guidance on how those problems might be mitigated; and encouraging more effective use of existing planning powers.

The Office of the Deputy Prime Minister also intends to provide an annex to Planning Policy Statement 23, Planning and Pollution Control, specifically on light pollution. This will send a clear signal to local planning authorities that they should take the issue of light pollution as seriously as they do other types of pollution when considering planning applications." —[*Official Report*, 5 February 2004; Vol. 417, c. 1050W.]

That is an important statement, but clearly the OPDM is not considering making light pollution a statutory nuisance, despite the advice of our Committee. I have a letter about a planning application that was to be determined this Tuesday about the erection of a theme park right next to the Isle of Wight observatory. It is has been rejected once and I hope that it was rejected again on Tuesday. The letter states:

"There appears to have been considerable concern about hedging and noise factors but not about the huge Isle of Wight asset that we [the public] have funded, built and equipped over the years on the dedicated work of a band of volunteers."

A representative of the Vectis Astronomical Society was given just three minutes to state its case to the planning authority. Some local authorities do not get it

Fortunately, the planning control section of the Environment Department at Bolton metro does appear to care. However, despite all its efforts to restrict light pollution, an appeal to the Government against a refused planning application for a golf driving range at Blackrod, in the constituency of my hon. Friend the Member for Bolton West, was successful. It was granted by the Government despite the fact that the planning application was turned down by the local authority.

[Dr. Iddon]

After I sent the report to my local authority, the group planning officer in the planning control section of Bolton metropolitan borough council, Peter Ashby, told me in a letter that light pollution

"is an area which is very much on the fringe of environmental health work, and Bolton may be unusual in its approach".

Environmental health officers are afraid that there will be a dramatic increase in their work if light pollution became a statutory nuisance, but that is surely a measure of how serious the problem has now become.

The assistant director of the highways and engineering section of Bolton MBC, Mr. J.T. Layer, told me that he enjoyed reading the report. He said that that section has moved away from using low-pressure sodium street lights—that is one of our recommendations—and towards using full cut-off lanterns, except where crime rates are considered to be high; there, lanterns that do not provide full cut-off lighting may be used.

The effect of light pollution on nature has already been referred to. We are in danger of losing many species whose biological clocks are now so confused by light pollution at night.

I, too, got the impression that the Ministers who appeared in front of us were bemused that we had invited them to discuss what we thought was a serious problem, but which they obviously did not. My hon. Friend the Minister for School Standards, for example, was enthusiastic about science practical work, but seemed content for children to use an internet link to an Australian telescope in the southern hemisphere to view the night sky. Why should they not be able to see the sky in the northern hemisphere?

I hope that the Ministers who appeared before our Committee are now convinced that light pollution is important and that its consequences are increasingly serious. I hope that they will now take action to reduce the problems.

Anyone who picks up the report will see a beautiful starry sky on the cover; the milky way. Children who are reading the only available GCSE astronomy syllabus are expected to view the milky way using a small telescope, binoculars and the naked eye. In Bolton—indeed, in any urban area—we cannot manage that. The sad thing is that the milky way can now only be observed in 30 per cent. of Britain. I was born in a small village of 3,000 people, and when I was a lad, every time I walked or cycled to or from home, I could view the starry, starry sky and the milky way. Today, that is not possible in that—now much larger—small village.

4.8 pm

Mr. Tom Harris (Glasgow, Cathcart) (Lab): I am grateful for the opportunity to take part in the debate. This is a swan song for me as far as my membership of the Committee is concerned, as my duties elsewhere, particularly in the Northern Ireland Office, mean that I have to resign my membership. I should like to take this opportunity to thank my colleagues on the Committee for their friendliness, support and help over many investigations and not just this one, which is particularly dear to my heart.

I am sure that my hon. Friend the Member for Bolton, South-East (Dr. Iddon) will forgive me if I suggest that, as has already been mentioned, the initial suggestion that we conduct an inquiry into pollution was not embraced wholeheartedly by all Members. However, we hit a nerve, and we all ended the inquiry far more enthused, informed and concerned about the issue that we were when we embarked upon it.

I echo the tribute paid by my hon. Friend the Member for Norwich, North (Dr. Gibson) to Nerys Welfoot, the former second Clerk to the Committee, for the elegance and readability of the report. It stands out as one of the more accessible reports produced by a Select Committee in recent years, and that is largely down to her research and writing skills.

Most of all, I want to pay tribute to a group of constituents who were very helpful to me in the launching of the report. A number of us took part in regional launches of the report, and I launched it from the Glasgow science centre at the beginning of October. I took with me a group of constituents who are all members of primary 5 at Holmlea primary school, along with their teachers, Geraldine Smith and Caroline Deans. I was overwhelmed by the enthusiasm of the pupils.

I had visited Holmlea primary school before the launch date to explain why I wanted the children and their teachers to visit the centre and what the report was about. I asked the children whether they had any questions. Their questions soon left the subject of light pollution and I was asked about planets, stars, comets, meteors, constellations and black holes. I was asked—oddly, and on more than one occasion—how many times Pluto has gone round the sun. I still cannot answer that question, but the pupils seemed keen on receiving an answer to it. At some point, I must undertake research into it.

I was also asked whether humans would still be on the planet if a meteor or comet had not wiped out the dinosaurs 65 million years ago. That is one of the most intelligent questions that I have ever been asked as a Member of Parliament. I had been allocated 15 minutes for questions, but the children would not let the subject—or me—go for at least 45 minutes. I accept that that may have been because a test was looming as soon as I was out of the room. However, seeing how enthusiastic they were to learn about such a subject was incredibly encouraging, although at the same time discouraging for reasons of which we are all too aware.

I want to paraphrase Bob Mizon of the Campaign for Dark Skies, who spoke to us when we visited the Greenwich observatory. What he said really struck home. He said that children were inspired by only two scientific subjects; dinosaurs and space. Whatever Steven Spielberg might say, the dinosaurs are gone, but space is still with us. However, if we continue in the direction that we are going, that may not be so for the purpose of practical observing.

The debate has given us all an opportunity to hark back to our youth. When I was 10 years old, I was taken on holiday to Cornwall by my parents. One night, I went outside the caravan and was astonished to see so many stars. I did not know that so many were visible to the naked eye. It was the first time in my life that I had a clear view of the milky way. Sadly, it was also the last

time. Even the fairly rural part of Scotland in north Ayrshire where I was brought up is not the best place in the country to observe the stars. Now that I live in Glasgow, it is impossible in every sense, including the weather, to view the night sky. It is a matter of deep sadness to me that neither of my two sons will be able to walk out of the back door of our house, look up and see the milky way.

We all know that we are facing a shortage of science teachers, particularly physics teachers. There is also a shortage of students attending university to study science, especially physics. Surely an obvious way in which to hook children at an early age into an interest in science is to show them a star at first hand. What can be more exciting than showing a child a star and saying, "The light from that star left on its journey so long ago that, for all we know, that star might not even exist any more". That is a mind-blowing concept, but it is inspiring. If there is any way of getting children interested in science as a career, it is to inspire them at a young age. That is difficult, when they do not have the practical experience of looking at the night sky.

When the children in primary 5 from Holmlea came with me to the ScottishPower planetarium at the science centre for the launch of the report, they were fascinated by the simulated night sky. I wonder how much more of a thrill it would have been for them if, anywhere within 10 miles of Glasgow's outer limits, they could have seen a similar spectacular scene for real.

Since colleagues at the House of Commons found out about my interest in the matter, I have been the subject of some friendly teasing. After I asked about light pollution at Prime Minister's Question Time last October, my hon. Friend the Member for South Dorset (Jim Knight) approached me with a bar of Galaxy chocolate and assured me that at least I would be able to see that clearly. Some of the ribbing has not been so friendly. One colleague said to me in the Tea Room shortly afterwards, "You are one of those nutters who wants to turn all the street lights out." That is the sort of ill-informed attitude that accompanies the subject every time it is raised. I see no need at all to turn out any street or security light that is essential to safety. That is not the point. However, I do ask that local authorities stop wasting council tax payers' money on lighting that barely illuminates what it is meant to. I understand and accept the argument that street lighting can help combat crime, but unless we have a sudden proliferation of flying burglars, the majority of street lighting is pretty ineffective.

I want to say a few serious words about the Home Office's own research into this area. I have been contacted by Dr. Paul Marchant of Leeds Metropolitan university, who has brought a situation concerning a Home Office research paper to my attention. He raises serious concerns about research study 251, entitled "Effects of improved street lighting on crime: a systematic review". Dr. Marchant told me this week that

"the claim that lighting reduces crime is unfounded. It worries me that the Government response"—

that is, the response to our report—

"still refers to the flawed research."

He added:

"I was very disappointed by the outcome of my alerting the Home Office to the errors in its research. I was originally told that at least a serious health warning would be placed on it. However, it seems that this was overruled and an addendum added (which included my name, as though I agree with it) saying that although the original HORS 251 was in error, the 'new calculations'still show a statistically significant effect for lighting benefit. The new calculations are wrong as well. They do not address important aspects of my original criticism."

I do not seek to address that issue in any detail, but I do argue that the Government should consider that research paper again. If its methodology and conclusions can be shown to be flawed, the Government should not base future policy on it, and they certainly should not use it to justify a response to a Select Committee report, as they seem to have done on this occasion.

On the question of statutory nuisance legislation, the Government will undoubtedly disappoint the Committee, the astronomy community and me. In response to the Committee's recommendation to produce such legislation, the Government said

"We are considering producing an advisory leaflet on the design, installation and maintenance of security lighting."

That means that they might not produce the leaflet; they are considering producing a leaflet but they might not, and if they do, it will only be advisory. We can all rest easy then. It looks as if light pollution is in retreat and we will have perfectly black, clear skies a year from now. In their response, the Government add that in October 2002, DEFRA issued a broad consultation entitled "Living Places—Powers, Rights, Responsibilities". A majority of respondents to the relevant section of the consultation felt that the solution to nuisance lighting was not to regulate.

Let us watch our use of language here. Ministers and I have been arguing for some time that consultation is not a referendum. A majority of responses to a particular point does not mean that the Government are obliged to follow that advice. A referendum is about numbers; a consultation is about the quality, not the quantity, of the response. We have to be very careful about using that kind of justification as an excuse not to take action. Sadly, that seems to be what has happened in that consultation, although I accept that that was DEFRA and not my hon. Friend the Minister who is with us today.

I have some sympathy with the Government's reluctance to legislate every time a group expresses unhappiness with a situation. Yet given that the Government repeatedly agree with our findings in the report, it is incredibly frustrating that they cannot bring themselves to agree with our recommendations. They agree with what we found during the inquiry, but not with most of our recommendations. I find that very discouraging.

The report has contributed to an important debate, but if that is all it achieves, it and the Committee will have failed. We do not want just to contribute to a debate, but to a practical improvement in the situation. I do not believe that anything short of legislation will stop the irresponsible and unnecessary vandalism that is ruining the most outstanding area of natural beauty that anyone has ever seen.

Page 4 of the Government's response says:

"It is recognised, however, that observing in the UK is hampered by weather and light pollution."

We cannot do anything about the weather—at least, not yet—but we can do something about light pollution. Each year, a handful of stars disappears from our night

[Mr. Tom Harris]

sky. That is a tragedy; not just for astronomers, but for every person who believes that it is important to inspire young minds to wonder what is out there.

4.21 pm

Dr. Desmond Turner (Brighton, Kemptown) (Lab): I am grateful to my hon. Friend the Member for Glasgow, Cathcart (Mr. Harris) for persuading the rest of us to undertake this investigation, one of the most pleasurable investigations in which I have ever been involved. It brought us in to contact with the astronomical community, both amateurs and professionals, of the United Kingdom. It was impossible not to be caught up with their infectious enthusiasm for their subject, and quite a lot of that star glitter, or star dust, rubbed off on us all.

Being able to view the skies—or not, as the case may be—is not just an astronomical pleasure, but a matter of basic quality of life. The skies are that important. Light pollution diminishes the quality of life, not just for astronomical observers, but for all of us living in urban environments who have to endure light pollution in our homes and our environment, much of which can be avoided.

The impact of light pollution goes much wider than its effect on astronomers and our environment; it also has an enormous educational effect. The ability to study the skies, as my hon. Friend the Member for Glasgow, Cathcart indicated, is one of the most vital and effective ways of switching on the interests of young children in science. We have an enormous problem in this country; we are not alone, but we are particularly concerned with it here. The supply of young people wishing to go on to study science, engineering or physical science-based subjects in our universities is steadily declining. That will give us desperate problems for our economy in years to come. An interest in astronomy is one of the most effective ways of getting young people hooked on science, and of getting them to stay hooked on it and study it at university. The more we blank out our skies, the more we lose prospective scientists and engineers.

Amateur astronomers make a much bigger contribution than their own simple pleasure. The Government were condescending in their response to our first conclusion and recommendation when they mentioned the small but significant impact of amateur astronomers. Their contribution goes far beyond their observance of astronomical events and phenomena.

There are two aspects on which I would like to focus. The first is the sheer waste of energy. When we visited Greenwich, it was ironic that we could stand at the Royal Observatory and not see a single star. That was incredibly sad. However, we could see the hideous orange glow from Canary Wharf. Huge quantities of energy were being used to illuminate the sky. In the UK, we use approximately a gigawatt at any one time to illuminate the sky. That is all wasted light, and a lot of wasted energy.

The Government have an energy policy, part of which concerns energy conservation. If we saved a gigawatt by stopping light pollution, we would save a lot of energy. I have not calculated the amount of CO_2 emissions that we would remit, but it would be in the order of 1 million tonnes per year, making a valuable contribution to reducing our CO_2 emissions. We cannot afford not to do something about any opportunity to reduce significantly energy waste and CO_2 emissions.

Dr. Iddon: Is my hon. Friend as embarrassed as I am that, after the Netherlands, the UK is the most polluted country in Europe? That underlines the point that he has just made.

Dr. Turner: I am grateful to my hon. Friend for that intervention. He emphasises a point that I would make. We are one of the world's worst light polluters. The UK stands out above all other countries as an intense blob of light on satellite images of the globe, with little differentiation between places. It is far worse than France, Germany or anywhere else. As my hon. Friend pointed out, the only country that gives us any competition is Holland.

Light is a great nuisance. We have referred to security lighting, which is one of the worst nuisances. It can dazzle motorists, making driving unsafe. My hon. Friend the Member for Glasgow, Cathcart can save me from going on at length about Home Office research on the effectiveness of lighting. We saw clear evidence that excessively bright security lighting creates such intense dark shadows next to it that it is more helpful to a burglar than not having security light at all. The burglar can flit through the shadows totally unseen by anybody.

In my constituency there is a large estate that had a bad reputation for crime. Some years ago, before I entered the House, I led a bid in a Home Office competition to fit up the estate with CCTV cameras. I was successful. But the estate is lit with the usual hideous municipal orange low-pressure sodium lighting, and at night, sadly, cameras are extremely ineffective with that type of street lighting. We wasted nearly £200,000 of Home Office money on a system that works very well in the daytime. At night, instead of enabling people to see properly, those lights blind the cameras.

In small areas where we have been able to replace the low-pressure sodium with full cut-off high-pressure sodium lights, it works like a charm. The issue of lighting and security is not simple. Light-polluting security lighting is less secure than no lighting at all.

How can we ameliorate the effects of light pollution? Technically, we know how to do it; it is relatively straightforward and, without any prompting, the Highways Agency has admirably shown the way forward. All the major new road developments have been lit with full cut-off, high-pressure sodium lighting, which eliminates the upward light that comes directly from the luminaires. Driving along roads with high-pressure sodium lighting is much easier on the eye and one can see better than with low-pressure sodium lighting. The agency also has a programme of steadily replacing other lighting as it reaches the end of its useful life.

The Highways Agency has shown how it can be done; I want the Government to follow suit and to do something about it. The Institution of Lighting Engineers has set out clear guidance on how to design and install lighting appliances that will not cause light pollution, will save energy and will provide more effective illumination of the ground that one wants to light.

How will we put that guidance into practice and get it adopted? There are clear precedents; first, there is planning guidance. It is not unduly complicated to issue planning guidance to local authorities specifying that local authorities should be able to insist on the use of appropriately designed and approved lighting appliances that are installed in the proper manner. That is not difficult; the knowledge is all there.

Dr. Iddon: What my hon. Friend says is greatly endorsed by the evidence from Mr. Peter Lummis, the lighting engineer at Huntingdonshire district council. He says, on page 38 of the report, that joined-up local government is necessary and points out that he works closely with the other departments, especially the planning department.

Dr. Turner: Again, I thank my hon. Friend, who makes a valid point. Joined-up thinking should start with the Government; if they issue clear guidance we can reasonably expect local authorities to follow through and apply it. The really good thing about it—I hope the Minister will take note—is that it does not need to cost the Government, or local authorities, anything. It does not even need to cost developers anything. It is simply about choosing the right appliances and installing them sensibly. That is what it involves; it is not at all a significantly costly exercise. However, the benefits to be derived from it will be enormous. That is what the Government can do and we hope that local authorities will follow.

Another thing we can do, without significant cost, is to treat light intrusion—light trespass—in the same way as we treat noise trespass. There is clear legislation on excessive noise and mechanisms for enforcing it through local authority environmental health officers. There is nothing to stop us constructing a similar mechanism for light trespass. It is easily demonstrated; it does not require sophisticated instruments to measure it and the legislation could be enforced in the same way as noise abatement notices.

There are two simple legislative ways of approaching the matter. If the Government really accept our conclusions in our light pollution report, it is encumbent on them not to flap around in their response and worry about the details and how we measure this or that. That is not a serious problem. We know enough about it to simply get on and do it.

4.35 pm

Mr. Andrew Dismore (Hendon) (Lab): I arise with some diffidence, as I am not a Select Committee member, but it is important that MPs who are not members of Select Committees participate in debates on their reports, which otherwise would end up as reruns of previous debates. Also, I confess that I am not much of a scientist. My qualifications amount to grade 5 O-level physics—that is about it—but I have an interest in this subject.

The Select Committee seems to be doing a lot of good in my constituency, which hosts a number of scientific institutions. This is the second time in recent months that it has helped me out—previously in relation to the National Institute for Medical Research and, more importantly, on this occasion in relation to the university of London observatory, which is based in Mill Hill in my constituency. To my shame, I did not know about the report until I saw this debate mentioned on today's Order Paper.

In introducing the debate, my hon. Friend the Member for Norwich, North (Dr. Gibson) said that children of 10 or more could be inspired to look at the stars and become engaged with astronomy. I confess that I am a 40-something who came to the subject relatively late in the day, primarily as a result of being a guest of Professor Mike Dworetsky, the director of the university of London observatory, who invited me to visit him one evening. After watching the rings of Saturn through an optical telescope, I was hooked.

I am pleased to say that the university offers open days to the local community during which people can observe the night skies through telescopes. Last March, I attended an open day with a number of constituents and had a great evening looking at the moon. It is amazing how much detail can be seen on the moon if the telescope is pointed in the right direction. Much as I would like a telescope for a Christmas present, like my hon. Friend the Member for Hemel Hempstead (Mr. McWalter), it would do me little good unless it was a big one, as the prospects of seeing anything at all from my constituency, certainly from where my flat is, are limited because of the problems of light pollution.

My hon. Friend the Member for Bolton, South-East (Dr. Iddon) said that he likes to come down the M1 because it is a well-lit road. That motorway goes through my constituency some 400 yd or so away from the university. Indirectly, he is contributing to the light pollution from which the observatory may suffer.

A lot of the key issues have been raised in this debate. I am struck by how little can be done when light pollution arrives or is threatened. I got involved with this subject at the instigation of Professor Dworetsky when he complained to me about the street lights on the A41, one of the major trunk roads going through my constituency. The observatory is on the A41, set back only 10 or 15 yd from that road. Although there was a lot of good will from the Highways Agency, the road was later taken over by Transport for London when the Greater London authority was set up and it took us four and a half years to get the authority to change the street lighting. It tried all sorts of gadgets to make the light pollution shine down instead of up, but in the end it had to change the light fittings. That happened eventually, through its good will, but it took me four and a half years of arguing to achieve it. I do not know how many years the university had tried to get something done before I was elected, without, I understand, the assistance of my predecessor. That is the problem—there is no obligation to act, so we rely on good faith.

Nothing can be done about security lights—again, we rely on good faith. There is a counter-intuitive argument that people are much more likely to want security lights in areas that are particularly dark. The big houses in the area surrounding the observatory are likely to have security lights in the back gardens. On one visit, I was shown security lights that were effectively negating much of the work that the university wanted to do. In the end, we were able to persuade to occupier, again through good will, to adjust the lights in their back garden so they did not simply illuminate the undersides of the passing aircraft, but instead might achieve their

[Mr. Andrew Dismore]

objective of catching or deterring burglars by shining down into the garden. The fact remains that the change was made only as a matter of good faith.

I contacted Professor Dworetsky yesterday, and he made several key points to me. He said that the abolition of light pollution is an issue not just of astronomy, but of energy conservation, as my hon. Friend the Member for Brighton, Kemptown (Dr. Turner) said earlier, as well as of privacy and security. I find it staggering that there is no legal recourse if light from another property, whether it is public or private, is disturbing someone else. I have been told that the United States has a law to deal with light trespass, but that we have no similar provision in the UK.

My hon. Friend was right to compare light pollution to noise pollution. We have taken strong steps to deal with noise pollution, ratcheting up the law as each measure failed to achieve a great deal. We now have pretty tough laws relating to noise, and if the local authority is prepared to make the effort to deal with a problem, a lot can be done to address the disturbance of people's sleep, privacy and way of life.

Mr. Key: Of course, there is a much simpler answer to the problem. People do not need to go to law. The simplest answer is to ask their neighbour to turn the light down. I have done that with the excellent pub opposite my house in Salisbury, whose staff discovered that one of their floodlights was redundant. Soon after Christmas, when they put up another that was elevated incorrectly, I simply popped over at dawn the following morning and turned it down.

Mr. Dismore: The hon. Gentleman makes an important point and confirms what I said earlier—any change relies on good will. The same is true with noise. I am occasionally plagued by noise from neighbours, as we all are from time to time. If my current neighbours make too much noise, they are happy to turn it down when I ask them to, unlike their predecessors who liked to play the piano at 4 o'clock in the morning. My only option would have been to call out the council, but by the time that officers had arrived, there would not have been much chance of a night's sleep.

The hon. Gentleman is right. I gave the example of neighbours of the observatory who were prepared to act. However, this is a question of good will, so what happens when the neighbour is not prepared to help? The person involved is stuck, because the local authority has no power to act. Professor Dworetsky and the Select Committee are right to draw attention to the need for some planning guidance for such developments, whether they are small-scale security lights or large shopping or sports centres. Indeed, I saw that an amateur astronomer from Finchley commented in evidence to the Select Committee on the impact that one of the sports centres in my constituency had had. However, the university observatory seems to have come to terms with that and is putting up with it.

Provisions are needed to deal with the problem. Professor Dworetsky made the important point that we are now well into the second generation in Britain who have never seen the night sky without interference from light pollution and that the position is getting worse, not better. I can do little better than quote from the evidence. Believe it or not, Sir Nicholas, this lengthy submission comes from the Macclesfield Astronomical Society, which concluded its evidence with a short poem called "Starlight Lost":

"Open your eyes to the nascent glow,
Watch as it starts on the horizon low.
As twilight deepens, the lights they come,
Another ton of coal's job is done.
Deep in country the celestial show delights,
'Tis only a dream of longing suburbanites.
Youngsters wonder of Milky Way lost,
The old man knows how much the cost.
Cruel fixtures that light the night,
Stealing the stars from our sight.
Comets die, northern lights disappear,
We have lost what we once held so dear."

Those lines are described thus:

"Thoughts from an anonymous starlight-starved astronomer."

I presume that that is not you, Sir Nicholas, but I believe that that person is probably one of your constituents.

4.44 pm

Brian White (Milton Keynes, North-East) (Lab): Like my hon. Friend the Member for Hendon (Mr. Dismore), I am not a member of the Select Committee, but I congratulate it on the serious way in which it has tackled the subject and on the recommendations it has made.

I want to touch on a planning issue. About 10 years ago, when I was a councillor in Milton Keynes, the light pollution that the new city was causing was brought to our attention. One of the things that we tried to do was put caps on the lights to direct the lighting differently. Obviously, that has not worked, so the Select Committee has come up with other suggestions. I also get constituency casework on light pollution, which is a matter that other hon. Members have referred to.

The planning guidance that the Select Committee asked for is directed primarily at local authorities. However, guidance also needs to be directed at others, such as the planning inspectorate. Guidance must be given to public inquiries. If any of those involved does not take the issue of planning policy guidance seriously, planning authorities will not achieve their objectives.

Even more importantly, the Government have agencies that could do a lot to tackle the problem. I have in mind two agencies in particular. The first is the Highways Agency, to which my hon. Friend the Member for Brighton, Kemptown (Dr. Turner) referred. The other is English Partnerships, which is the direct responsibility of the Office of the Deputy Prime Minister. That agency is involved in regeneration work and in the sustainable communities plans, introduced by the Government. As those plans develop, English Partnerships, as a driver, could introduce requirements to tackle light pollution. That requires the involvement of the planning guidance of local authorities, and English Partnerships could do the work if the Government were to raise the priority of light pollution for the agency.

I ask the Minister to take on board the issues that have been raised today and to instruct English Partnerships to take light pollution seriously as it builds new communities. That could make a major difference in many areas, such as the Thames gateway and Stansted, as new housing is built. We do not have to repeat the mistakes that we have made in building other housing.

4.47 pm

Dr. John Pugh (Southport) (LD): I congratulate the Committee on producing a learned and relevant report—it is, one might say, of cosmic significance. I am pleased to be speaking surrounded, as I am, by such scientific luminaries—although I am not sure that "luminaries" is quite the right word for this debate. My contribution will be brief but methodical, as we do not want to let the Minister off the hook.

As I grasp the issue, light pollution is the brightening of the night sky due to the scattering of artificial light by particles—chiefly dust and water—in the atmosphere. The main culprit is badly designed and misdirected lighting, and the argument against that is powerful. There is the strong economic argument that we are wasting 50 per cent. of electricity as well as the emotive argument that everybody should have the right to see the night sky in its natural form. As a philosopher, I do not know how I would defend the latter argument, but I am sure that it is true for most people. The hon. Member for Hemel Hempstead (Mr. McWalter) quoted Kant; I could quote back Pascal, who found that immensity of the heavens rather frightening and disturbing. He might be pleased about the phenomenon of light pollution.

There are other considerations, which have been alluded to by Members. First, security lighting is not always security lighting, as it provides little dips where people can hide and skulk because the lighting is simply too bright. It also creates a haze behind it.

A strong argument that I warm to relates to the effect on education in inspiring future generations of scientists. Space inspires the imagination. Astronomy is taught in the national curriculum at GCSE and as a module at A2 level. As the Minister for School Standards says, we have marvellous modern facilities, such as the capacity via the internet to relate through the Liverpool telescope to Hawaii, but any teacher worth their salt will want their pupils to experiment for themselves. A pair of binoculars trained to the night sky can be as valid a teaching aid as anything seen over the internet.

The Select Committee were right to point out the fact that if nothing is done the situation will get worse. That is an unquestionable thesis. Guidelines and advice are simply not enough to change affairs, and clear and definite strategies are available. Many of those have been mentioned—for example, emphasis on energy-efficient, low-intensity illumination; planning applications that take into account lighting design; design standards, such as Kite marking, that avoid unnecessary high wattage lighting; and some attack on or other approach to unnecessary all-night shop advertising and displays, such as the illumination of Canary wharf. How local authorities perform must be looked at. Where they have been effective and there has been negligible spill above the horizontal, there has been a sharp diminution in light pollution.

The Select Committee wants the Government to go further by making obtrusive light a statutory nuisance. I can understand there being some reservations on that score, but I cannot understand there being many reservations about new and effective planning and guidance. Indeed, perhaps there should be more than that; perhaps there should be regulation. After all, for many other forms of pollution—water pollution, air pollution—we would not be content with guidance. We would want regulation.

Mr. McWalter: Does the hon. Gentleman share the Government's aspiration to have so-called simple guidelines? I presume that simple guidelines are ones that exclude a lot of things that are currently included. It appears that there is a view that any real reference to light pollution could be a casualty of that process of simplification.

Dr. Pugh: I agree with the hon. Gentleman, but I think we both agree that what the Select Committee is asking for can, in part, be done—and has been done. The example of the Czech Republic, mentioned in the report, shows what can be achieved by a Government who do not have anything like the resources and capacity of our Government.

The Government's responses fall into the limp-wristed category. The Committee concluded that the Government failed to take seriously the energy waste and "disquiet and annoyance" caused by light pollution. The Government do not respond directly to that. They simply say that they are already committed to various energy-saving programmes and to raising awareness. The Committee concluded that significant energy savings could be made in the area of security lighting. The Government response does not address that directly, but hints at future research by the Department for Environment, Food and Rural Affairs. The Committee concludes that curfews should be imposed on lighting sports facilities, car parks and so forth. The Government say that they intend to rely on guidelines. I ask again whether they would rely on guidelines in the case of other pollution. I suspect not.

The Committee concluded that a new policy guidance document on light pollution is needed. The Government simply say that they will update their advice on the desirability of minimising light pollution. The Committee also concluded that, locally and nationally, authorities should be moving towards better-controlled light sources. Again, the Government are willing to rely on published guidelines. Nothing much is said on the recommendation with regard to rural areas and national parks.

The Government say in many areas that they are considering the best way to tackle the issue, but the language is similar all the way through. Why do they find it impossible to consider seriously the more robust approach adopted by the Czech Republic?

The Government are very good at endorsing the Committee's observations, and perhaps at agreeing to some extent with its evidence, but they do not appear to recognise the fact that the Committee has identified a problem and that they have to devise the solution.

4.54 pm

Bob Spink (Castle Point) (Con): Science is wonderful in itself. It is also necessary to society. It is not the source of our troubles; it is the solution to our problems—problems such as improving health care and defeating disease, driving up our quality of life, and tackling global issues such as poverty and climate change. In all those areas and many more, science will deliver the solutions. That is why I was pleased to be asked to speak from the Front Bench in this important debate on light pollution and astronomy.

I also wear another hat. I am a member of the Science and Technology Committee, whose work is under scrutiny here. I am known as one of its more gentle, and less adversarial and controversial, members, particularly when it comes to examining witnesses on science matters. If occasionally I get a little excited, that is because science really does matter. Let me explore my theme of the importance of science. We must ensure that young people are fascinated and excited by science, their environment, their very genesis and therefore by their universe. Their imagination must be stirred, so that they choose the science and maths options, as the hon. Member for Glasgow, Cathcart (Mr. Harris) informed us, and so that the very best students are attracted to the sciences rather than those lesser, superficially more attractive professions. I shall not list them now in case there are any lawyers in the building.

We must go forward to tackle the arch problems of society and of the world. What better instrument do we have to kindle in youngsters the delicate flames of an interest in real science than our own night sky in all its glory, with all its magnificent mystery? When time and science fail to inspire, the world will be a lesser place. The very hub of the debate is the fact that light pollution at best blurs, and at worst destroys, our children's source of inspiration—this beauty, this night sky.

Einstein said that the most incomprehensible thing about the universe is that it is comprehensible, but light pollution removes an awareness of the universe and its potential to inspire. However, the Government pay more attention to leylandii nuisance than to the blighting of our night sky by light pollution. They do so simply out of blind ignorance: they could not see, so they did not understand. I sincerely congratulate the Science and Technology Committee on reminding us all—including the Government—of better things and of higher orders and callings, and on lifting our eyes above mundane horizons. I charge the Government with failing in their responsibility even to recognise the challenge, let alone seek solutions.

We have had an excellent debate—one of the best of its kind that I have attended. Given the calibre of scientists and MPs on the Science and Technology Committee—and those not on the Committee who are here—that is no surprise. My hon. Friend the Member for Salisbury (Mr. Key) spoke wisely about how each individual can and should make a difference. The hon. Member for Hemel Hempstead (Mr. McWalter) chastised the Government, as most speakers did, for failing even to understand the rate of increase in light pollution. He spoke movingly of the most beautiful sight in the universe, our night sky, and with sadness about the institutional vandalism of it. His was an outstanding contribution in an outstanding debate. The hon. Member for Bolton, South-East (Dr. Iddon) told us that the milky way is inaccessible for 70 per cent. of Britain. I shall refer to the milky way in a moment.

The hon. Member for Brighton, Kemptown (Dr. Turner) referred with incredulity to the sheer waste of energy due to light pollution as well as the important contribution to reducing carbon emissions and saving our environment that a cut in pollution could make. He told us that he had stood at the Royal observatory at Greenwich at night but could not see a single star in the sky.

The hon. Member for Southport (Dr. Pugh) also spoke wisely—I rarely say that about a Liberal spokesman—and I agree with much of what he said. I thank him for his contribution. I particularly agree with him that if nothing is done, light pollution will simply get worse. One after another, hon. Members explained more eloquently than I ever could the importance of light pollution and its impact on astronomy, particularly on amateur research, from which massively important and original knowledge is still derived by society for the benefit of us all. Indeed, the Government's comments on amateur astronomers were churlish. Those comments fell short of even common courtesy and demonstrated the Government's ignorance in this matter. I call on the Minister, who is a good cove, to correct that today. That is the first of five things that I shall ask her to do. In an excellent opening speech, the Select Committee Chairman, the hon. Member for Norwich, North (Dr. Gibson), described her as a star.

Hon. Members have pointed out the lack of any cohesive rationale from the Government, as exemplified by their initial failure even to decide whether the Department for Environment, Food and Rural Affairs or the Office of the Deputy Prime Minister should field this debate. The result is, as it happens, fortuitous. It has delivered to us a most excellent Minister to take messages back into the bowels of government, not least the message that those Departments should work together to tackle the problem of light pollution. My second request is for her to confirm that working together will be the Government's paradigm for tackling light pollution.

On a more positive note, I feel it in my water—unlike some hon. Members who spoke—that the Government are now predisposed to include light pollution as a statutory nuisance. I understand the constraints on announcing that formally today, as DEFRA is still awaiting the findings of consultation. However, my third request is for the Minister, lovely lady that she indubitably is, to give us a steer on whether light pollution as a statutory nuisance will be a runner. Just a nod and a wink will do—that would light up our eyes like the warm evening sky.

I shall now deal with local government awareness of the problem of light pollution. Will this most excellent Minister, who looks more relaxed and generous by the word, ensure that the Government give local authorities clear and unequivocal guidance on light pollution and follow that up with an assessment of how well such guidance is being followed? My penultimate request is quite simple and small. It echoes the demands of the Campaign to Protect Rural England, which launched the "Night Blight!" campaign with the aim of reducing light pollution. In the words of the CPRE, the campaign

"aims to raise awareness to the effects of light pollution and its damage to the character of the countryside by discussing the extent of light pollution, lighting laws, and the effects of poor lighting. It proposes ways for Government, local authorities and private parties to reduce light pollution."

The CPRE calls on the Government to update their "Lighting in the Countryside" guidance. I am sure that the Minister will want to respond positively to that sensible and reasonable request, if not today, then in due course.

The picture from the Royal observatory at Greenwich on the front cover of the Committee's report shows two galaxies colliding. They are 420 million light years from earth and are seen against a backcloth of galaxies so distant that the light from them has taken nine tenths of the total age of the universe even to reach our eyes. Yet some invisible local authority or Highways Agency bureaucrat, with the inspiration of a marker pen and the impunity that only ignorance can bring, shines his light up into the sky, so that our children will never view the stars in awe and wonder, as is their birthright.

The milky way is still visible at the right time and from the right place. It has just gobbled up a tiny dwarf galaxy of a mere 1 billion stars and is now drawing in, under the unimaginable power of its gravitational field, the Canis Major galaxy. It is preparing to dismember and cannibalise it for generations to come and see, but our children cannot see the milky way, so they do not know, they do not wonder and therefore they do not care.

Mr. Key: Given the excellence of my hon. Friend's speech, the common sense that he is talking and the happy coincidence that he also made an excellent contribution to the report, can he now commit the Opposition, from his position on the Conservative Front Bench, to fulfil all the recommendations of the Committee's report?

Bob Spink: I can always rely on my hon. Friend to make an interesting and lively contribution. The answer is that the Opposition are reviewing their policy on the matter and will no doubt, in the fullness of time, make that policy clear in their manifesto prior to the next election.

UNESCO has declared 2005 the international year of physics to celebrate the centenary of Albert Einstein's work. My fifth and final request to the Minister is to mark that initiative by acknowledging the scope and importance of light pollution and by accepting the Particle Physics and Astronomy Research Council's offer to advise Departments on the benefits of reducing light pollution. By those means we may inspire our children and raise our sights from the ground to the unspeakable poetry of our beautiful night skies.

Sir Nicholas Winterton (in the Chair): Reflecting the flamboyance of the hon. Member for Castle Point (Bob Spink) and speaking on behalf of all hon. Members, I ask the light of our lives, the Minister, to respond to the debate.

5.7pm

The Parliamentary Under-Secretary of State, Office of the Deputy Prime Minister (Yvette Cooper): Thank you, Sir Nicholas. I fear that I cannot possibly sparkle enough to live up to what has been said in the debate. I congratulate the Committee on producing such an interesting report, which has increased momentum on an issue that was already attracting public interest.

Today's debate has been surprisingly poetic and eloquent compared with many that I attend in Westminster Hall. I will not pretend to be an expert on astronomy, but I remember going to the planetarium at the age of about nine and being overwhelmed by the wonderful chance to see the stars, which cannot be seen when looking into the sky from central London. Hon. Members have made a series of important points, and I look forward to the determined negotiations over the next few months between the hon. Member for Castle Point (Bob Spink) and his Front Benchers on the nature of Conservative policy.

My hon. Friend the Member for Norwich, North (Dr. Gibson) set out the overview of the report. He quoted evidence suggesting that some of our responses were "Yes, Minister" replies without the jokes. I will not attempt to put the jokes back in, but I can say that, given the wide-ranging nature of the report, we have had to draw on help from officials from many Departments to respond today. In fact, there were not enough seats for them all and they have had to scurry to and fro to pass me notes. I do not think that so many officials have attended a Westminster Hall debate before. The Committee should take that as tribute to its work and proof of the Government's determination to respond to the points raised.

The hon. Member for Salisbury (Mr. Key) raised issues about air travel. I will not attempt to go beyond light pollution to discuss the broader issues, which he rightly mentioned, of vapour trails and so on. I know that the aviation White Paper looks at aviation in the context of sustainable development. I will not attempt also to address some of his broader points here, but I will try to respond to some points that hon. Members have made, which covered some common themes.

We all recognise the fact that there is a series of tensions around light pollution. People in the cities will never have the same view of the night sky as one can get in the middle of Dartmoor, for example. There are considerable safety benefits to lighting much-used roads, even though the consequence may be a river of light threading through the countryside. Although the Committee questioned the link between light and crime, and the type of security lighting that can be installed, for many of us walking along darkened streets, the lack of light and shadows where we feel unsafe can contribute to our fear of crime.

There can be tensions too at neighbourhood level between the security-obsessed householder who has glaring white security lights stuck to every corner of the house, which flicker on every time a little bird flies past or the cat runs across the garden, and the neighbour who, like my hon. Friend the Member for Hemel Hempstead (Mr. McWalter), has a telescope and cannot see across the garden, let alone into the skies.

Dr. Pugh: I should preface my intervention by making a confession—I have one of those lights on my house.

[Dr. Pugh]

Cannot that tension be exaggerated? The issue is not whether to have light, but the direction in which the light shines and the wattage.

Yvette Cooper: The hon. Gentleman is right. Like him, I confess to having one of those lights, although it never seems to come on at all and so I am not sure what purpose it serves. The Committee is right that just because we care about safety and economic growth, and about the rights of individuals and companies to have some control over their property, we should not simply accept all light pollution and every kind of lighting, wherever it shines. That is the important issue raised by the Select Committee's report.

The Committee raised particular concerns that I want to address in some detail. The first relates to the planning system, which can have a considerable impact on new developments. The second relates to statutory nuisance, where we are talking about lights in developments that are already in place. Many hon. Members expressed concern that local authorities are not taking the issue sufficiently seriously. The Campaign to Protect Rural England's "Night Blight!" report includes a survey showing that 39 per cent. of district and unitary councils contacted had a specific light pollution policy in their local plan. There are clearly examples of local authorities taking this seriously.

The policy of the London borough of Sutton says that

"development proposals involving the use of external lighting and floodlighting will only be permitted where there is no unduly adverse impact from increased levels of light pollution on the environment or on the amenities of neighbouring occupiers."

The emerging unitary development plan for Westminster city council includes a policy to attach specific conditions to developments to reduce glare, reduce upward light spill and improve energy efficiency.

The attention that local authorities pay to the issue varies widely across the country. That is why we think that we need new planning guidance specifically on light pollution. The intention is to set out guidance as an annexe to planning policy statement 23 on planning and pollution control, which was referred to by my hon. Friend the Member for Bolton, South-East (Dr. Iddon). We intend to send a clear signal to local planning authorities that they should take the issue of light pollution as seriously as other types of pollution when they consider planning applications and when they draw up development plan documents. To clarify, that means that the annexes have the same status as the rest of the planning policy statement, and they are material considerations in individual planning applications as well as in the development of plans in the first place.

Clearly, there will need to be consultation. We are not yet clear on the timetable for all the planning policy guidance revisions. We are reviewing that at the moment, because, given the number of planning policy guidance statements that the Department is examining, there are pressures on resources. We intend to consult stakeholders, but our current approach is that every local authority should have development plan policies on external lighting. We will also cover the issues involving planning conditions and their potential use to mitigate the adverse effect of lighting. Planning conditions can be an important mechanism for local authorities to influence the design of lighting installations. That provides considerable potential for addressing problems and concerns raised about new developments.

Brian White: There are regional planning guidance and public examinations going on at the moment. Will the inspectors carrying out those public examinations be made aware of what the Department is thinking of doing?

Yvette Cooper: I will discuss that issue within the Department. I was about to respond to my hon. Friend, because he specifically raised his concerns about the growth areas and ensuring that those considerations are taken into account. We intend to ensure that they are taken into account wherever there is new development; that seems to be a central part of the sustainability approach that we are taking across the board.

We must bear in mind the time scales that we are operating on, the parallel timetables that we are examining in terms of the revision of planning policy statement 23 and also the parallel process that my hon. Friend rightly says is going on at the regional level and in the growth areas. I will raise the concerns that he has mentioned within the Department and also with English Partnerships, because he has made an important point.

The planning system is less able to help where there are existing developments and existing lighting, whether we are talking about the public or the private sector.

Dr. Pugh: It has just crossed my mind that people have complained about the upward lighting of Canary wharf and its brightness. We could also talk about the fact that the lighting of the House of Commons is also extraordinarily bright. In terms of planning guidance, is there any thinking in the Department that there should be differentiation between the illumination of what one might call heritage buildings and commercial ones?

Yvette Cooper: That is a matter that we would want to consider and debate as part of the consultation. It is not something that I could talk about in any detail at this stage. We should not ignore the impact that beautiful lighting can have, not just on our historic buildings. If one walks between Lambeth bridge and Vauxhall bridge on the south side of the river, one can see some of those little up-lighters underneath the trees, which look very pretty. People will have different views on the impact that different lights can have on visual amenities; that needs to be taken into account. When people talk about recognising the beauty of the environment, the sky and so on, ultimately, many points that they make are about recognising the broader issues involving our physical environment and our quality of life. We must remember that people take different views on such issues.

I want to discuss some of what might be done on existing lighting. Hon. Members and the Select Committee report have commented on the work of the Highways Agency on addressing light pollution where the lights are already in place. Steady progress is being made in replacing low-pressure sodium lighting with

better-controlled light sources. The Highways Agency has been working with local authorities to spread good practice in that respect.

We must be realistic, as there are constraints on resources for local authorities. Wherever it is possible to replace existing lighting, we should do more to ensure that light pollution issues are addressed and to make the most of new technology. We are doing more to ensure that more money is available for local authorities to replace their lighting, including that which is available through the private finance initiative process.

My hon. Friend the Member for Hendon (Mr. Dismore) and other hon. Members asked whether light pollution should be treated as a statutory nuisance. The Department for Environment, Food and Rural Affairs consulted on this issue for "Living Places: Powers, Rights and Responsibilities", which included asking whether the Government should introduce new regulations on the positioning of external lighting other than street lighting and whether light pollution should be treated under statutory nuisance legislation as similar to noise. The Department also asked how light pollution might be measured as part of the process. The debate on the issue is continuing, but DEFRA has yet to respond to the detailed consultation.

The hon. Member for Castle Point asked me for a nod or a wink, but unfortunately it is not possible for me to offer a nod, a wink, a cheeky grin or even a discouraging frown on behalf of another Department. I shall refrain from doing so and he will have to wait for the response.

My hon. Friend the Member for Glasgow, Cathcart (Mr. Harris) asked how we should respond to the consultation. He is clearly right that we must consider not simply the number of responses that the Department receives. However, it is also right for the Department to take account of a wide range of views that might be put forward and to recognise that many different opinions are being advanced.

Mr. Harris: Does my hon. Friend understand the anxiety of members and ex-members of the Committee, who fear what DEFRA will say when it finally announces its response to the consultation? The Government's response to our report states:

"The majority of respondents to this section of the consultation, felt that the solution to nuisance lighting was not to regulate".

Also, does she understand why some of us think that that form of words shows that when DEFRA finally announces its response it will not be to our liking?

Yvette Cooper: I understand my hon. Friend's concerns, but I ask him to wait for DEFRA's final response. Any discussion on new regulations needs to consider the balance of interests—as well as the benefits and costs, whether large or small—for those who own the lights, if the issue is treated as a statutory nuisance. Inevitably, those things have to be taken into account. Equally, when there is a consultation, it is open to hon. Members with strong views to make representations to Ministers at DEFRA. I will ensure that they are aware of the strong concerns that hon. Members have raised today.

Dr. Turner: Does the Minister agree that it is difficult to understand how anyone could be disadvantaged if the Government were to legislate to make light pollution a statutory nuisance?

Yvette Cooper: That would have to be considered as part of the consultation response. A regulatory impact assessment is needed whenever such new regulation is considered. For example, if someone's lights are causing huge nuisance to a neighbour but they could be swivelled in another direction, it is hard to understand how anyone would be harmed by that. However, if a set of lights needed to be replaced, that would obviously impose costs on people. Such matters would need to be taken into account.

Hon. Members have said that this matter needs to be treated as a nuisance. My hon. Friend the Member for Hendon said that, in fact, it took some time for noise nuisance to be dealt with effectively and that there was a process of raising awareness and of changing views on such nuisance. The Government have consulted on such matters and are considering the responses. DEFRA will respond in due course.

The Select Committee report has raised a wide range of issues. Several hon. Members have said that the Government have been too dismissive of their argument, but I assure them that that is not the case. I ask them, in return, not to be too dismissive of the Government's response and their considerations. Planning guidance has considerable potential to impact on developments. It takes time to revise planning guidance, but I hope that hon. Members contribute to the consultation process.

DEFRA is consulting on statutory nuisance issues and I will ensure that the views of hon. Members are fed into that process. My hon. Friend the Member for Glasgow, Cathcart needs to be congratulated on initiating much of the debate. He said that he wanted not only to raise awareness, but to deliver change. He is right, but we should not underestimate the impact that raising awareness can have.

I think back, Sir Nicholas, to the Select Committee report on child birth in which you were involved many years ago. It was a classic example of a report that had a considerable impact in its day. It was picked up with surprising enthusiasm by many people. It had a long-term impact not only on Government policy, but on practice throughout the national health service and on the changes that took place at the time. I do not underestimate the impact that Select Committee reports can have, not only in the short term during which Governments respond to them, but in raising awareness over the long term.

This issue causes tensions over what can be delivered over different time scales. People are becoming increasingly interested in it and want to talk about it, although perhaps not so eloquently as many hon. Members have done this afternoon. We have had an important debate and I commend the Select Committee for raising such an interesting issue in its report.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Five o'clock.